



# Take **action** on your retirement plan

## Plan Highlights

Anne Arundel County Public Schools offers both a 403(b) and a 457(b) deferred compensation plan (collectively, the Supplemental Retirement Plan, or SRP), providing an excellent opportunity to help accumulate money for a secure retirement. You may contribute to one or both plans. Your contributions are conveniently made through payroll deduction.

### Understanding your options

All Anne Arundel County Public School employees, including temporary employees and substitute teachers, are eligible to begin contributing upon date of hire. Understanding your plan options may help you get retirement ready.

### How the 403(b) and 457(b) are alike

- **Annual contribution limits** For 2022, you can contribute up to \$20,500 to the 403(b) and 457(b) plans. If you participate in both the 403(b) and 457(b) plans, you can contribute up to the annual contribution limit to each plan. You may stop or change the amount you contribute at any time.
- **Pretax contributions** With both the 403(b) and 457(b) plans through AACPS, you have the option of contributing via pretax salary contributions and only paying taxes on those contributions when you access them.
- **Roth contributions** The optional Roth feature offers a way to make after-tax contributions and make tax-free withdrawals of those contributions, as well as any related interest and earnings, if certain conditions are met. Roth contributions may be advantageous if you believe you will

be in a higher tax bracket at retirement or you are looking to reduce your future tax liability instead of your current tax liability. Roth contributions are included in the annual contribution limit (\$20,500 in 2022).

- **Catch-up contributions and special contributions** If you are age 50 or older, you can contribute up to \$6,500 more in 2022 to your plan(s). These are known as “catch-up contributions.”
- **Vesting** You are always 100% vested in your contributions.
- **Investment options** You may invest your SRP retirement savings through a number of available fund options. You can invest in an age-appropriate target date fund that calculates your age and risk tolerance, among other factors, and creates a diverse portfolio of investment selections for you. Or, you may select your asset mix yourself using the available options.

The principal value of an investment in a target date fund is not guaranteed at any time including at or after the target maturity date. The target date is the approximate date when investors plan to start withdrawing their money. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date.

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Remember, the SRP represents a long-term investment. Investment values of the mutual funds you choose 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, which may be more or less than the original cost. Bear in mind that investing involves risk, including possible loss of principal.

- **Account consolidation** You might be able to transfer your vested retirement account balance from a previous employer's plan to the SRP. However, before moving funds, check with your other provider to determine if your account has any restrictions or imposes a withdrawal tax penalty or charges.

### How the 403(b) and 457(b) are different

The biggest differences between the 403(b) and 457(b) plans are how and when you can access your account dollars – and any rules and restrictions related to that.

- **Early withdrawal penalties** You can access the funds in your 457(b) before you reach age 59½ without paying early withdrawal penalties. However, you generally face a 10% federal tax penalty for withdrawing funds from your 403(b) before age 59½.
- **Loans** You may be able to get a loan if you need one through your 403(b). Loans may not exceed 50% of your 403(b) plan balance (up to a maximum of \$50,000). There is a \$50 origination fee for a plan loan and you may only have one outstanding loan through the 403(b) plan at a time. Defaulted loan amounts (not repaid on time) will be taxed as ordinary income and may be subject to a 10% federal early withdrawal tax penalty if you are under age 59½. Loans are not permitted through the 457(b) plan.

Note, you are only eligible to take a loan if you are an active AACPS employee.

**Distribution** Distributions from the 403(b) plan are permitted in the following situations: termination of employment, retirement or reaching the Required Minimum Distribution age (age 72, or age 70½ if born before July 1, 1949). The 457(b) plan has a required beginning distribution date (RBD). The RBD is April 1 of the calendar year following the later of:

- The year you reach age 72 (70½ if born before July 1, 1949), or
- The year in which you retire
- **Withdrawals while still working** You may be able to request a hardship withdrawal through your 403(b) if you have an immediate and heavy financial need such as certain medical expenses, costs relating to the purchase of your primary residence, tuition expenses, prevention of eviction/ foreclosure and funeral or burial expenses. With the 457(b) plan, you may be able to request a withdrawal for unforeseeable emergencies. An unforeseeable emergency is a severe financial hardship such as unexpected medical expenses, loss of your property due to a casualty, prevention of eviction/ foreclosure and funeral or burial expense. Hardship and emergency withdrawals may not be repaid to the plan(s).

You may take a withdrawal from your 457(b) account, for any reason, provided the amount does not exceed \$5,000, you have not made any contributions to the plan within the past two years, and you have not received a prior in-service distribution.

### Administrative fee

The gross annual administrative fee is \$62 per participant per plan. Additionally, mutual fund annual operating expenses apply based on the funds chosen. Mutual fund expenses and fund reimbursements are described in the prospectus.

### The plans at a glance

	403(b)	457(b)
<b>Contribution limits</b>		
Annual contribution limit	\$20,500	\$20,500
Age-based annual catch-up contribution limit	\$6,500	\$6,500
<b>Features</b>		
Early withdrawal penalties	10% if under age 59½	None (normal income tax only)
Loan provisions	Yes	No
Investment options	Mutual funds	Mutual funds

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### Enrolling and account access

To enroll or access your account online:

**Online** – [corebridgefinancial.com/rs/aacps](https://corebridgefinancial.com/rs/aacps)

**By phone** – Corebridge Financial Enrollment Center at 1.888.569.7055

For questions on your Corebridge Financial account, please call our Client Care Center at 1.800.448.2542 or one of our local financial professionals listed below

Access account information on your mobile device.

- Corebridge Mobile for iPad®, iPhone® or Android™-based phones

[corebridgefinancial.com/rs/aacps](https://corebridgefinancial.com/rs/aacps) 1.800.448.2542

### We're here to help you take action

You can reach out directly to your financial professional.

Important considerations before deciding to move funds either into or out of a Corebridge account. There are many things to consider. For starters, you will want to carefully review and compare your existing account and the new account, including: fees and charges; guarantees and benefits; and, any limitations under either of the accounts. Also, you will want to know whether a surrender of your current account could result in charges. Your financial professional can help you review these and other important considerations.

Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing. Read the prospectuses carefully before investing. The prospectus contains important information, which can be obtained from your financial professional or by visiting [corebridgefinancial.com/rs/aacps](https://corebridgefinancial.com/rs/aacps) and clicking on Documents & Forms (ePrint) on the bottom left of the screen. Enter your Group ID number 15082001 in the Login field and click Continue. Click on Funds on right side of screen, and the funds available for your plan will be displayed. You can also request a copy by calling 1.800.428.2542.

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