



# What would you most like to do when you retire?

## 401(a) Defined Contribution

### Summary of Plan Provisions

#### What is a Defined Contribution Plan?

401(a) defined contribution plans, one of three primary types of retirement plans used by local governments, is a close “first cousin” to the more well known 401(k) retirement plans offered by many businesses. Used by some local governments for over 20 years, their popularity increased during the bull market of the late 1990’s and are now very popular primary retirement plans along with traditional defined benefit plans.

They are called “defined contribution” plans because the “contribution” into your individual account is set or “defined” by your employer. Contributions into your 401(a) plan are typically made by your employer. The “benefits” you receive during retirement will be based on the amount of contributions made to your account and the level of investment earnings while you maintain the account; no set or defined level of benefits is established by the employer. Depending on the provisions of your plan and your investment returns, defined contribution plans can often provide retirement benefits up to 35% of your final, pre-retirement earnings.

In conjunction with your 401(a) defined contribution plan, your employer may have also implemented a companion 457(b) deferred compensation plan. Deferred compensation plans allow an employee to “defer” some of their current pay into an individual investment account for use, with investment earnings, in the future. Often, your employer will increase its 401(a) plan contribution if you contribute to your 457(b) plan. Employers may require employees to make pre-tax contributions to the plan as a condition of employment. If you take advantage of your 457(b) plan and defer a reasonable amount each paycheck, you can often increase your retirement income by an amount up to 25% of your final, pre-retirement earnings. Participating in your 401(a) and 457(b) plans are the best way to build up assets for use during your retirement years. Because all of the earnings grow tax-deferred, they increase in value much faster than if you were required to pay federal and state income taxes each year on those investment returns.



#### 401(a) Defined Contribution Plan Highlights

- Tax-deferred investment returns
- Diversified high quality investment options
- Participant directed investment selection
- Transferable to other plans after termination
- Benefits in addition to Social Security



# Atlanta Regional Commission 401(a) Defined Contribution Plan

Post 1/1/2021

## When can I participate in the plan?

Eligible Employees as provided by the plan, are eligible the first day of the first pay period after the Introductory period has been completed.

## How much does ARC contribute to this plan for me?

The Commission will make a matching contribution equal to 100% of the first four and one-half percent (4.5%) of Compensation on amounts you contribute to the 457(b) deferred compensation plan. The maximum match to the 401(a) defined contribution Plan shall be no more than 4.5%, as shown:

Your 457 Deferred Compensation Contribution	ARC Contributes this % of your pay to the 401(a) Plan
0%	0%
1%	1.0%
2.5%	2.5%
3%	3.0%
4.5% and up	4.5%

## Will I receive the Commissions contributions to the plan if I terminate employment?

Yes, vesting is immediate and upon termination. You are 100% vested in the 401(a) defined contribution plan upon entry of the Plan.

## **When will I have access to the money in my account and what distribution options are available ?**

You are eligible to receive the Commissions contributions to the plan when you terminate employment. The amount you receive is subject to the vesting schedule previously illustrated.

You may rollover your funds to another plan or an IRA; or you may elect a lump sum distribution, which is subject to 20% federal tax withholding. You may be subject to a tax penalty if the funds are withdrawn before age 59 1/2.

## **Is there a cost to enroll in the 401(a) plan?**

There is no cost to enroll in the plan.

## **How will the contributions be invested?**

You will receive a listing of investment options and will choose the options that will help you reach your retirement goals.

## **Can I rollover assets from another retirement plan into the ARC plan?**

Yes, you may rollover contributions from other eligible retirement plans while you are an active participant.

## **If I become disabled, when will I be eligible for a distribution?**

You are eligible to receive 100% of the Commissions contribution to your account when you terminate employment.

## **If I die while an employee, how much will my beneficiary receive?**

The Commissions contributions to your account become 100% vested and your beneficiary will receive a distribution equal to your account balance at the time of your death.

## **How do I name a beneficiary?**

You will complete a designation of beneficiary form when you enroll in the plan. You can update your beneficiary at any time by contacting your plan representative, contact a Client Services Specialist, or by logging into your account at [www.accgretirement.org](http://www.accgretirement.org).



Regional Client Manager  
**G. Jacques Jones**  
(470) 352-1222  
[jjones@accg.org](mailto:jjones@accg.org)

**Questions:**  
Contact ACCG Retirement Services  
at  
[ClientServices@accg.org](mailto:ClientServices@accg.org)  
or  
770) 952-5225 / (800) 736-7166



Regional Client Manager  
**Ryan Reynolds**  
(404) 683-1362  
[rreynolds@accg.org](mailto:rreynolds@accg.org)

## Frequently Asked Questions

### Who Can I Contact if I Have Questions

On your ACCG Retirement Services quarterly statement, Instructions are provided on how to contact your Regional Client Manager by going to our website at [ACCGRetirement.org](http://ACCGRetirement.org). If you want to contact the main office in Atlanta with questions other than investment guidance, please call ACCG Retirement Services Client Services Department at 800.736.7166.

### What costs or fees am I charged for my account?

Your annual administrative fee amount will be capped once your account balance reaches \$25,000; you will incur no additional administrative fees on an annual basis, regardless of how much your balance grows. You can potentially save on investment fees from your other retirement accounts by rolling over your balances into your ACCG Retirement Services account. Each participant's plan expenses and fees are unique to them and it is based on the participant's aggregated account balance(s).

### What investment options do I have?

ACCG Retirement Services has a line up of 30 tax-deferred investments to choose from including Target Date, Target Risk, Core Index, and Single Asset Options. The funds are diversified to help you decide what savings method is best for you.

### Who selects and tracks the performance of investment options?

As part of the turnkey plan administration solution offered by ACCG Retirement Services, the ACCG Defined Contribution Board of Trustees (the "DC Board") assumes the fiduciary responsibility for the fund lineup it recommends to plan sponsors. The DC Board maintains an Investment Policy Statement which details the qualitative and quantitative criteria it uses to monitor and recommend the fund lineup. The DC Board meets quarterly to review the investment lineup and, as needed, adds, removes or replaces available investment options.

### How do I access my account?

Account information can be accessed online at [ACCGRetirement.org](http://ACCGRetirement.org). You will need to use the registration information on the Welcome Letter provided along with this Summary. You can register once the first contribution has been made. Once you have accessed your account online you can:

- view investment performance and balances
- change or realign investment elections and fund balances
- view and download quarterly statements
- change your address, email address and password

### How often can I change investment choices, and is there a charge each time I change?

You can change investment choices or realign fund balances as often as you like. ACCG Retirement Services will not impose a charge. Some funds, however, may charge a redemption fee, so please review the information provided on-line. ACCG Retirement Services would encourage you to establish an asset allocation strategy and maintain it for a period of time.

### Will I receive a quarterly benefit statement?

You will receive a comprehensive benefit statement as soon as possible after the close of each quarter. The statement shows your account balance, any contributions and earnings or losses credited to your account during the reporting period, and recent performance of each of the plan's investment options. A more detailed statement is available online. Notify ACCG Retirement Services when you change your address so you are sure to receive your statement.

ACCG Retirement Services is the retirement services division of ACCG, Georgia's county association. More than 150 jurisdictions and local government employees in Georgia trust their retirement services needs to ACCG Retirement Services.



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(800) 736-7166