



AIG Retirement Services

Your employer's tax-qualified retirement plan is an excellent way to help accumulate money for your future. Income from this plan, when combined with other sources of retirement income such as Social Security, pension benefits and personal savings, can help provide you with what you'll need during retirement.

Experts say that to maintain your standard of living during retirement, you'll need as much as 80% of your final working year's salary. In addition, you will need to take into consideration the effect of inflation. If your income stays the same, as the cost of living rises, your purchasing power falls.

Planning for retirement could be one of the most important financial decisions you ever make. Participation in the plan is an essential step in helping you reach your retirement goals.

You'll have access to a wealth of resources from AIG Retirement Services. These include local help from your financial advisor, plus educational programs, materials and seminars to help you better understand retirement and financial planning issues.

Whether you're 25 or 55, retirement is closer than you think. That's why you should start planning, start saving and investing, and start now. Call your financial advisor today.

Sincerely,

Paul Marino  
Vice President, Client Care Center  
AIG Retirement Services

**AU Health  
System, Inc.  
403(b) Retirement  
Savings Plan**

## PLAN HIGHLIGHTS

### Your Retirement Plan

Start now to help build your retirement nest egg by investing in your employer's retirement plan. This 403(b)(7) Retirement Plan with VALIC Retirement Services Company makes it easy for you to invest for your future.

- Convenient, automatic contributions by salary reduction
- Pre-tax contributions, which reduce current income taxes
- No initial sales charge
- Tax deferral of earnings and interest

Income taxes are payable upon withdrawal. Federal restrictions and a 10% federal early withdrawal penalty may apply if taken before age 59½.

### Your Plan Benefits

There are many benefits to your Plan, including:

- Mutual funds, managed by well-known investment management firms, and the Fixed-Interest Option <sup>1</sup>.
- Contributions invested as you choose among available investment options
- Multiple payout options at retirement

Investment values will fluctuate and there is no assurance that the objective of any fund will be achieved. Mutual fund shares are redeemable at the then-current net asset value and variable options will fluctuate so that the investor's units, when redeemed, may be more or less than their original cost. Bear in mind that investing involves risk, including the possible loss of principal.

<sup>1</sup> Policy Form GFUA-315, a group fixed unallocated annuity, issued by The Variable Annuity Life Insurance Company, Houston, Texas.

**Who Can Participate?**

The Plan does not allow participation in the employee contributions portion of the Plan by:

- Employees who normally work less than 20 hours per week
- Leased employees

The Plan does not allow participation in the employer contributions portion of the Plan by:

- Temporary employees
- PRNs
- Workers who are treated as Leased Employees, or independent contractors but are later determined to be common law Employees

There is no age or service requirement for eligible employees to participate in the Plan.

**When Can I Join?**

You can begin making pre-tax contributions to the Plan immediately upon the date of employment.

You are eligible to participate in the employer contributions portion of the Plan on the first day of a payroll period following employment.

**How Do I Contribute to the Plan?**

Through payroll deduction, your Plan allows you to make pre-tax contributions up to the maximum allowed by the Internal Revenue Code. An Internal Revenue Service (IRS) dollar limit also applies. The dollar limit is \$19,500 for 2020.

If you have an existing qualified retirement plan (pre-tax) or 403(b) tax deferred arrangement account with a prior employer or hold a traditional IRA account, you can transfer or roll over that account into the Plan on becoming a participant in the Plan.

### Can I Make Catch-up Contributions To The Plan?

You may be able to contribute up to an additional:

- \$3,000 in 2020 if you have 15 or more years of service with your employer and have under contributed in prior years, and/or
- \$6,500 in 2020 if you are age 50 or older.

See your Benefits Administrator for more details.

### Can I Stop Or Change My Contributions?

You may stop your contributions quarterly. Once you discontinue contributions, you may only start again as provided under the terms of the Plan.

You can increase or decrease the amount of your contributions prior to each Plan quarter.

### How Does AU Health System, Inc. Contribute To The Plan?

The Plan also provides for AU Health System, Inc. to make contributions.

- AU Health System, Inc. will also make matching contributions equal to 100% of your pre-tax contributions up to 5% of eligible compensation . The match benefits all eligible employees.
- AU Health System, Inc. can also make profit-sharing contributions at its discretion, which will be allocated among all eligible employees whether or not they make contributions .
- The profit-sharing contributions benefit all eligible participants who complete a year of service.

### How Do I Become "Vested" In My Plan Account?

Vesting refers to your "ownership" of a benefit from the Plan. You are always 100% vested in employee contributions, and rollover contributions, plus any earnings they generate. Employer contributions to the Plan, plus any earnings they generate, are vested as follows:

#### Employer Contributions:

Fully and Immediately Vested



**How Are Plan Contributions Invested?**

You decide how to invest your Plan account, selecting from investment choices provided under the Plan, as determined by AU Health System, Inc..

- You can change your investment choices anytime.

**Do Transfer Restrictions Apply To The Fixed-Interest Option?**

Generally, you may transfer assets from the Fixed-Interest Option into equity options at any time and, after 90 days, from equity options into another fixed-income option such as a money market fund, a stable-value fund or certain short-term bond funds, if such competing options are allowed in the plan.

**When Can Money Be Withdrawn From My Plan Account?**

Money can be withdrawn from the Plan in these events:

- Your retirement
- Death
- Severance from employment

Income taxes are payable upon withdrawal. Federal restrictions and a 10% federal early withdrawal penalty may apply if taken before age 59½. Be sure to talk with your tax advisor before withdrawing any money from your Plan account.

**Can I Borrow Money From My Account?**

The Plan is intended to help you put aside money for your retirement. However, AU Health System, Inc. has included a Plan feature that enables you to access money from the Plan tax free without permanently reducing your account.

- The amount the Plan can loan to you is limited by rules under the tax law. All loans will be limited to the lesser of: one-half of your vested account balance or \$50,000.
- The minimum loan amount is \$1000.00.
- All loans must generally be repaid within five years. A longer term may be available if the loan is to be used to purchase your principal residence.
- You can have 1 loan outstanding at a time.

- You pay interest back to your account. The interest rate on your loan will be the Prime Rate plus 1%.
- A \$50.00 processing fee for all new loans and a \$50.00 per year loan maintenance fee are charged to your account.

### **How Do I Obtain Information About My Plan Account?**

You will receive an account statement quarterly that shows your account balance as well as any contributions and earnings credited to your account during the reporting period.

You will also have access to an automated voice response system and Internet site, which are designed to give you current information about your Plan account. You can get up-to-date information about your account balance, contributions, investment choices, and other Plan data. You will receive additional information on how to use the Voice Response System and Internet site.

You will also be able to view and print the welcome letter and plan highlights by logging on to [www.aig.com/RetirementServices](http://www.aig.com/RetirementServices) and selecting the ePrint link. At the prompt, enter your Group ID: 61712001.

### **Do I Have Any Administrative Charges?**

No administrative charge will be applied to this Plan. Fund Annual Operating Expenses apply depending on the mutual fund chosen and are described in the prospectus.

### **How Do I Enroll?**

Simply complete the forms provided and return them as directed.

### **Who Do I Contact?**

To contact your local financial advisor, dial 1-800-448-2542 or the direct number listed below:

- **Ross Douglas** 706-722-4600
- **Tommy Burckhalter** 706-722-4600

### **Summary Plan Description**

The above highlights are only a brief overview of the Plan's features and are not a legally binding document. A more detailed Summary Plan Description will be given to you by your employer. Please read it carefully and contact your Benefits Administrator if you have any further questions.

- **Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing. This and other important information is contained in the prospectus, which can be obtained from your financial professional or at [www.aig.com/RetirementServices](http://www.aig.com/RetirementServices). Enter your Group ID in the Login field and click Continue. You can also request a copy by calling 1-800-428-2542. Read the prospectuses carefully before investing.**
- Securities and investment advisory services offered through VALIC Financial Advisors, Inc., member FINRA, SIPC and an SEC-registered investment adviser.
- Annuities are issued by The Variable Annuity Life Insurance Company (VALIC), Houston, TX. Variable annuities are distributed by its affiliate, AIG Capital Services, Inc. (ACS), member FINRA.
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