



CITY OF BALTIMORE

Retirement Savings Plan

Plan Features and Highlights

The Retirement Savings Plan of the City of Baltimore (RSP) is a powerful tool to help you reach your retirement goals. This Plan allows you to save and invest money for retirement—tax deferred!

Not only can you potentially build savings by contributing automatically through payroll deduction, but you may also enjoy tax-deferred savings and potential account growth and learn more about saving and investing for your financial future. Read these Plan highlights to learn more about the two different plan options and how simple it is to enroll.



Getting Started

What is the Retirement Savings Plan of the City of Baltimore?

The RSP has two different plan options—a Non-Hybrid and a Hybrid option—to help you financially prepare for your retirement. Simply put, though structured differently, both offer excellent benefits and features, fitting a participant's unique lifestyle and retirement aspirations.

It's your choice—and your future. So pick the option that best suits your retirement needs, wants and goals.

Each plan option is detailed further in this document.

Who is eligible to enroll?

You are eligible to participate in the RSP if:

- » You are newly hired or rehired after July 1, 2014, in either of the following categories:
 - » By the City of Baltimore; or
 - » By Baltimore City Public Schools and you are not eligible for membership in the State of Maryland Teachers' Retirement System or are receiving a retirement benefit from the State of Maryland Teachers' Retirement System.
- » You are in a job classification that requires more than 500 hours of work and are not:
 - » An elected official; or
 - » Eligible for membership in the Baltimore City Fire and Police Employees' Retirement System.

If you meet the eligibility requirements above, you are eligible for the RSP and participation is mandatory.

Note that if you are rehired after having a vested benefit with another City of Baltimore retirement system, you are automatically enrolled in the RSP as a Non-Hybrid participant.

I have chosen the Non-Hybrid option—now what happens?

When you enroll in the RSP as a Non-Hybrid participant and have completed 180 days of service, your employer—either the City of Baltimore or Baltimore City Public Schools—will automatically contribute 4% of your earnable compensation to your RSP 401(a) employer subaccount. These contributions are made each payroll period. You are required to contribute 5% of your earnable compensation to your RSP 401(a) defined contribution account (beginning after you have completed 180 days of service). The mandatory 5% employee contribution happens automatically; no action is needed by you as a participant.

If you choose to make voluntary contributions as an RSP Non-Hybrid participant to your deferred compensation plan (DCP) 457(b), the City will match these contributions. The match may be as much as 50% of the deferral you make to your DCP 457(b) account, up to 1% of pay. The City's matching contribution is made into your RSP 401(a) employer subaccount each payroll period. This additional 1% match can bring the total employer contribution up to 5%.

What are the total contributions for the Non-Hybrid option?

Your contributions: Mandatory 5% of your earnable compensation, plus any voluntary contributions you choose to make to the DCP 457(b) Plan.

Your employer's contributions: 4% of your earnable compensation, plus up to 1% of your earnable compensation (match) if you choose to make voluntary contributions to the DCP 457(b) Plan.

When am I vested in the Plan?

You are always 100% vested in the portion of your RSP 401(a) defined contribution account that is based on your employee contributions. You will become vested in the portion of your RSP 401(a) defined contribution account that is based on employer contributions after five years of eligible vesting service, when you reach normal retirement age (age 65), or upon disability or death.



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I have chosen the Hybrid option—now what happens?

When you enroll in the RSP as a Hybrid participant, your required contributions of the defined benefit component of your Plan will be made directly to the Baltimore City Employees' Retirement System (ERS) through payroll deductions and will begin after you complete one year of service. This portion of your benefit is based on your years of service and highest average pay. For most participants, the defined benefit component of your retirement benefit is calculated by multiplying 1% by the years of pension service you have at retirement. This percentage is then multiplied by your average highest three years of pay to determine the annual benefit you will receive at normal retirement. This will vary for participants who meet certain age and years of service requirements. The defined benefit component is funded by employer contributions and by pretax contributions that you are required to make to the ERS. Your required contribution is 5% of your earnable compensation. This contribution is automatically deducted from your paycheck on a pretax basis and paid to the ERS after you complete one year of service.



The RSP will also automatically set up an RSP 401(a) defined contribution account on your behalf. The employer's required contributions of 3% of your earnable compensation will be made directly to your RSP 401(a) defined contribution account; however, the employer's contribution may be reduced to 1.5% of your earnable compensation, based on the ERS funding status remaining at 85% or above. The current funding status is 100%. This contribution is made each pay period.

If you choose to make voluntary contributions to the DCP 457(b) Plan, you will need to complete a separate enrollment form. Note that you may enroll in the DCP 457(b) Plan immediately upon starting employment with the City or Baltimore City Public Schools. Voluntary contributions are made on a pretax basis and may reduce your taxable income. You can choose to contribute from \$10 per pay period up to IRS limits. These contributions are automatically deducted from your paycheck.

What are the total contributions for the Hybrid option?

Your contributions: Mandatory 5% of your earnable compensation, plus any voluntary contributions you choose to make to the DCP 457(b) Plan.

Your Employer's contributions: 3% of your earnable compensation; however, your employer's contribution may be reduced to as low as 1.5%.

When am I vested in the Plan?

For the defined benefit component, you are vested after 10 years of eligible vesting service or upon satisfying the eligibility criteria for early retirement or normal retirement.

For the RSP 401(a) defined contribution component, you become 100% vested after five years of eligible vesting service, when you reach normal retirement age (age 65), or upon disability or death.

How are my contributions invested?

ERS – You do not invest your ERS contributions.

RSP 401(a) defined contribution account (Non-Hybrid and Hybrid options)

– The RSP board of trustees works with investment professionals to establish a competitive fund lineup. Each investment option is explained in further detail in your Plan's fund data sheets. If you do not make an investment election, your contributions will automatically be invested in a default investment option provided by the Plan. The current default investment option is the Managed Account service, offered through Advised Assets Group, LLC (AAG), a federally registered investment adviser. Additional fees apply. See the Investment Assistance section for more details. More information on the Managed Account service can be found on the Plan's website at www.retirewithbaltimore.com or by calling KeyTalk® at (877) 223-2748 and asking to speak to an AAG adviser representative.¹

DCP 457(b) account – If you choose to make voluntary contributions to the DCP 457(b) Plan, you may choose how to allocate and invest those contributions. A wide array of core investment options is available through your Plan. Each option is explained in further detail in your Plan's fund data sheets. If you do not make an investment election, your contributions will automatically be invested in a default investment option provided by the Plan. The current default investment option is the SSgA Target Date Funds.² You can obtain additional information for the SSgA Target Date Funds on the Plan's website at www.retirewithbaltimore.com or by calling KeyTalk at (877) 223-2748.¹

Fees

Are there any recordkeeping or administrative fees to participate in the Plan?

Your quarterly fee to participate in the Plan is \$21.75, which will be automatically deducted from your account. There may be other administrative service fees that apply to elective Plan features used by a participant.

Are there any fees for the investment options?³

Each investment option has an investment management fee that varies by investment option. These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for trading individual securities in the underlying investment options and other management expenses.

Funds may impose redemption fees on certain transfers, redemptions or exchanges. Additional fees may apply depending on the investment options you select. Please reference your "Investment Options at a Glance," fund prospectuses and fund disclosure documents for detailed fee information.

Are there any distribution fees?

There are no distribution fees for the Plan.

Taxes

How does my participation in the Plan affect my taxes?

Because your contributions are taken out of your paycheck before taxes are calculated, you pay less in current income tax. You do not report any current earnings or losses on your account on your current income tax return, either. Your account is tax-deferred until you withdraw money, usually at retirement.

Distributions from the Plan are taxable as ordinary income during the years in which they are distributed or made available to you or to your beneficiary(ies).

Rollovers⁴

May I roll over my account from my former employer's plan?

If you have a balance in another qualified retirement plan, you may be eligible to roll over that amount into your Non-Hybrid or Hybrid RSP account. For more information about rollover contributions, contact the RSP or Empower Retirement™.

Only plan administrator approved balances from an eligible governmental 457(b), 401(a) or 403(b) plan or Individual Retirement Account (IRA) may be rolled over to the Plan.

May I roll over my account if I leave employment with my current employer?

If you sever employment with the City of Baltimore or Baltimore City Public Schools, you may roll over your account balance to another 401(a), 401(k) or 403(b) plan or an eligible governmental 457(b) plan if your new employer's plan accepts such rollovers.

You have the option to keep your money in the Plan. Please keep in mind that if you roll over your DCP 457(b) Plan balance to a 401(a), 401(k) or 403(b) plan, distributions taken before age 59½ may be subject to a 10% early withdrawal federal tax penalty. The 10% early withdrawal federal tax penalty does not apply to 457(b) plan withdrawals. Please contact your Empower Retirement representative for more information.

Distributions

When can I receive a distribution from my account?

Benefits may be distributed from the RSP Plan upon separation from service, disability or death. The RSP does not permit loans or in-service withdrawals from the Plan.

What happens to my account when I die?

Your designated beneficiary(ies) will receive the remaining value of your account, if any. Your beneficiary(ies) must contact an Empower Retirement representative to request a distribution.

Investment Assistance

How can I get help choosing my investment options?

Your Plan offers access to three different levels of investment advisory tools and services through Reality Investing® Advisory Services (Advisory Services). You can have AAG, a federally registered investment adviser and wholly owned subsidiary of Great-West Life & Annuity Insurance Company, manage your retirement account for you. Or if you prefer to manage your retirement account on your own, you can use the online investment guidance and advice tools. These services provide a retirement strategy based on your investment goals, time horizon and tolerance for risk.

There is no guarantee that participation in Advisory Services will result in a profit or that your account will outperform a self-managed portfolio.

What fees do I pay to participate in Advisory Services?

While there is no cost to use the Online Investment Guidance tool, there is a \$25 annual fee, assessed to your account at \$6.25 quarterly, for the Online Investment Advice tool. These costs are in addition to the administration fee mentioned above. If you choose to have AAG manage your account for you, the annual Managed Account fee, assessed quarterly to your account, will be based on your account balance, as follows:

Participant Account Balance	Annual Managed Account Fee
Less than \$100,000	0.45%
Next \$150,000	0.35%
Next \$150,000	0.25%
Amounts in excess over \$400,000	0.15%





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Managing Your Account

How do I keep track of my account?

Empower Retirement will mail you a quarterly account statement showing your account balance and activity. You can also check your account balance and move money among investment options on the website at www.retirewithbaltimore.com or by calling KeyTalk at (877) 223-2748.¹ Use your Personal Identification Number (PIN)/Passcode and Username to access the website, or you can use your Social Security number and PIN to access KeyTalk.⁵ You can move all or a portion of your existing balances among investment options (subject to Plan rules) and change how your payroll contributions are invested.

Changing your contributions

You may start, stop or change your voluntary contributions to the DCP 457(b) Plan at any time. To do so, simply use your PIN to log in to your account at www.retirewithbaltimore.com; select the "Transactions" tile and then select "Change Paycheck Contribution"; and then follow the prompts. Or you may call Empower Retirement at (877) 223-2748.^{1,5}

Changes to your ERS and RSP 401(a) Plan contributions are not permitted.

How Do I Enroll?

If you meet RSP eligibility requirements, you have 150 days from the date you begin service into your eligible position to elect either the Non-Hybrid or Hybrid option. If you do not make an election during this timeframe, you will be automatically enrolled as a Hybrid participant.

The 150-day timeframe is calendar days and includes Saturdays, Sundays and all legal holidays. If the last day of the 150-day timeframe lands on a Saturday, Sunday or legal holiday, the actual last day will be the first preceding day that is not a Saturday, Sunday or legal holiday.

An enrollment kit with forms will be provided at New Employee Orientation (NEO). If you did not receive the enrollment kit at orientation, please email the RSP at Retirement.Plans@BaltimoreCity.gov and a packet will be mailed to you. The enrollment forms have specific instructions on where to return the completed and signed forms.

Can I change my membership election?

Your RSP participation election is irrevocable, which means after the 150-day RSP election period has passed, you may not change your election.



How do I get more information?

Your retirement plan is an important employee benefit, and you may have additional questions about the information provided.

The Retirement Savings Plan of the City of Baltimore (RSP) For general information on the RSP:

Email: Retirement.Plans@BaltimoreCity.gov

Address: 4 S. Frederick St., Baltimore, MD 21202

Empower Retirement

For questions and services related to the RSP 401(a) and the DCP 457(b) plans:

Web: www.retirewithbaltimore.com¹

Address: 201 E. Baltimore St., Suite 201, Baltimore, MD 21202

KeyTalk: toll free at (877) CBDCP4U (223-2748)¹

Baltimore City Employees' Retirement System (ERS)

For questions and services related to the ERS component of your RSP Hybrid options:

Web: www.BCERS.org

Address: 7 E. Redwood St., 13th Floor, Baltimore, MD 21202

Phone: (443) 984-3200

Toll free: (877) 273-7136

¹ Access to KeyTalk and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or KeyTalk received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

² Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.

³ All information contained on the website, in prospectuses, and in other investment option documents is offered in English. Please have this information translated for your understanding.

⁴ You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitation of investment options.

⁵ The account owner is responsible for keeping their PIN/Passcode confidential. Please contact Client Services immediately if you suspect any unauthorized use.

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.

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