



DEFINED CONTRIBUTION PLAN – INVESTMENT PLAN FEATURES AND HIGHLIGHTS

In your defined contribution investment plan, you pick how your money will be invested for retirement and you assume the investment risk.

The State Employees’ Retirement Board selected **Empower** as the third-party administrator of this plan.

Sign In To Your Account

You are encouraged to sign in to your investment plan account as soon as possible at <https://sers.empower-retirement.com>, provide contact information, name your beneficiaries, and if you wish, change your investments.

Contributions

You and your employer contribute to your investment plan each pay period.

Your employer automatically withholds a percentage of your pay and transfers it to your investment account – that is your contribution. Your employer also contributes an amount equal to a percentage of your pay and transfers it to your investment account – that is your employer’s contribution. The percentages are set by law in the State Employees’ Retirement Code.

In addition to those mandatory contributions, you have the option to make additional voluntary contributions toward your defined contribution investment plan. There may, however, be tax advantages to making those voluntary contributions toward your deferred compensation investment plan instead. Consult a tax advisor for more information.

Vesting

Vesting in this type of plan refers to when you earn the right to portions of your account.

Your contributions (including rollovers from previous employers and earnings) are immediately vested. Employer contributions are vested after three years of service.

In other words, if you leave state employment before you work three years, you have a right to your contributions and earnings; however, you would have no right to the amount your employer contributed. The value of your contributions, and any employer contributions, will vary with investment gains and losses.

Plan Fees

Recordkeeping or Administrative Fees:

The commonwealth is currently covering these fees.

Investment Option Fees:

Each investment option has its own operating expenses. These fees are deducted by each investment option’s management company before the daily price or performance is calculated. Fees pay for trading of securities within the investment options and other management expenses.

Funds may impose redemption fees and/or transfer restrictions if assets are held for less than the published holding period. Asset allocation funds are generally subject to an operating expense at the fund level, as well as prorated operating expenses of each underlying fund in which they invest. For more information, please refer to the fund fact sheets at www.SERS.pa.gov. Funds are subject to the risks of the underlying funds.

There are additional quarterly fees and/or transaction fees to participate in the Self-Directed Brokerage option; see www.SERS.pa.gov. This option is intended for knowledgeable investors who understand the risks associated with a Self-Directed Brokerage Account.

Empower Advisory Services:

My Total Retirement™ and Online Advice, offered by Empower Advisory Group, LLC (EAG), a registered investment adviser, provide a personalized retirement strategy for you based on your investment goals, time horizon, and tolerance for risk.

The annual fee for My Total Retirement is charged quarterly and is based on a percentage of your assets under management as shown below.

Assets Under Management	Annual Service Fee
Up to \$100,000	0.45%
Next \$150,000	0.35%
Next \$150,000	0.25%
Amounts in excess of \$400,000	0.15%

Please note the fees in this chart are subject to change. Please log in to your account to view the most updated fee schedule.

Questions or Request Your Free Retirement Readiness Review*
1.866.737.7457 | www.SERS.pa.gov



With My Total Retirement, EAG builds and manages a portfolio for you based on your specific goals. EAG makes adjustments as you get closer to retirement and/or as you provide additional information when your financial picture changes.

You also have access to Online Advice, available at no additional cost to you. This service provides fund-specific recommendations to support you as you make your investment decisions. You select and implement your own retirement savings strategy.

Transfers and Allocation Changes¹

You can move all or a portion of your account balances among investment options (subject to plan rules) and change how your payroll contributions are invested through the plan in your online account.

Rollovers

Balances from an eligible governmental 457(b), 401(k), 403(b), or 401(a) plan or other qualified plans may be rolled over to the plan. Consider all your options, including taxes, fees and expenses, before moving money between accounts. Assess all benefits of current accounts before moving money. Contact Empower for assistance by calling **1.866.737.7457**.

Withdrawals/Distributions

Your defined contribution account is eligible for withdrawals or distributions in the following circumstances:

You retire

- You change jobs and no longer work for a SERS-participating employer
- You die (payment issued to your designated beneficiary)
- You have a domestic relations order (DRO)

Ordinary income tax may apply to each distribution. Distributions received prior to age 59½ may also be assessed a 10% early withdrawal federal tax penalty. Refer to the *Plan Document* for the Defined Contribution Plan at **www.SERS.pa.gov** for more information.

Investment Options

The State Employees' Retirement Board selected a range of investment options for you to choose from, including:

- Target date funds
- Money market fund
- Equity funds
- Fixed income funds
- Self-Directed Brokerage.

Each option is explained in further detail in fund fact sheets at **www.SERS.pa.gov**.

Read these highlights to learn more about your Pennsylvania State Employees' Defined Contribution Plan. If there are any discrepancies between this document and the Plan Document, the Plan Document will govern.

Carefully consider the investment option's objectives, risks, fees, and expenses. Contact Empower for a prospectus, summary prospectus for SEC-registered products, or disclosure document for unregistered products, if available, containing this information. For prospectuses related to investments in your self-directed brokerage account (SDBA), contact your SDBA provider. Read them carefully before investing.

*The Retirement Readiness Review is provided by an Empower representative registered with Empower Financial Services, Inc. and may provide tailored retirement education and guidance at no additional cost to participants.

¹ Asset allocation, diversification, or rebalancing does not ensure a profit or protect against loss.

Transaction requests received in good order after the close of the New York Stock Exchange will be processed the next business day.

Online Advice and My Total Retirement are part of the Empower Advisory Services suite of services offered by Empower Advisory Group, LLC, a registered investment adviser. Past performance is not indicative of future returns. You may lose money.

Securities available through Schwab Personal Choice Retirement Account (PCRA) are offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer. Additional information can be obtained by calling 888-393-7272. Charles Schwab & Co., Inc. and Empower Financial Services, Inc. are separate and unaffiliated.

Investing involves risk, including possible loss of principal.

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