



# Service Provider Fee Disclosure

## Non-ERISA Plan

### STATE OF IOWA

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

### Annuity Contracts Issued by The Variable Annuity Life Insurance Company ("VALIC")

Per your request, VALIC is providing you with this detailed explanation of the services and investments provided by VALIC 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, VALIC would like to highlight some of the unique features of the VALIC annuity contract and the associated bundled services arrangement that may play an important role in your evaluation:

- > [Recordkeeping, Compliance and Custody Services](#). The Service Provider Agreement includes many of the recordkeeping, compliance and custody services (both participant-level and plan-level) for which you might otherwise need to contract separately.
- > [Diverse Array of Investment Options](#). VALIC's Annuity Contract Platform allows Plan Sponsors to choose from and offer participants a wide selection of variable investment options and one or more fixed interest options under the contract.
- > [Guaranteed Minimum Interest Rates](#). 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 fixed, variable, or combination of methods including lifetime annuity, lump sum, installment and partial annuity options.

> [Guaranteed Minimum Death Benefit](#). The contract provides a guaranteed death benefit. All guarantees are backed by the claims-paying ability of VALIC.

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.

VALIC 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:	The Variable Annuity Life Insurance Company ("VALIC")
Affiliates of Covered Service Provider:	VALIC Financial Advisors, Inc. ("VFA") SunAmerica Asset Management, LLC ("SAAMCO") VALIC Retirement Services Company ("VRSCO") AIG Capital Services, Inc. AIG Federal Savings Bank ("AIGFSB")
Address:	2929 Allen Parkway, Houston, Texas 77019
Contact:	AIG Retirement Services Fee Disclosure
Telephone No.:	713-831-4005 1-888-537-7241
Email:	<a href="mailto:FeeDisclosure@aig.com">FeeDisclosure@aig.com</a>

## II. Description and Status

VALIC 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 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 contracts and agreements between the Plan Sponsor and VALIC and its affiliates. All summary descriptions herein are subject to the terms of contracts and agreements, and in the event of a conflict, the terms of the contracts and agreements shall prevail. Additional details concerning compensation, as well as specific rights, limitations and requirements, can be found in such contracts and agreements.

These disclosures pertain to fixed and variable annuity contracts available for investment by 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 and custodial 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 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 processing of contributions, rollovers and transfers
  - Loan set-up, maintenance and repayment 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 site and Web site support
- Call center services
- Systems applications and support

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

#### > Diverse Selection of Investment Options

#### > Implementation Services

- Plan set-up on 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

- Contractually guaranteed income payment options (life annuity, joint and survivor annuity, etc) based upon:
  - Current interest and mortality rates or
  - Interest and mortality rates guaranteed from contract/certificate issuance, whichever is more favorable to the payee.

## 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")

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 is \$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)

> **IncomeLOCK(sm)\*** provides for a guaranteed minimum withdrawal benefit up to a specified amount. IncomeLOCK must be authorized by the Plan Sponsor to be available in the plan and must be elected by the participant. The IncomeLOCK fee is calculated as a percentage of the Benefit Base and deducted quarterly from the participant's account. For endorsements issued after April 30, 2012, the applicable IncomeLOCK fee is 0.90%. For endorsements issued from July 6, 2010 through April 30, 2012, the applicable IncomeLOCK fee is 0.70%. For endorsements issued prior to July 6, 2010 the applicable IncomeLOCK fee is 0.65%.

(10% of fee allocable to recordkeeping)

\* Beginning May 1, 2012, IncomeLOCK may be added only to new individual contracts or group certificates. Beginning on or after July 1, 2012, IncomeLOCK will no longer be available for addition to new individual contracts or group certificates. These changes will not affect existing individual contracts or group certificates that already include IncomeLOCK endorsements.

#### > **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)

#### > **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. **Variable Options.** See the attached Variable Investment Options Table, which includes Related Party Compensation
2. **Fixed-Interest Options.** See Section V, Paragraph 1.

## V. Compensation

1. **Direct Compensation.** Certain direct expenses based on contract provisions may be charged to the Plan as follows:

### **PORTFOLIO DIRECTOR (A087) UITG-194-TRMC**

PORTFOLIO DIRECTOR (A087) Policy Form UITG-194-TRMC is a fixed and variable annuity issued by The Variable Annuity Life Insurance Company, Houston, Texas and is available for investment by Participants in employer-sponsored retirement plans and arrangements. Transfers by the Participant (and, if applicable, by the Plan Sponsor) into and out of the fixed option(s) (and, if applicable, including certain withdrawals and surrenders) may be limited as described in the contract and/or the appropriate prospectus.

#### **Contract Fees**

- > Quarterly fees are currently waived.
- > Participant Surrender/Withdrawal Charges: There are no surrender or withdrawal charges.

### **PORTFOLIO DIRECTOR (A079) UITG-194-SWMC**

PORTFOLIO DIRECTOR (A079) Policy Form UITG-194-SWMC is a fixed and variable annuity issued by The Variable Annuity Life Insurance Company, Houston, Texas and is available for investment by Participants in employer-sponsored retirement plans and arrangements. Transfers by the Participant (and, if applicable, by the Plan Sponsor) into and out of the fixed option(s) (and, if applicable, including certain withdrawals and surrenders) may be limited as described in the contract and/or the appropriate prospectus.

#### **Contract Fees**

- > Quarterly fees are currently waived.
- > Participant Surrender/Withdrawal Charges: In-service transfers in excess of 10% per contract/certificate year have a 5% withdrawal charge. Charges are deducted pro rata from all investment options. Waivers may apply. Please see your contract or certificate for more information. (0% of fee allocable to recordkeeping)

## 2. Indirect Compensation.

The Variable Investment Options Table details net fund expenses for each fund as well as the portion of the total fund compensation retained by VALIC and Affiliates.

In addition, indirect compensation to VALIC is described in detail in the Prospectuses and Statements of Additional Information for the VALIC products and for the underlying funds (VALIC Company I, VALIC Company II and the public mutual funds) in the separate accounts available within the annuity contract investment options.

## 3. Related Party Compensation.

See the Variable Investment Options Table.

#### 4. Termination Compensation.

See the Direct Compensation section above.

### VI. Manner of Receipt of Compensation

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

- Deducted from participant accounts
- Paid out of the forfeiture account (where permitted by the Plan document)
- Paid directly by the Plan Sponsor

#### 2. Indirect Compensation may be received from the Plan investment options prior to the calculation of the share or unit 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."

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

VALIC 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.

In addition to the recordkeeping allocation identified for direct compensation, VALIC is providing the estimated recordkeeping cost below. This estimate is determined at the product level and expressed as a percentage of the Plan's assets in that product. The estimated cost includes both the separate account options and the fixed-interest options (including any fixed-interest option holding forfeitures or other unallocated amounts). This estimate recognizes that participants may transfer between and among the available investment options within the contract and is based upon actual and expected experience across contracts issued for the product. Factors taken into account include average number of accounts, average account balance, contractual recordkeeping obligations and plan complexities. The estimated cost of recordkeeping is not a separate charge. It is incorporated in the direct and indirect compensation described above.

Product	Estimated Cost
PORTFOLIO DIRECTOR (A087) UITG-194-TRMC	0.30 %
PORTFOLIO DIRECTOR (A079) UITG-194-SWMC	0.30 %

**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).**