



CITY OF BALTIMORE

Retirement Savings Plan

Hybrid Membership vs. Non-Hybrid Membership

As an eligible Retirement Savings Plan (RSP) participant, you make a one-time election between Hybrid membership and Non-Hybrid membership.* This chart outlines key differences between the two membership options.

RSP Membership Feature	Hybrid Membership	Non-Hybrid Membership
Overall Plan Components	<p><u>Mandatory</u></p> <ul style="list-style-type: none"> Defined benefit plan (the Baltimore City Employees' Retirement System (ERS)). RSP 401(a) defined contribution retirement plan. <p><u>Voluntary</u></p> <ul style="list-style-type: none"> 457(b) Deferred Compensation Plan (DCP). 	<p><u>Mandatory</u></p> <ul style="list-style-type: none"> RSP 401(a) defined contribution plan. <p><u>Voluntary</u></p> <ul style="list-style-type: none"> 457(b) DCP and you receive an employer match (up to limits described later in this chart)
Defined Benefit Plan (ERS Class D)	<p>1.0% times your years of pension service times your average highest three years of base salary.</p> <p>This formula will vary for participants who meet certain age and years of service requirements.</p> <p>You must contribute 5% of earnable compensation after you have completed one year of service.</p>	Not applicable.
RSP 401(a) Defined Contribution Account	Your employer generally contributes 3% of your earnable compensation, although that contribution can be reduced to 1.5% of your earnable compensation based on the funding status of the ERS.	You must contribute 5% of your earnable compensation and your employer will contribute 4% of your earnable compensation.
457(b) Deferred Compensation Plan	Minimum contribution is \$10 per pay period, with a maximum annual contribution of \$18,000 in 2015 if you are under 50 years of age and \$24,000 if you are over 50.	<p>Minimum contribution is \$10 per pay period, with a maximum annual contribution of \$18,000 in 2015 if you are under 50 years of age and \$24,000 if you are over 50.</p> <p>Your employer will match 50% of any contributions you choose to make, up to 1% of your pay.</p>
Special 457(b) Catch-Up Provision	In the three calendar years prior to normal retirement age, you may be able to contribute up to twice the annual contribution limit to the 457(b) DCP: \$36,000 in 2015. The additional amount will depend upon the amounts that you were eligible to contribute in previous years but did not.	
Distributions While Employed	No loans or in-service withdrawals are permitted from the Plan.	





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RSP Membership Feature	Hybrid Membership	Non-Hybrid Membership
Vesting	<p><u>Defined Benefit Component</u> You are vested after 10 years of credited service or upon satisfying the eligibility criteria for early retirement or normal retirement.</p> <p><u>401(a) Defined Contribution Component</u> You become 100% vested after five years of eligible vesting service, when you reach normal retirement age (age 65), or upon disability or death.</p> <p><u>457(b) Deferred Compensation</u> You are always 100% vested.</p>	<p><u>401(a) Defined Contribution Component</u> You are always 100% vested in the account balance of the 401(a) defined contribution amount that is based on your 5% contribution portion.</p> <p>You become vested in the match portion of your 401(a) defined contribution account after five years of eligible vesting service, when you reach normal retirement age (age 65), or upon disability or death.</p> <p><u>457(b) Deferred Compensation</u> You are always 100% vested.</p>
Distributions After Separation From Service	<p>If you separate from service before you are vested in the RSP 401(a) defined contribution component of your RSP Hybrid membership, the non-vested employer contributions, plus earnings, will be forfeited.</p> <p>If you separate from service after you are vested in the RSP 401(a) defined contribution component, you have the following options for your account balance:</p> <ul style="list-style-type: none"> You may leave your account with the RSP until a later time; or You may receive your vested account balance as a lump sum or in installments, or convert your account balances to an annuity; or You may roll over your account balance to an individual retirement account (IRA) or another employer plan. <p>If you separate from service before you are vested in your defined benefit component, you will receive the contributions you made to the ERS, plus interest, in a lump sum. If you separate from service after you are vested but before you are eligible for early retirement, you may receive a deferred vested benefit at a later date.</p> <p>If you separate from service after you are eligible for early or normal retirement, you may receive an immediate benefit.</p>	<p>If you separate from service before you are vested in the RSP 401(a) employer sub-account, the account will be forfeited. Your RSP 401(a) member sub-account is always vested. The same is true of your 457(b) DCP account.</p> <p>If you separate from service, you have the following options for your vested account balance(s):</p> <ul style="list-style-type: none"> You may leave your account in the Plan until a later time; or You may receive your vested account balance as a lump sum, or in installments, or convert your account balances to an annuity; or You may roll over your account balance to an IRA or another employer plan.

Questions?

Call your local office at 1-xxx-xxx-xxxx¹

* You are eligible to participate in the RSP if you were hired on or after July 1, 2014.

¹ Access to the voice response system and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

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