

What is PCRA?

The Schwab Personal Choice Retirement Account® (PCRA) is a self-directed brokerage account (SDBA) offered through Charles Schwab & Co., Inc. (Member SIPC) that allows you to select from numerous mutual funds, exchange-traded funds (ETFs) and other types of securities, such as stocks and bonds, for an additional fee or fees. These securities are not offered through GWFS Equities, Inc.

For whom is this option appropriate?

The Schwab PCRA is for **knowledgeable investors** who acknowledge and understand the risks associated with many of the investment choices available through PCRA. The PCRA is designed for individuals who seek more flexibility, increased diversification and a greater role in managing their retirement savings.

By utilizing the PCRA, you acknowledge that **none** of the available options in the PCRA have been reviewed for suitability by the South Carolina Deferred Compensation Program (Program) or Empower Retirement, your service provider. **You are solely responsible** for determining suitability of the options that are available through the PCRA. You agree to fully indemnify and hold harmless your employer, the Program, Empower Retirement, and any and all service providers to the Program against any claims, damages or other possible causes of actions resulting from your use of the PCRA.

How do I get started?

This is a web-based feature only. You can open an account by logging on to the Program's website at www.southcarolinadcp.com, going to the *Brokerage* link under your plan and click on the appropriate *Enroll* button (either *Charles Schwab* for before-tax contributions or *Charles Schwab - Roth* for after-tax contributions).

Note: The Roth account will allow you to track your Roth investments and earnings separately from your non-Roth PCRA account. Complete the enrollment process online. During the enrollment process, you will immediately receive your Schwab PCRA account number.

Follow the instructions to web-activate your account. Please note that you will need to wait at least three business days after enrolling before you can transfer funds into the PCRA. Immediately following this step, you will be able to initiate your first transfer into the PCRA account. Schwab will send you a Welcome Kit. There is a \$50 annual fee that will be charged by Empower to your core account at \$12.50 per quarter. This fee

will only be assessed if you have a balance in the Schwab PCRA at any time during the quarter. You can also view the PCRA "how-to" video with step-by-step instructions on how to research, trade and monitor your investments at www.schwab.com/pcrahowto.

The personal identification number (PIN), which you received when you enrolled in the Program, is needed to open a PCRA.²

How do I fund my self-directed account?

You may contribute directly to your SDBA through payroll deduction. You can elect to have a portion or all of your contribution directed to your SDBA once the core minimum has been met in the Program's core investment options. Contributions to your SDBA can be set up through the Program's website at www.southcarolinadcp.com or toll-free number at **877.457.6263**.¹

Effective January 1, 2015, participants must maintain a core minimum of "the greater of \$2,500 and 50%" in the Program's core investment options. If your total balance in the core investment options falls to 20% below the stated minimum, you will be unable to direct future contributions to your SDBA until the core minimum in the Program's core investment options is met. Transfers into the Schwab PCRA will be subject to the minimum transfer restriction of \$1,000. If your transfer request does not meet the minimum amount, your transfer will not be completed.

To initiate transfers into the your SDBA at Schwab, go to the Program's website at www.southcarolinadcp.com.¹ Transfers must be made into the Money Market Fund at Schwab first. Then, through Schwab, you can purchase other investments. When moving money back to the Program's core investment options through Empower Retirement, Schwab assets must be liquidated and settled to the Money Market Fund first, then moved to the core investment options.

If you transfer more than one contribution type to the PCRA, earnings (or losses) that accrue in the PCRA will be allocated proportionately to each contribution type. When an amount is transferred back from the PCRA, earnings (or losses) that accrued in the PCRA will be allocated proportionately into the core investment options based on the contribution types in the PCRA prior to the returning transfer, regardless of whether such earnings (or losses) are attributable to investments in the PCRA that were purchased with amounts originally transferred to the PCRA from such contribution type.

What kind of access will I have to funds in the PCRA?

When you transfer money from the Program's core investment options into the PCRA, the money will be automatically allocated to your Schwab Money Market Fund within approximately two business days. Once you see the transferred money in your Schwab Money Market Fund, you may then purchase securities in your PCRA.

How do I manage and/or make changes to my self-directed account?

Visit the Schwab website at www.schwab.com; use Schwab's touch-tone telephone service, Telebroker®, or voice-activated telephone service, Schwab by Phone™, at **888.393.7272**; or call the dedicated PCRA Call Center at **888.393.7272** to inquire about your daily account balance or change your investments in the PCRA.

How do I transfer money from the PCRA back to my Program's core funds?

Visit the Schwab website at www.schwab.com or use Telebroker® or Schwab by Phone™ at **888.393.7272** to transfer money from the Schwab PCRA to the Program's core investment options. You will need to:

1. Instruct Schwab to liquidate the securities and/or mutual funds in your PCRA.
2. Wait for the proceeds to settle and be invested in your Schwab Money Market Fund.
3. Transfer the cash from your Schwab Money Market Fund to your core account via the Program's website at www.southcarolinadcp.com or toll-free number at **877.457.6263**.

Direct distributions from your PCRA are not permitted.

Partial transfers from your Schwab Money Market Fund will be allocated to the core fund you have indicated within approximately two business days.

For full liquidation of your Schwab Money Market Fund, use the **Transfer All** button on the Program's website. Money transferred into a core fund will be allocated to the fund you have indicated within approximately four business days. Additional time is needed for this transaction in order to transfer any accrued interest or dividends.

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 GWFS Equities, Inc. are separate and unaffiliated.

Securities offered or distributed through GWFS Equities, Inc., Member FINRA/SIPC and a subsidiary of Great-West Life & Annuity Insurance Company.

Great-West Financial®, Empower Retirement and Great-West Investments™ are the marketing names of Great-West Life & Annuity Insurance Company, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: New York, NY, and their subsidiaries and affiliates, including registered investment advisers Advised Assets Group, LLC and Great-West Capital Management, LLC.

1 Transfer requests made via the voice response system and website received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

2 The account owner is responsible for keeping the assigned PIN confidential. Please contact Client Services immediately if you suspect any unauthorized use.

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Unless otherwise noted: Not a Deposit | Not FDIC Insured | Not Bank Guaranteed | Funds **May** Lose Value | Not Insured by Any Federal Government Agency

What do I do if I want to make a withdrawal?

If you are requesting a payout option (such as an auto Required Minimum Distribution (RMD) or a regularly scheduled payout option), you must transfer cash from your PCRA back to the Program's core investment options. If you have requested a voluntary payout but have insufficient money in the Program's core investment options, the request will be canceled. If the payout is due to a required distribution, such as an RMD, and you have insufficient money in the Program's core investment options, your PCRA may be liquidated and the account closed. You will be responsible for any losses or expenses associated with the liquidation.

If you are requesting a disbursement or loan, you must transfer sufficient funds to process your request. If you do not have sufficient funds in your core funds at the time you submit your distribution request, your request will be processed to the extent possible from the core funds. However, this could result in a smaller payout than requested.

A beneficiary is not authorized to trade and, therefore, cannot access the PCRA. Beneficiaries should contact the Program's toll-free number at **877.457.6263** for assistance.

Who sends me statements?

Empower sends you a quarterly statement. Schwab sends you a monthly statement.

Note: The account balance on your Empower and Schwab statements may be slightly different due to different period-ending dates (for example, one may be as of the last day of the quarter, while the other may be as of the last business day).

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, prospectuses for all PCRA funds can be obtained on the website at www.schwab.com or by calling 888.393.7272. Read them carefully before investing.

You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.