Program Highlights

Fringe Benefits Consortium Deferred Compensation Program
The Fringe Benefits Consortium (FBC) Deferred Compensation Program (“the Plan”) is designed exclusively to help educators build and grow their savings to achieve their retirement dreams through a variety of options available in the Plan.

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

What Is a 403(b), Roth 403(b), or 457(b) Plan?
403(b) or 457(b) refer to a section in the IRS Code that allows you to save part of your income on a pre-tax basis. This lowers your current taxable income and can help your long-term savings grow faster. Your 403(b) and 457(b) savings will not be taxed until withdrawn.

The Roth 403(b) plan enables you to save part of your income on an after-tax basis. Your Roth 403(b) savings may be withdrawn tax-free with a qualified distribution.

Why Should I Invest In the 403(b), Roth 403(b), and 457(b) Plans?
You may save as much as $45,000 on a tax-deferred basis per year:
- Up to 100% of your income
- Up to $22,500 in 2023 in the 403(b) and Roth 403(b) Plans (combined)
- Up to $22,500 in 2023 in the 457(b) Plan
- 100% Vested

You may save even more if you are eligible under the special catch-up provisions, which could allow you to save up to $66,000:

403(b) and Roth 403(b) Plans
- Up to an additional $7,500 if you are over age 50, AND
- Up to an additional $3,000 if you have over 15 years of service with your current employer (You may be eligible to defer up to a combined maximum of $33,000 into the 403(b) and Roth 403(b) Plans during 2023 using the special catch-up provisions.)

457(b) Plan
- Up to an additional $7,500 if you are over age 50, OR
- Up to an additional $22,500 if you are in your final three years prior to normal retirement age (You may be eligible to defer up to a maximum of $45,000 into the 457(b) Plan during 2023 using the special catch-up provisions.)

What Is the Plan Year for the FBC Deferred Compensation Program?
The Plan Year is the consecutive twelve-month period beginning on January 1 and ending on December 31.

Who Can Participate?
All current employees are eligible to participate in the Plan.

When May I Join?
Eligible employees may join the Plan on their date of hire or any day thereafter.

How Do I Join the Plan?
You can join the Plan by enrolling at www.MyFBCretirement.com or by completing the enrollment materials for the Plan, which are available online or through the FBC office. To begin the enrollment process, follow the instructions on the “Enroll now” web page.

How Do I Contribute to the Plan?
You may defer a portion of your salary on a monthly basis by completing the “FBC Salary Reduction Agreement” included in the enrollment packet, or by completing the enrollment steps at www.MyFBCretirement.com.
- If you have an existing qualified retirement plan (pre-tax), 403(b) tax-deferred arrangement or governmental 457 plan with a prior employer, or hold a Tax-Deferred IRA account, you may transfer or roll over that account into the Plan anytime. Contact the Plan’s customer service center at (844) SDCS-RET (844-732-7738) for assistance or email fbcmeetinginfo@empower.com to be put in touch with a local Retirement Plan Advisor. Consider all your options and their features and fees before moving money between accounts.
How Are Plan Contributions Invested?
You give investment directions for your Plan account, selecting from investment choices provided under the Plan, as determined by the FBC Deferred Compensation Program.

- You may change your investment choices daily. There is no fee for changing your investment choices, unless you elect to participate in the Self-Directed Brokerage Account (SDBA).
- You may change your contribution amount at any time by completing a new salary reduction agreement.
- More information about your Plan’s investment choices can be found elsewhere in these materials or online at www.MyFBCretirement.com.

The Plan is intended to comply with ERISA Section 404(c) even though it is not subject to Title I of ERISA. This simply means that you “exercise control” over some or all of the investments in your Plan account. The fiduciaries of the Plan may be relieved of liability, or responsibility, for any losses that you may experience as a direct result of your investment decisions.

As a plan participant, you may request certain information from Empower. This information includes annual operating expenses of the Plan investments; copies of prospectuses, financial statements, reports or other materials relating to Plan investments provided to the Plan; a list of assets contained in each Plan investment portfolio; the value of those assets and fund units or shares; and the past and current performance of each Plan investment.

How Can I Get Help Choosing My Investment Options?
There are financial calculators and tools on the website that can help you determine which investment options might be best for you if you would like to construct the Plan accounts yourself.

The Plan also offers access to Empower Advisory Services, offered by Empower Advisory Group, LLC, a registered investment adviser. You can have EAG manage your retirement account for you through My Total Retirement™. Or if you prefer to manage your retirement account on your own, you can use Online Advice. These services provide a retirement strategy based on your investment goals, time horizon and tolerance for risk.

The Plan also offers a Self-Directed Brokerage Account (SDBA), which allows you to select from numerous mutual funds outside of the Plan’s core investment options for an additional fee or fees. Individual stocks and bonds are not available for purchase in this SDBA option. These securities are not offered through Empower Financial Services, Inc. The SDBA is intended for knowledgeable investors who understand the risks associated with the SDBA.

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.

For more detailed information about your investment options, please visit the Plan’s website at www.MyFBCretirement.com or call the voice response system at (844) SDCS-RET (844-732-7738).

Can I Make Catch-Up Contributions to the Plan?
If you are age 50 or older and make the maximum allowable deferral to your Plan, you are entitled to contribute an additional “catch-up contribution.” The catch-up contribution is intended to help eligible employees make up for smaller contributions made earlier in their careers. The maximum catch-up contribution is $7,500 for 2023. See your Benefits Administrator for more details.

When Can Money Be Withdrawn From My Plan Account?
Money may be withdrawn from your Plan account in these events:

<table>
<thead>
<tr>
<th>403(b)* and Roth 403(b)**</th>
<th>457(b)*</th>
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<tbody>
<tr>
<td>Termination of Employment</td>
<td>Termination of Employment</td>
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<tr>
<td>Your attaining age 59½</td>
<td>Your attaining age 59½</td>
</tr>
<tr>
<td>Hardship</td>
<td>Unforeseeable Emergency</td>
</tr>
<tr>
<td>Death</td>
<td>Death</td>
</tr>
<tr>
<td>Disability</td>
<td>Disability</td>
</tr>
<tr>
<td>Age 73 Required Minimum Distribution***</td>
<td>Age 73 Required Minimum Distribution***</td>
</tr>
</tbody>
</table>
Be sure to talk with your tax advisor before withdrawing any money from your Plan account.

*A 10% early distribution penalty applies to 403(b) distributions for participants under the age of 59½. Withdrawals may be subject to ordinary income tax. If you are separated from service and over 55, the 10% penalty may not apply. The 10% federal early withdrawal penalty does not apply to 457 plan withdrawals except for withdrawals attributable to rollovers from another type of plan or account. Please consult a Tax Advisor.

**Generally, any earnings in the Roth 403(b) Plan are not taxable upon normal withdrawal. However, earnings may be taxable upon withdrawal if you have not had the Roth 403(b) account for at least 5 years and you are not withdrawing for death, disability, or age 59½.

***As of January 1, 2023, the IRS generally requires you to start taking required minimum distributions (RMDs) at age 73. (If you turned 72 in 2022 and delayed your first-time RMD until April 1, 2023, you must take your 2022 RMD by April 1, 2023, and your 2023 RMD by December 31, 2023.)

**May I Withdraw Money In Case of Financial Hardship or an Unforeseeable Emergency?**
If you have an immediate financial need created by severe hardship and you lack other reasonably available resources to meet that need, you may be eligible to receive a hardship withdrawal from your account. You may also be eligible to withdraw funds if you have met an unforeseeable emergency as defined in the Plan Document. If you feel you are facing a financial hardship or an unforeseeable emergency, you should see your Benefits Administrator for more details.

**May I Borrow Money From My Account?**
The Plan is intended to help you put aside money for your retirement. However, the FBC Deferred Compensation Program has included a Plan feature that lets you borrow money from the Plan.

- The amount the Plan may loan to you is limited by rules under the tax law. All loans will be limited to the lesser of:
  - One-half of your vested account balance.
  - $50,000

- The minimum loan amount is $1,000
- General loans must be repaid within five years; residential loans may exceed five years
- You pay loan interest back into your account. The interest rate on your loan will be the Prime Rate plus 2%
- A $95 processing fee for new loans and a $50 per year maintenance fee are charged to your account
- Loans are permitted from all plan types [403(b), 457(b), etc.]

**How Can I Learn More About the Plan?**
Visit www.MyFBCretirement.com or contact (844) SDCS-RET (844-732-7738).

**What Are the Fees Associated With the Plan?**
The following general fees and transaction fees apply to the Empower – SDCOE/Fringe Benefits Consortium 403(b)/457(b) Program vendor on your district’s approved vendor list:

**General Fees**
- 0.15% administrative fee. This includes all fees charged by Empower, Fringe Benefits Consortium, and LeafHouse Financial Services.
- For the 403(b) Plan only, SchoolsFirst has a monthly maximum $2 administrative fee for actively contributing participants.

**Empower Advisory Services Fees**
There is no cost to you for Online Advice.
The annual fee for My Total Retirement is assessed in quarterly installments based on a percentage of your assets under management, as follows:

<table>
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<tr>
<th>Participant Assets Under Management</th>
<th>Annual Fee</th>
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<tbody>
<tr>
<td>Up to $100,000</td>
<td>0.45%</td>
</tr>
<tr>
<td>Next $150,000</td>
<td>0.35%</td>
</tr>
<tr>
<td>Next $150,000</td>
<td>0.25%</td>
</tr>
<tr>
<td>Greater than $400,000</td>
<td>0.15%</td>
</tr>
</tbody>
</table>
For example, if your assets under management are $50,000, the maximum annual fee will be 0.45 percent of the account balance. If your assets under management are $500,000, the first $100,000 will be subject to a maximum annual fee of 0.45 percent; the next $150,000 will be subject to a maximum annual fee of 0.35 percent; the next $150,000 will be subject to a maximum annual fee of 0.25 percent; and any amounts over $400,000 will be subject to a maximum annual fee of 0.15 percent.

Transaction Fees

- $95 Loan Processing Fee and $50 Annual Loan Maintenance Fee, charged quarterly at $12.50 per quarter
- There are additional transaction fees for participants who wish to utilize the SDBA
- Processing fees apply for withdrawals/distributions

Please note that there are no front-end loads, back-end loads, or surrender fees associated with the SDCOE/Fringe Benefits Consortium 403(b)/457(b) Program offered through Empower.

Comparing the Plans

<table>
<thead>
<tr>
<th></th>
<th>403(b) and Roth 403(b)</th>
<th>457(b)</th>
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<tbody>
<tr>
<td>Contribution Limits</td>
<td>$22,500</td>
<td>$22,500</td>
</tr>
<tr>
<td>Additional Catch-up</td>
<td>15 Years of Service Rule</td>
<td>Final 3 Year Rule</td>
</tr>
<tr>
<td>Age 50 Catch-up</td>
<td>$7,500</td>
<td>$7,500</td>
</tr>
<tr>
<td>Section 415 Limit</td>
<td>100% to $66,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Compensation</td>
<td>Calendar Year + Deferrals [for 125, 457(b) &amp; 403(b)]; if terminated, then last 12 months of service is used for 5 years following year of termination</td>
<td>Calendar Year + Deferrals [for 125, 457(b) &amp; 403(b)]</td>
</tr>
<tr>
<td>Loans</td>
<td>50% of total account balance up to $50,000. Paid back over 5 years or less. Defaulted loans are taxable. If a participant defaults or has previously defaulted on a Plan loan, no further loans will be permitted from the Plan</td>
<td></td>
</tr>
<tr>
<td>Distributions</td>
<td>Only for death, disability, retirement, termination of employment, hardship, Age 59½, and Age 73 minimum distributions</td>
<td>Only for death, disability, termination of employment, unforeseeable emergency, Age 59½, and Age 73 minimum distributions</td>
</tr>
<tr>
<td>Early Distribution Penalty</td>
<td>10%</td>
<td>None</td>
</tr>
</tbody>
</table>

1 Governmental 457 funds rolled into another type of plan or account may become subject to the 10% early withdrawal penalty if taken before age 59½. Investing involves risk, including possible loss of principal.

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