



District of Columbia

401(a) Retirement Plan Summary

DC GOVERNMENT EMPLOYEES





What is the 401(a) Plan?

The 401(a) Plan offered by the Office of Finance and Treasury and the D.C. Department of Human Resources is your primary savings plan for your retirement.

ICMA-RC is the Plan's third-party administrator responsible for record keeping, administration, participant communication and investment management.

How does the 401(a) Plan work?

Contributions are made by the District to an account in your name for the exclusive benefit of you and your beneficiaries. The value of the account is based on the contributions made and the investment performance over time. No taxes are due, including on earnings, until you make withdrawals.

The 401(a) Plan is only one part of a total retirement program that includes Social Security and the voluntary 457(b) Deferred Compensation Plan.

How do I enroll in the plan?

District employees (except police officers, firefighters, teachers and Civil Service Retirement System employees) who were hired for the first time on or after October 1, 1987, are automatically enrolled in the Plan after completing one year of creditable service.

Creditable service is measured from the date you commence employment in a covered position with the District until the date of separation from service.

- ★ Covered employment is primarily work performed while in term or permanent appointment.
- ★ An employee accrues service based on full years and calendar months, including any fractional parts.
- ★ Creditable service is adjusted for breaks in service.

- ★ Employees who experience an interruption in covered employment for more than one year will be required to begin the one-year waiting period again upon being rehired. If you are rehired within one year, you will be immediately eligible to participate in the Plan on the first pay period following reemployment.

Who contributes?

Under the Plan, the District will contribute an amount equal to 5% of base salary (5.5% for detention officers) annually.

- ★ Contributions are made each pay period based on the employee's pre-tax base salary (excluding overtime, holiday, and Sunday compensation).
- ★ No employee contributions: An employee cannot make any contributions to his or her Plan account; however, rollover contributions are allowed.

How do I keep track of my account?

A quarterly account statement will be mailed within 12 business days of each quarter-end and will show your account balance and activity for 401(a) Plan. You will receive a consolidated statement if you also participate in the 457(b) Plan. You can check your account balance online by visiting www.DCRetire.com and logging into the secure Account Access site.

What are my investment options?

You control how your account is invested. Choose from a number of investment options selected for you by the District.

Your Plan includes a wide range of options, from more conservative stable value funds to more aggressive bond and stock funds. You may choose to build a diversified portfolio of various funds or select a simple yet diversified age-based retirement fund that is geared toward your projected retirement date. These funds may be a good alternative for investors who are not comfortable actively managing their account. If you do not select which funds you want to invest in or the percentages do not total 100%, assets will be allocated to the default investment selected by your employer until additional instructions are received from you.

Before making any investment decisions, please read the prospectus and/or fund fact sheets carefully.



How do I set up my investment options?

Establish your future contribution allocation election by visiting www.DCRetire.com and logging into Account Access. You can move all or a portion of your existing balances between investment options (subject to plan rules) and change how your future contributions are invested. For assistance, you may contact Investor Services at 800-669-7400. Until you do so, your contributions will invest in your Plan's default investment:

Plan Selected Retirement Age 65

If your date of birth is...	Your contribution(s) will default to the following Fund...
On or before 6/29/1947	Vanguard Target Retirement Income
6/30/1947 – 6/29/1952	Vanguard Target Retirement 2015
6/30/1952 – 6/29/1957	Vanguard Target Retirement 2020
6/30/1957 – 6/29/1962	Vanguard Target Retirement 2025
6/30/1962 – 6/29/1967	Vanguard Target Retirement 2030
6/30/1967 – 6/29/1972	Vanguard Target Retirement 2035
6/30/1972 – 6/29/1977	Vanguard Target Retirement 2040
6/30/1977 – 6/29/1982	Vanguard Target Retirement 2045
6/30/1982 – 6/29/1987	Vanguard Target Retirement 2050
6/30/1987 – 6/29/1992	Vanguard Target Retirement 2055
6/30/1992 – 6/29/1997	Vanguard Target Retirement 2060
On or after 6/30/1997	Vanguard Target Retirement 2065

When can I withdraw from my account?

Your 401(a) Plan is designed as a retirement program, and normally, the money in an employee's account would generally be distributed when you retire.

Other circumstances under which you or your beneficiary can receive your account balance are:

- ★ termination of employment (if vested),
- ★ death while employed, or
- ★ permanent disability.

When the account value is distributed, you or your beneficiary may choose from the following payment options:

- ★ cash payment (partial or lump sum),
- ★ rollover to another eligible retirement plan or Traditional IRA,
- ★ installment payments,
- ★ deferral of payment to a specified future date, but prior to April 1 of the calendar year following the year you attain age 70½, or
- ★ transfer to an annuity (joint and survivor).

When will I be vested?

“Vesting” refers to a participant's right to receive the account balance held on his or her account when he or she no longer works for the District. The account will become fully vested under the following circumstances:

- ★ Prior to December 8, 2009, completion of five years of creditable service in covered employment,
- ★ Effective December 8, 2009, graded vesting is based on the following schedule:

YEARS OF CREDITABLE SERVICE	PERCENTAGE OF YOUR ACCOUNT THAT IS VESTED
Less than 2 years	0%
After 2 years	20%
After 3 years	40%
After 4 years	60%
After 5 years or more	100%

- ★ permanent disability, or
- ★ death.

If an employee leaves District employment before his or her account is vested, he or she forfeits the account balance.

Note: The final vesting percent will be determined by D.C. Human Resources after a review of your employment history.

Will I be required to pay taxes?

All of the above payment options, except for the rollover, are treated as ordinary income in the year the money is received and are therefore subject to federal and state income taxes at the time of withdrawal. For all payments (except rollovers), ICMA-RC will withhold 20% for federal tax purposes at the time of payment. In addition, under current law, a participant may incur a 10% federal tax penalty if they elect a distribution (other than a rollover payment) before turning age 59½.

How do I file a claim?

All distributions from the Plan must be requested via form. All forms are contained in the Distribution Package available online at www.DCRetire.com, by calling Investor Services at 800-669-7400, or through the DC local office. Distribution choices and rules are complicated. You are encouraged to talk with your tax advisor or financial planner before deciding how to take your distribution.



How are my survivor benefits paid out?

You designate a beneficiary, or beneficiaries, to receive any remaining assets upon your death. Designating beneficiaries can help ensure your assets are paid per your wishes, avoid the potential costs and delays of probate, and allow non-spouse beneficiaries to receive additional tax benefits.

Note: If you are married, you are required to name your spouse as your primary beneficiary for 100% of your account unless your spouse waives this right.



How do I designate my beneficiaries?

You can update beneficiary information online in a few simple steps:

- ★ Log in to ICMA-RC's Account Access at www.DCRetire.com
- ★ Select Your 401(a) Account
- ★ Click the *View Beneficiaries* link
- ★ Click the *Update Beneficiaries* button and enter your beneficiary information

What else can I do to save for retirement?

Start today! You can enroll immediately in the District of Columbia's 457(b) Deferred Compensation Plan. It is an important part of your overall retirement plan. Your contributions are made pre-tax, and earnings are tax deferred. Find out more at www.DCRetire.com/457, or contact an ICMA-RC Representative for instructions on how to enroll.

Resource Section

We are committed to providing you with quality retirement plan administration services to help you achieve your retirement goals. Listed below are some of the services and resources available to you:



District of Columbia Website

www.DCRetire.com — Manage your account, review investments, and access our educational resource after you create your user ID and password.



Mobile Application

Download ICMA-RC's mobile app from the App Store® and Google Play™ to keep track of your ICMA-RC retirement account whenever and wherever it is convenient for you.



Local Service Center

ICMA-RC representatives are available to meet with you about plan features and savings goals.

ICMA-RC

777 N. Capitol Street, NE, 8th Floor
Washington, DC 20002
202-759-7190

D.C. Department of Human Resources

1015 Half Street, SE, 9th Floor
Washington, DC 20003
202-442-9749 | 202-442-9640

Contact ICMA-RC's local service team at service@DCRetire.com to schedule an appointment.



Investor Services Phone Line

800-669-7400 — Establish your Personal Identification Number through our automated voice response system, where you can access your account balance and order educational materials or forms.