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# Charles Schwab PCRA Self-Directed Brokerage Account

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## What is PCRA?

The Schwab Personal Choice Retirement Account® (PCRA) is a self-directed brokerage account offered through Charles Schwab & Co., Inc. (Member SIPC) that, depending on your Plan, may allow 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 Empower Financial Services, Inc.

## For whom is this investment 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. 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 your employer; plan sponsor; Empower Retirement, LLC ("Empower"); or your service provider. *You are solely responsible* for determining suitability of the options that are available through PCRA. You agree to fully indemnify and hold harmless your employer, plan sponsor, Empower, and any and all service providers to the plan, 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 your plan's website and completing the enrollment process online. During the enrollment process, you will immediately receive your Schwab PCRA account number. Follow the instructions to activate your account. Immediately following this step, you will be able to initiate your first transfer into the PCRA account. Schwab will send you a Welcome Kit. 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](http://www.schwab.com/pcrahowto).

If your plan allows for Roth money, you may open a separate Roth PCRA account. This will allow you to track your Roth investments and earnings separately from your regular PCRA account.

If you are not already enrolled in your plan, complete your plans' enrollment form. All agreement forms must be completed and signed. Once your account is processed, you will receive a Personal Identification Number (PIN) which is needed to open a PCRA.

## How do I fund my self-directed account?

If your plan allows, you may contribute directly to your PCRA account. To initiate transfers into the self-directed cash sweep feature at Schwab, go to your plan's website.<sup>1</sup> Transfers must be made into the cash sweep feature at Schwab first. Then, through Schwab, you may purchase other investments. Also, when moving money back to your plan's core options through Empower, Schwab assets must be liquidated and settled to the cash sweep feature first, then moved to the core options.

Transfers into the Schwab PCRA account will be subject to minimum transfer restrictions. If your transfer request does not meet the minimum amount, your transfer will not be completed. You may also be required to maintain a minimum balance in the plan's core options. Please check with your plan for its minimum requirements.

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 upon 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. This may include a contribution type subject to a vesting schedule under the plan, if applicable, if assets from that contribution type were invested in the PCRA.

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

When you transfer money from your core funds into the Schwab PCRA account, the money will be automatically allocated to the Schwab cash sweep feature fund within approximately two business days. Once you see the transferred money in your Schwab cash sweep feature, you may then purchase securities in your PCRA account.

## What cash options are available in PCRA?

The cash sweep feature is not intended to be a long-term investment. If you desire to maintain cash balances for other than a short-term period and/or are seeking the highest yields currently available in the market, you can use alternative cash investment options, such as Schwab purchased money market funds and Certificates of Deposit (CDs) from Schwab CD OneSource®. These options are available outside of the Cash Sweep Features Program to help maximize your return potential in line with your investment objectives and risk tolerance. For additional information, contact your Schwab representative or visit

www.schwab.com/cash after you log into your account.

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

Place trades and manage your account through [www.schwab.com](http://www.schwab.com) and mobile applications, use Schwab's touch tone telephone service, Telebroker<sup>®</sup>, or voice activated telephone service, Schwab by Phone<sup>™</sup> 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 PCRA back to my Plan's core funds?**

Visit the Schwab website at [www.schwab.com](http://www.schwab.com), use Telebroker<sup>®</sup> or Schwab by Phone<sup>™</sup> at (888) 393-7272 to transfer money from the Schwab PCRA account to your core funds. You will need to:

1. Instruct Schwab to liquidate the securities and/or mutual funds in your PCRA account.
2. Wait for the proceeds to settle and be invested in your Schwab cash sweep feature.
3. Then use the plan's website or toll-free number to transfer the cash from your Schwab cash sweep feature to your core account.

#### ***Direct distributions from your PCRA account are not permitted.***

- Partial transfers from your Schwab cash sweep feature will be allocated to the core fund you have indicated within approximately two businessdays.
- For full liquidation of your Schwab cash sweep feature, use the "Transfer All" button on your plan'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.

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

If you are requesting a payout option, you must transfer cash from your Schwab PCRA account back to your plan's core options. If you transfer 100% from your Schwab PCRA account back to your plan's core options and no balance remains invested in the Schwab PCRA account, residual dividends will automatically sweep back to the core options that were used in your last full transfer request.

If additional money is deposited into the Schwab PCRA account at a later date (either via a new transfer request or payroll contribution, as applicable), the residual sweep process will discontinue.

If you have requested a voluntary payout but have insufficient money in your plan's core options, the request will be canceled. If the payout is due to a required distribution, such as a required minimum distribution, and you have insufficient money in your plan's core options, your PCRA account 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 (if available in your Plan), 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. Or, if your plan allows, you may instead request an in-kind rollover of your PCRA securities to another retirement plan or IRA rollover account.

A beneficiary is not authorized to trade and therefore unable to access the PCRA account. Beneficiaries should contact the plan's toll-free number for assistance.

### **Who sends me statements?**

Empower sends quarterly statements. 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).

*Carefully consider the investment option's objectives, risks, fees and expenses. For this and other important information, prospectuses for all PCRA funds can be obtained on the website at [www.schwab.com](http://www.schwab.com) or by calling 888-393-7272. Read them carefully before investing.*

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*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.*

ETFs are a type of exchange-traded investment product that must register as either an open-end investment company (generally known as “funds”) or a unit investment trust. ETFs are not mutual funds.

Unlike mutual funds, individual shares of ETFs are not redeemable directly with the issuer. ETF shares are a collection of securities bought and sold at market price, which may be higher or lower than the net asset value. Investment returns will vary based on market conditions and volatility, so that an investor’s shares, when redeemed or sold, may be worth more or less than their original cost. ETFs are subject to risks like those of their underlying securities.

**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. Charles Schwab & Co., Inc. and Empower Financial Services, Inc. are separate and unaffiliated.**

**Securities, when presented, are offered and/or distributed by Empower Financial Services, Inc., Member FINRA/SIPC.** EFSI is an affiliate of Empower Retirement, LLC; Empower Funds, Inc.; and registered investment adviser Empower Advisory Group, LLC. This material is for informational purposes only and is not intended to provide investment, legal or tax recommendations or advice

1 Transfer requests made via the 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.

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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**