



# Service Provider Fee Disclosure

## Non-ERISA Plan

### STATE OF IOWA

### THE STATE OF IOWA'S 457 EMPLOYEE CONTRIBUTION PLAN

### VALIC Retirement Services Company ("VRSCO") Mutual Fund Platform

Per your request, VRSCO is providing you with this detailed explanation of the services and investments provided by VRSCO and its affiliates that you have selected and the compensation received for such services and investments in a similar format to fee disclosures provided to ERISA Plan Sponsors. AIG Retirement Services already provides the majority of this information to you in various media formats which may include:

- > [Service agreements](#)
- > [Form 5500 Schedule C reporting](#)
- > [Plan Sponsor Online](#)
- > [Prospectuses](#)
- > [Annuity contracts](#)
- > [Educational and marketing materials](#)

This disclosure consolidates much of the same information in a cohesive and user-friendly format to further enable you to make informed decisions about the services and investments provided by VALIC to your Plan and their related cost.

As you evaluate your Plan's service arrangement, VRSCO would like to highlight some of the unique features of VRSCO's investment platform and the associated bundled services arrangement that may play an important role in your evaluation:

- > [Recordkeeping, Compliance and Custody Services](#). The Service Provider Agreement and Custodial or Trust Services Agreement include many of the recordkeeping, compliance and custodial services (both participant-level and plan-level) for which you might otherwise need to contract separately.
- > [Diverse Array of Investment Options](#). VRSCO's open architecture platform of over 6,500 investment options allows Plan Sponsors to choose from and offer participants a wide selection of investments which may include mutual funds, guaranteed fixed-interest options and stable value funds.
- > [Guaranteed Minimum Interest Rates](#). The Variable Annuity Life Insurance Company ("VALIC") guarantees that contributions to a fixed-interest option will receive interest at declared interest rates for specified periods. The declared interest rate for a fixed-interest option will always be equal to or greater than the minimum rate declared in the contract. All guarantees are backed by the claims-paying ability of VALIC.
- > [Lifetime Income and Other Payout Options](#). Participants may choose to have their accounts paid out in a

variety of methods including lifetime annuity, lump sum, installment and partial annuity options.

This platform, along with the bundled services that you have selected, were developed to help your Plan participants save money for retirement and reach their retirement saving goals.

VRSCO is proud to be a covered service provider under your Plan.

# Disclosure

The terms used in this form are used as defined by the regulations.

## I. Service Provider Identifying Information

Name of Covered Service Provider:	VALIC Retirement Services Company ("VRSCO")
Affiliates of Covered Service Provider:	The Variable Annuity Life Insurance Company ("VALIC") VALIC Financial Advisors, Inc. ("VFA") SunAmerica Asset Management, LLC ("SAAMCO") AIG Federal Savings Bank ("AIGFSB") AIG Capital Services, Inc.
Address:	2929 Allen Parkway, Houston, Texas 77019
Contact:	AIG Retirement Services Fee Disclosure
Telephone No.:	713-831-4005 1-888-537-7241
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## II. Description and Status

VRSCO provides the Plan with non-discretionary services as a "Platform Recordkeeper," which means that recordkeeping services are provided to a plan that permits participants (including alternate payees and beneficiaries) to direct their individual account into one or more designated investment alternatives made available through the platform.

VALIC Financial Advisors, Inc ("VFA") provides the Plan with fiduciary investment advice services which are limited to the Guided Portfolio Services ("GPS"). These services are provided only when authorized by the Plan and elected by the participant.

One or more Affiliates not specifically described in this Section II may also be a Covered Service Provider with respect to non-discretionary services described later in this disclosure and this disclosure is intended to satisfy their disclosure obligations.

This summary does not replace and/or alter any terms in the agreements and contracts between the Plan Sponsor and VRSCO and its affiliates. All summary descriptions herein are subject to the terms of such agreements and contracts and, in the event of a conflict, the terms of the agreements and contracts shall prevail. Additional details concerning compensation, as well as specific rights, limitations and requirements, can be found in such agreements and contracts.

These disclosures pertain to mutual fund investments and fixed annuity contracts available to participants in employer-sponsored retirement plans and arrangements qualified under the Internal Revenue Code. The services noted below in Section III, Paragraph 1 consist of plan, participant, custodial and trust services. Additional optional services may be elected by the Plan Sponsor and, if applicable, the participant, and are noted below in Section III, Paragraph 2.

### III. Platform Services

#### 1. Standard Plan, Participant and Custodial and Trust Platform Services

##### > Administrative Services

- Plan-level services
  - Plan set-up
  - Plan maintenance
  - Plan reporting
- Participant account services (includes alternate payees and beneficiaries)
  - Account set-up
  - Account maintenance
  - Receipt and posting of contributions, rollovers and transfers
  - Loan set-up, maintenance and re-payment processing
  - Distribution processing, including Special Tax Notices
  - Required minimum distributions
  - Quarterly account statements
  - Tax reporting
  - QDRO processing
  - Death benefit processing
  - Investment transfers and exchanges
  - Participant reporting
- Web sites and Web site support
- Call center services
- Systems applications and support

##### > Education, Enrollment and Related Broker-Dealer Services

##### > Open Architecture Platform with Over 6,500 Investment Options

##### > Implementation Services

- Plan set-up on the recordkeeping system
- Transfer of Plan assets to participant accounts

##### > Plan Compliance Support

- Annual Plan financial reporting package
- Forfeiture processing
- Individual contribution limits management
- Audit support
- Loan and hardship compliance coordination

##### > Annuitization of VALIC Fixed-Interest Option

- Contractually guaranteed income payment options (life annuity, joint and survivor annuity, etc.) based upon current interest and mortality rates

## 2. Optional Platform Services

Optional Services elected by the Plan Sponsor are subject to Plan terms and, for some services, election by the participant.

> **Guided Portfolio Services® ("GPS")** is a participant investment advisory service offered by VALIC Financial Advisors, Inc. ("VFA") in accordance with Department of Labor Advisory Opinion 2001-09A issued to VALIC's sister company, SunAmerica Retirement Markets, Inc., in 2001. Morningstar Investment Management LLC serves as the Independent Financial Expert for this advisory service, for which it receives compensation directly from VFA, consistent with the terms of the advisory opinion. GPS must be authorized by the Plan Sponsor to be available in the plan and must be elected by the participant. Fees for GPS are paid to VFA and are charged to the account of any participant who elects GPS. GPS is available in 2 formats:

> **GPS Portfolio Advisor** is an option for those clients who want to monitor and manage their investment portfolios themselves, but still value expert advice. For Portfolio Advisor, a fixed annual fee of \$25.00 (10% of fee allocable to recordkeeping) is charged following enrollment, which entitles the client to use the service for one year. At the end of the year, the client will be required to re-enroll to continue the service.

This fee is waived.

> **GPS Portfolio Manager** is the managed account option that automatically implements the investment advice, provides ongoing portfolio monitoring and asset rebalancing, and updates the client's advice and retirement income forecast annually. For Portfolio Manager, an asset based fee is calculated at each calendar quarter end and will be assessed shortly after quarter end. Following is the GPS Portfolio Manager fee schedule.

### GPS Portfolio Manager fee schedule

For assets managed by GPS:

- The first \$100,000, the annual participant fee is 0.60% on assets
- The next \$150,000, the annual participant fee is 0.50% on assets
- And amounts over \$250,000, the annual participant fee is 0.45% on assets

(10% of fee allocable to recordkeeping)

### > **Plan Consulting Services**

- Charges based on the facts and circumstances related to the issue and mutually agreed by the Plan Sponsor and VALIC (100% of fee allocable to recordkeeping)

### > **Self-Directed Brokerage Account**

- Schwab Personal Choice Retirement Account® (PCRA) is a self-directed brokerage account window that allows participants to invest all or a portion of their Plan account balance in investment options available through a brokerage service
- Annual participant fee is \$50 (100% of fee allocable to recordkeeping)

### > **Investment Selection and Monitoring Services**

- Non fiduciary assistance with the selection and monitoring of investments based on criteria that the Plan Sponsor has established or adopted.

## IV. Designated Investment Alternatives

### 1. Mutual Fund Investment Options

See the Variable Investment Options Table for a list of the mutual fund options currently available under the Plan.

## 2. VALIC Fixed-Interest Option(s)

GROUP MUTUAL FUND W/ FIXED ANNUITY (M021) (Policy Form GFUA-398, a fixed annuity issued by The Variable Annuity Life Insurance Company, Houston, Texas). The Plan's mutual fund options and the fixed annuity are available for investment by Participants. Transfers by the Participant into and out of the fixed option(s) (and, if applicable, including certain withdrawals and surrenders) may be limited as described in the contract. Establishment of a competing plan or competing option by the Plan Sponsor may be limited as described in the contract. Upon surrender of the contract by the Plan Sponsor, the Accumulation Value will be paid in one of two ways: a) Five year Equal Amount Installment Method, or b) Decreasing Balance Method as described in the contract. Contract surrender may be subject to a market value adjustment as described in the contract. Transfers for the provision of Participant benefits or payment of Plan expenses may be limited as described in the contract.

## V. Compensation

### 1. Direct Compensation.

VRSCO and its affiliates receive the following direct compensation based on Service Provider Agreement and contract provisions:

- **Administrative Fee.**

An annual administrative fee of 18 basis points, based on total assets invested in mutual funds, is charged to Participant accounts or paid by the Plan Sponsor quarterly. Participant accounts that include a fund for which VRSCO receives Indirect Compensation will be credited with a pro rata share of the Indirect Compensation from such fund based on the value of their investment in the fund at the time of the credit.

- **Custodial or Trust Fees.** An annual fee of \$2,500 paid to AIG Federal Savings Bank is included in the administrative fee referenced above.
- **Market Value Adjustment.** If applicable, see Section IV, Paragraph 2.

### 2. Indirect Compensation.

VRSCO and its affiliates may receive indirect compensation as identified in the Variable Investment Options Table.

### 3. Related Party Compensation.

A VRSCO affiliate may receive related party compensation as identified in the Variable Investment Options Table.

### 4. Termination Compensation.

No termination fee shall apply upon expiration of the Service Provider Agreement term. A fee may apply in the event of termination prior to expiration of the Service Provider Agreement term. See Section IV for product transfer restrictions.

## VI. Manner of Receipt of Compensation

### 1. Direct expenses may be received in the following manner:

- Deducted from participant accounts

- Paid out of the forfeiture (where permitted by the Plan) or plan expense accounts
- Paid directly by the Plan Sponsor

**2. Indirect expenses may be received from Plan investment options prior to the calculation of the share value or from third parties.**

**VII. Additional Recordkeeping Disclosures**

"Recordkeeping services" are defined in the DOL regulations as including "...services related to plan administration and monitoring of plan and participant and beneficiary transactions (enrollment, payroll deductions and contributions, offering designated investment alternatives and other covered plan investments, loans, withdrawals and distributions); and the maintenance of covered plan and participant and beneficiary accounts, records, and statements."

VRSCO provides standard plan services, including administration, recordkeeping, custody, investments, and investor education services packaged together as a bundled arrangement. VRSCO receives direct and indirect compensation for the services it provides under this bundled arrangement.

VRSCO provides the bundled arrangement without explicit compensation for recordkeeping services. The DOL regulation provides that if a Covered Service Provider is providing recordkeeping services without explicit compensation, a reasonable and good faith estimate of the cost to the plan of such recordkeeping services must be provided to the Responsible Plan Fiduciary.

Consistent with the regulation, VRSCO is providing the estimated recordkeeping cost below. This estimate is determined at the platform level and expressed as a percentage of the Plan's assets on the platform. This estimate recognizes that participants may transfer between and among the available investment options on the platform. Factors taken into account include number of participants, average account balance and contractual recordkeeping obligations. The estimated cost of recordkeeping is not a separate charge. It is incorporated in the direct and indirect compensation described above.

Mutual Fund Platform	0.22 %
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**Annuity contracts are issued by VALIC (Houston, TX) and distributed by its affiliate, AIG Capital Services, Inc., member FINRA.**

**Securities and investment advisory services are offered by VFA, Inc., member FINRA and an SEC-registered investment advisor.**

**AIG Retirement Services represents AIG member companies -The Variable Annuity Life Insurance Company (VALIC) and its subsidiaries VALIC Financial Advisors, Inc. (VFA) and VALIC Retirement Services Company (VRSCO). All are members of American International Group, Inc. (AIG).**