



# Prince William County Schools Supplemental Plan

At Prince William County Public Schools (PWCS), we want you to enjoy your retirement. That's why the PWCS Supplemental Retirement Plan (also known as the 403(b) plan) has been designed to provide you with investment choices and flexibility to create a savings strategy that's right for you. You can contribute pretax or Roth (after-tax) dollars automatically by convenient payroll deduction. Read on for more highlights of the PWCS Supplemental Retirement Plan.

## Eligibility

All employees are eligible to participate in the plan through salary deferral contributions.

## Your contributions

Contribution elections must be a percentage of your salary (whole numbers only). Your contributions may be pretax, Roth, or both, up to the IRS maximum.

## Employer contributions

PWCS may make discretionary employer matching contributions to all full-time and part-time employees who have completed at least one year of service. The discretionary match will be made on the first 2%.

Employer matching contribution (percentage of employee salary)		
Completed years of service	Employee contributes 1%	Employee contributes >2%
< 1 year	0%	0%
> 1 year but < 3	0.15%	0.30%
> 3 years but < 5	0.25%	0.50%
> 5 years but < 10	0.50%	1%
> 10 years but < 15	0.75%	1.50%
> 15 years	1%	2%

Substitute teachers, temporary employees, and employees in the Retirement Opportunity Program (ROP) aren't eligible to receive employer matching contributions. Eligible employees may receive an annual maximum of \$3,614 in matched funds.

## Fees

The recordkeeping and administration fee is 0.03% per quarter (0.12% per year). In addition, each fund contains its own expense ratio charged by the portfolio manager.

Contributions to mutual funds in the plan lineup are made at net asset value (NAV). There are no front-end sales charges.

## Stopping or changing contributions

You can change your contribution amount or discontinue your contributions at any time. Any changes to your contribution elections will be processed as soon as administratively possible. If you wish to contribute more than 50% of your pay, please contact your Lincoln Financial representative, who must review and approve your contribution rate before it can take effect.

## Vesting

You're always 100% vested in your own contributions and in contributions made by PWCS.

## Account consolidation

Your PWCS 403(b) plan can accept rollovers from other qualified retirement plans, such as 401(k), 403(b), 457(b) governmental, pretax Individual Retirement Accounts (IRAs), and others. Please contact the Lincoln retirement consultant assigned to your location for assistance with the process. Check with your former plan provider to determine if there are expenses associated with this transaction.

## Loans

Although the plan is intended to help you put aside money for your future, you can borrow from your pretax account balance. The minimum loan amount is \$2,500, and the maximum is the lesser of (1) \$50,000 reduced by the excess (if any) of the highest outstanding loan balance in the last 12 months or (2) 50% of the vested balance reduced by the outstanding balance of all loans. Loans must be paid within five years (except for residential loans, which must be paid within 10 years), and participants may have up to two outstanding loans at any given time.

## Distribution options

You can withdraw money from your account when one of the following events occurs:

- Attainment of age 59½
- Death
- Total and permanent disability as defined by Social Security
- Severance from employment
- Financial hardship from pretax, employee deferrals, rollovers, and contract exchanges only
- Retirement

Upon retirement, you have several distribution options to choose from, including:

- Partial withdrawals
- Systematic withdrawals
- Annuity payout
- Lump sum

Required minimum distributions (RMDs) can be deferred until April 1 of the calendar year following the year in which you are retired and at least:

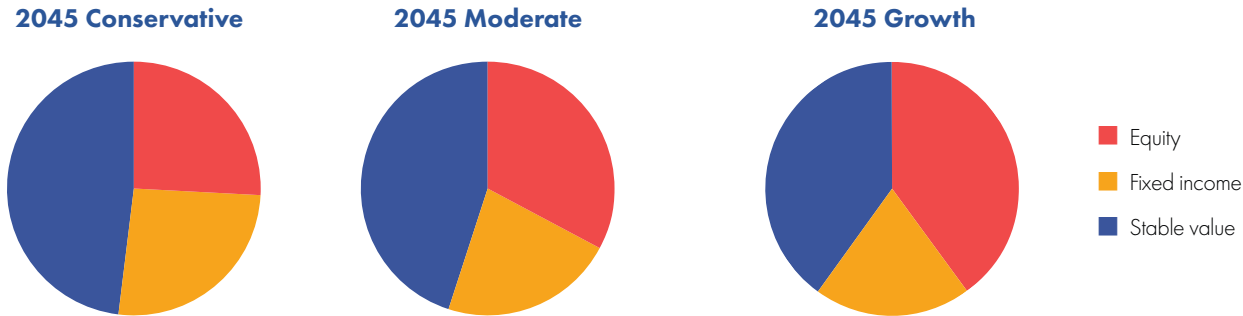
- Age 70½ (if born before July 1, 1949)
- Age 72 (if born after June 30, 1949, and before 1951)
- Age 73 (if born between 1951 and 1959)
- Age 75 (if born in 1960 or later)

## PWCS 403(b) plan investment options

You can direct your future investments to a variety of widely recognized mutual funds, or you can select one of the following *YourPath*® target-date + risk portfolios that provide a guideline for allocations among the various investment options offered in your plan.

### *YourPath* portfolios

Your personalized target-date portfolio offers three risk tolerance options with potential retirement dates in five-year increments, developed by Morningstar Investment Management. These managed portfolios allow you to choose a specific target retirement date and combine it with an asset allocation mix that's tailored to your comfort level with risk: conservative, moderate, or growth. This mix is rebalanced periodically, so it becomes more conservative as you get closer to your target retirement date.



If you're new to the plan and don't select investment choices, your future contributions will be invested in an age-appropriate *YourPath* Moderate portfolio..

The target date is the approximate date when investors plan to retire or start withdrawing their money. The principal value is not guaranteed at any time, including at the target date. An asset allocation strategy doesn't guarantee performance or protect against investment losses.

### *Lincoln PathBuilder Income*® in-plan guaranteed option

The *Lincoln PathBuilder Income* investment is designed to help maintain value and plan for income in retirement.

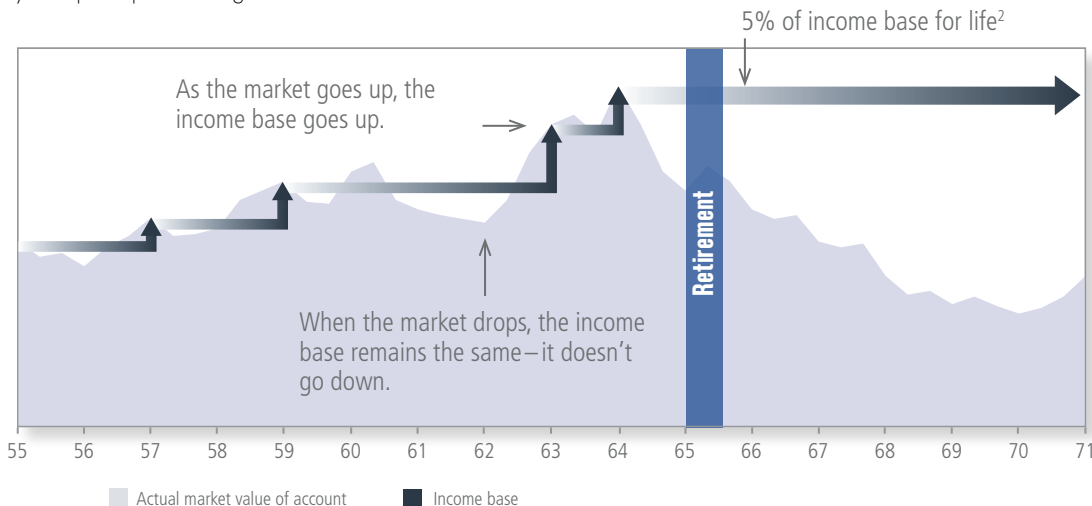
Key features of the *Lincoln PathBuilder Income* option:

- Guaranteed income for life<sup>1</sup>
- Protection from market declines
- Participation in rising markets
- Spousal benefits
- Access to the account at any time
- Account portability
- Reasonable cost

### How does it work?

Balances in the *Lincoln PathBuilder Income* investment are allocated into a balanced fund with a risk management strategy that seeks to lower the volatility of returns and provide capital protection in down markets. The account balance maintains a market value and an income base. The income base is used to calculate a participant's guaranteed lifetime retirement income.

For example, upon age 65, you receive 5% of your income base for life. The income base is reset annually and equals the higher of the market value of the account or the previous year's income base plus contributions less withdrawals. This helps provide a level of protection against market declines while still allowing you to participate in rising markets.



<sup>1</sup> Guaranteed income from the *Lincoln PathBuilder Income* investment option is subject to the claims-paying ability of the issuing company, which is The Lincoln National Life Insurance Company.

<sup>2</sup> Percentage will vary based on certain factors, including the applicable guaranteed annual income rate, single or joint life election, and age when withdrawals begin.

## PWCS 403(b) plan investment options cont'd.

Investment option	Fund ID	Morningstar®
<b>Stock-based investments</b>		
American Funds EuroPacific Growth A <sup>1</sup>	AEPGX	Foreign Large Growth
T. Rowe Price Global Stock Fund <sup>1</sup>	PRGSX	Global Large-Stock Growth
AB Large Cap Growth Fund Class A	APGAX	Large Growth
American Funds Washington Mutual A <sup>2</sup>	AWSHX	Large Blend
Fidelity® 500 Index <sup>3</sup>	FXAIX	Large Blend
JHancock Disciplined Value Mid Cap R4 <sup>4</sup>	JVMTX	Mid-Cap Value
JPMorgan Equity Income R6	OIEJX	Large Value
MassMutual Mid Cap Growth R5 <sup>4</sup>	MGRFX	Mid-Cap Growth
Victory Sycamore Small Company Opp I <sup>4</sup>	VSOIX	Small Value
Wasatch Core Growth Institutional <sup>4</sup>	WIGRX	Small Growth
<b>Balanced-based investments</b>		
American Funds American Balanced R6 <sup>5</sup>	RLBGX	Moderate Allocation
<b>Bond-based investments</b>		
Dodge & Cox Income X <sup>6</sup>	DOXIX	Intermediate Core-Plus Bond
PIMCO International Bond (USD-Hdg) Instl <sup>6</sup>	PFORX	Global Bond-USD Hedged
Vanguard Inflation-Protected Secs I <sup>6</sup>	VIPIX	Inflation-Protected Bond
Vanguard Total Bond Market Index I <sup>3,6</sup>	VBPIX	Intermediate Core Bond
<b>Guaranteed income</b>		
Lincoln PathBuilder Income <sup>5,7</sup>	LIPG010902	Moderate
<b>Cash and stable value investments</b>		
Lincoln Stable Value Account - Z78 <sup>8</sup>	N/A	Lincoln Stable Value
<b>Self-directed brokerage (Mutual fund investments only.)</b>		
Schwab Personal Choice Retirement Account <sup>9</sup>	N/A	N/A

<sup>1</sup> Investing internationally involves risks not associated with investing solely in the United States, such as currency fluctuation, political risk, differences in accounting, and the limited availability of information.

<sup>2</sup> Social awareness funds only invest in companies that meet socially responsible criteria, so exposure to certain industry sectors may be greater or less than similar funds or market indexes and thereby may lead to performance differences.

<sup>3</sup> An index is unmanaged, and one cannot invest directly in an index.

<sup>4</sup> Funds that invest in small and/or midsize company stocks typically involve greater risk, particularly in the short term, than those investing in larger, more established companies.

<sup>5</sup> Asset allocation does not ensure a profit nor protect against loss in a declining market.

<sup>6</sup> The return of principal in bond portfolios is not guaranteed. Bond portfolios have the same interest rate, inflation, credit, prepayment, and market risks that are associated with the underlying bonds owned by the fund (or account).

<sup>7</sup> Each Profile Fund is operated as a fund of funds that invests primarily in other funds rather than in individual securities. Funds of this nature may be more expensive than other investment options. The Profile Funds are asset allocation funds; asset allocation does not ensure a profit nor protect against loss.

<sup>8</sup> The Lincoln Stable Value Account is a fixed annuity contract issued by The Lincoln National Life Insurance Company, Fort Wayne, IN 46802 on Form 28866-SV 01/01, 28866-SV20 05/04, 28866-SV90 05/04, AN 700 01/12, or AR 700 10/09. **Guarantees for the Lincoln Stable Value Account are subject to the claims-paying ability of the issuer.**

You may obtain a prospectus or similar document for each investment option in the plan by requesting one from your employer, visiting your plan's website, or calling a Lincoln representative at **800-234-3500**.

## PWCS 403(b) plan contacts

Contact a Lincoln representative for personal retirement education. This service is provided courtesy of your employer. To find out which retirement consultant services your school or location, please visit the Contact us page at [LincolnFinancial.com/PWCS](https://LincolnFinancial.com/PWCS).



**Steve Singer**  
703-680-4524  
[Steve.Singer@LFG.com](mailto:Steve.Singer@LFG.com)



**Liliana Zarate**  
202-329-5715  
[Liliana.Zarate@LFG.com](mailto:Liliana.Zarate@LFG.com)



**Carolyn Robinson**  
717-585-5356  
[Carolyn.Robinson@LFG.com](mailto:Carolyn.Robinson@LFG.com)



**Spencer Richards**  
202-669-0102  
[Spencer.Richards@LFG.com](mailto:Spencer.Richards@LFG.com)



**Garrett Beckstrom**  
571-501-6202  
[Garrett.Beckstrom@LFG.com](mailto:Garrett.Beckstrom@LFG.com)

For help with distributions, loans, and hardship withdrawals, contact the Lincoln Customer Contact Center at 800-234-3500. Representatives are available weekdays between 8:00 a.m. and 8:00 p.m. Eastern.

**Lincoln PathBuilder Income® solutions are offered as a group variable annuity. Amounts contributed to the annuity contract are invested in the LVIP Global Moderate Allocation Managed Risk Fund, a fund of funds with a balanced allocation. The guarantee is provided by a contract between the client/plan sponsor and Lincoln National Life Insurance Company that provides a plan participant with guaranteed annual retirement income.**

**THE LVIP GLOBAL MODERATE ALLOCATION MANAGED RISK FUND IS NOT GUARANTEED OR INSURED BY LINCOLN OR ANY OTHER INSURANCE COMPANY OR ENTITY, AND SHAREHOLDERS MAY EXPERIENCE LOSSES. THE STRATEGY USED BY THIS FUND IS SEPARATE AND DISTINCT FROM ANY ANNUITY OR INSURANCE CONTRACT RIDER OR FEATURES.**

Morningstar Investment Management LLC is a leading independent provider of asset allocation, manager selection, and portfolio construction services. Morningstar Investment Management LLC is a registered investment adviser and subsidiary of Morningstar, Inc. Morningstar Investment Management and its affiliates are not an affiliate of Lincoln Financial Group.

Schwab Personal Choice Retirement Account® (PCRA) is offered through Charles Schwab & Co., Inc. (Member SIPC), the registered broker/dealer, which also provides other brokerage and custody services to its customers. Charles Schwab & Co., Inc. and Lincoln Financial Group are not affiliated and are not responsible for the products and services provided by the other.

YourPath® conservative, moderate, aggressive, and lifetime income portfolios are target-date + risk portfolios available as investment options in the Lincoln Alliance® program. **Lincoln PathBuilder Income® powered by YourPath® solution consists of YourPath® portfolios along with a guarantee.**

Lincoln PathBuilder Income® group contingent deferred annuity contract (contract form AN-745 and state variations) is issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc., a broker-dealer. Limitations and exclusions may apply. May not be available in all states. Check with your Lincoln representative. **The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so.**

Lincoln PathBuilder Income® solutions are offered as a group annuity. The guarantee is provided by a contract with The Lincoln National Life Insurance Company that provides a plan participant with guaranteed annual retirement income. All contract and rider guarantees, including those for optional benefits, guaranteed income, or annuity payout rates, are subject to the claims-paying ability of the issuing insurance company. They are not backed by the broker-dealer or insurance agency this annuity is purchased from or any affiliates of those entities other than the issuing company affiliates, and none makes any representations or guarantees regarding the claims-paying ability of the issuer.

A group annuity is a long-term investment product designed particularly for retirement purposes and may not be suitable for all investors. Group annuities contain insurance components and have fees and expenses, including administrative fees. The group

annuity is paired with an investment option that fluctuates with the market value. Withdrawals may carry tax consequences, including possible tax penalties.

The content provided herein is for informational purposes only and should not be considered investment advice or a recommendation to purchase a particular investment option.

Lincoln Financial Group® affiliates, their distributors, and their respective employees, representatives, and/or insurance agents do not provide tax, accounting, or financial advice. Please consult your own independent professional as to any tax, accounting, or financial information contained herein.

**Investors are advised to consider carefully the investment objectives, risks, and charges and expenses of the group variable annuity and its underlying investment option before investing. For this and other additional information, please contact Lincoln Financial. Please read this information carefully before investing or sending money. Products and features are subject to state availability.**

There is no additional tax-deferral benefit for an annuity contract purchased in an IRA or other tax-qualified plan.

**Mutual funds in the Lincoln Alliance® program are sold by prospectus. An investor should consider carefully the investment objectives, risks, and charges and expenses of the investment company before investing. The prospectus and, if available, the summary prospectus contain this and other important information and should be read carefully before investing or sending money. Investment values will fluctuate with changes in market conditions so that, upon withdrawal, your investment may be worth more or less than the amount originally invested. Prospectuses for any of the mutual funds in the Lincoln Alliance® program are available at 800-234-3500.**

The Lincoln Alliance® program includes certain services provided by Lincoln Financial Advisors Corp. (LFA), a broker-dealer (member FINRA, SIPC) and retail and financial planning affiliate of Lincoln Financial Group, 1301 S. Harrison St., Fort Wayne, IN 46802. Unaffiliated broker-dealers also may provide services to customers. Account values are subject to fluctuation, including loss of principal.

Retirement consultants are registered representatives of LFA.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

This material is provided by The Lincoln National Life Insurance Company, Fort Wayne, IN, and, in New York, Lincoln Life & Annuity Company of New York, Syracuse, NY and their applicable affiliates (collectively referred to as "Lincoln"). This material is intended for general use with the public. Lincoln does not provide investment advice, and this material is not intended to provide investment advice Lincoln has financial interests that are served by the sale of Lincoln programs, products, and services.