

Your State of Tennessee Hybrid Pension Plan

For State, Higher Education and Certified Teacher Employees

About the Hybrid Pension Plan

The Hybrid Pension Plan, effective for new hires on or after **July 1, 2014**, provides a combination of a defined benefit plan and a defined contribution plan. The defined benefit portion of the Hybrid Plan will be managed by TCRS. The defined contribution assets will be deposited into the state's 401(k) plan (The Program) where you will manage the investments within the 401(k) plan.

Legislation

In 2013, the Tennessee Department of Treasury passed TCA 8-36 part 9, which introduced pension plan reform for TCRS employees. As a result of this pension reform, a new Hybrid Plan was created as part of the Program.

Plan Provisions of TCA 8-36 Part 9 Effective on July 1, 2014

Provisions of TCA 8-36 Part 9 take effect for any full-time State, higher education or certified teacher employees hired on or after **July 1, 2014**.

- 1. Employee and Employer Contribution Rates:** All full-time state, higher education and certified teacher employees will contribute on a tax-deferred basis to the Hybrid Pension Plan, and your employer will also make contributions to your Hybrid Pension Plan, as outlined in the table below:

Hybrid Pension Plan Contribution Rates

	TCRS- Defined Benefit Plan	State of Tennessee 401(k) Defined Contribution Plan	Total Retirement Contributions
Employer	4% Mandatory	5% Mandatory	9% Mandatory
Employee	5% Mandatory	2% - Auto Enrollment Voluntary*	7% with 5% to TCRS Mandatory
	9%	7%	16%

* Employees will have the ability to opt-out of the auto enrollment process, a letter with provisions will be sent to their address of record.

- 2. Default Investment Option:** Employees' defined contribution assets will automatically be invested in the Program's default investment option, a Vanguard Target Date Fund according to their date of birth and the year in which they will reach age 65.

1 Access to the automated voice response system and website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.

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Vanguard Target Date Funds

Employee Date of Birth			
From	To	Default Fund Name	Fund Ticker Symbol
1900	1947	Vanguard Target Retirement 2010	VTENX
1948	1952	Vanguard Target Retirement 2015	VTXVX
1953	1957	Vanguard Target Retirement 2020	VTWNX
1958	1962	Vanguard Target Retirement 2025	VTTVX
1963	1967	Vanguard Target Retirement 2030	VTHRXX
1968	1972	Vanguard Target Retirement 2035	VTTHX
1973	1977	Vanguard Target Retirement 2040	VFORX
1978	1982	Vanguard Target Retirement 2045	VTIVX
1983	1987	Vanguard Target Retirement 2050	VFIFX
1988 or Later		Vanguard Target Retirement 2055	VFFVX

*The chart shown is only intended as a guide based on the overall design of the funds. It is not intended as financial planning or investment advice. Please consult with your financial planner or investment advisor as needed.

The date in a target date fund's name represents an approximate date when an investor is expected to retire (which is assumed to be at age 65). The principal value of the funds is not guaranteed at any time, including the target date. Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, please refer to the fund prospectus and/or disclosure document.

Play an Active Role in Your Retirement Future

You can play an active role in your retirement future by keeping in mind 3 important steps below!

1. Manage Your Investments

In addition to the Vanguard target date funds, your Program offers a diverse array of investment options. Review the investment option information online via the website at www.treasury.tn.gov/dc. Read the descriptions and goals of the different options.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information about investments offered through your Plan, you may obtain prospectuses for mutual funds, any applicable annuity contract and the annuity's underlying funds, and/or disclosure documents from your registered representative or Plan website. For prospectuses related to investments in your Self-Directed Brokerage Account (SDBA), contact your SDBA provider. Read them carefully before investing.

2. Elect Your Beneficiary

It is very important to make a beneficiary designation when participating in the Program. You can Elect a beneficiary in the following ways:

1. You can fill out and turn in a paper Beneficiary Designation form. You can send the completed form via fax to (866) 745-5766 or via mail to:
PO Box 173764 Denver, CO 80217-3764
2. You can update your beneficiary by logging onto the Program's website at www.gwrs.com under 'My Profile'.¹

3. Meet with a Local Retirement Plan Counselor

By meeting with a local retirement plan counselor, you can proactively enroll in your Program and learn more about all the tools and resources available to you as part of your Hybrid Pension Plan.

To see where your local retirement plan counselor resides, check out the territory map at: http://www.dcpprovider.com/Tennessee/HTML/tn_calendar_.html.

Start today!

For more information about the State of Tennessee Hybrid Pension Plan:

State of Tennessee 401(k) Program Contact Information

Phone: (800) 922-7772 or the TTY line at (800) 766-4952

Website: www.treasury.tn.gov/dc | Email: tn401k457@gwrs.com

TCRS Defined Benefit Plan Contact Information

Website: www.treasury.tn.gov