

Association of Free Lutheran Congregations Retirement Plan Features and Highlights

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.

About the 401(k) Plan

A 401(k) plan is a retirement savings plan designed to allow eligible employees to supplement any existing retirement and pension benefits by saving and investing through a voluntary salary contribution. Contributions and any earnings on contributions are tax-deferred until money is withdrawn.

Eligibility Requirements

Employee Before Tax

To enroll in the Plan, employees must meet the following criteria:

- Age 21 or older
- Completed 1 year(s) of service
- Completed at least 1000 hours of service

Eligible employees may enroll each month.

Discretionary Match

To enroll in the Plan, employees must meet the following criteria:

- Age 21 or older
- Completed 1 year(s) of service
- Completed at least 1000 hours of service

Eligible employees may enroll each month.

Profit Sharing

To enroll in the Plan, employees must meet the following criteria:

- Age 21 or older
- Completed 1 year(s) of service
- Completed at least 1000 hours of service

Eligible employees may enroll each month.

Please contact your Plan Administrator for information regarding excluded employees.

Enrollment

You may enroll by completing an Enrollment form and returning it to your Plan Administrator.

Contribution Limits

Before-tax Contributions

In 2017, the before-tax contribution amount is between 1% and 100% of your compensation or \$18,000.00, whichever is less.

Participants turning age 50 or older in 2017, may contribute an additional \$6,000.00.

After-tax Contributions

Please see your Plan Administrator for the maximum amount you can contribute.

Roth Contributions

The Roth option will give you the flexibility to designate all or part of your 401(k) elective deferrals as Roth contributions.

Roth contributions are made with after-tax dollars, as opposed to the pre-tax dollars you contribute to a traditional 401(k). In other words, with the Roth option, you've already paid taxes on money you contribute. With the traditional 401(k), your contribution is made on a pre-tax basis and you pay taxes only when you take a distribution.

Employer Contributions

Discretionary Match

Your Plan may contribute a discretionary match. This contribution will only apply to a participant's deferrals that do not exceed a dollar amount or percentage of included compensation that is determined by the employer.

Profit Sharing

Your Plan may provide for a profit sharing contribution in an amount to be determined by your employer.

Vesting Schedule

Vesting refers to the percentage of your account you are entitled to receive upon the occurrence of a distributable event. The value of your contributions to the Plan and any earnings they generate are always 100% vested (including rollovers from previous employers).

The employer discretionary match contribution is immediately 100% vested.

The employer profit-sharing contribution is immediately 100% vested.

Investment Options¹

A wide array of core investment options are available through your Plan. Each option is explained in further detail in your Plan's fund sheets. Once you have enrolled, investment option information is also available through the Web site at www.empowermyretirement.com or call the Voice Response System toll free at 1-800-338-4015. The Web site and the Voice Response System are available to you 24 hours a day, 7 days a week.²

¹All information contained on the Web site, in prospectuses and other investment option documents is offered in English. Please have this information translated for your understanding.

²Access to the Voice Response System and the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades and maintenance, or other reasons. The account owner is responsible for keeping the assigned PIN confidential. Please contact a client service representative immediately if you suspect any unauthorized use.

Transfers and Allocation Changes

Use your Personal Identification Number (PIN) and Username to access the Web site or you can use your Social Security number and PIN to access the Voice Response System. You

can move all or a portion of your existing balances between investment options (subject to Plan rules) and change how your payroll contributions are invested.

Rollovers

Only Plan Administrator approved balances from an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or an Individual Retirement Account (IRA) may be rolled over to the Plan. Some plans may only allow rollovers from other 401(k) plans. Distributions you receive prior to age 59 1/2 may be subject to the 10% early withdrawal federal tax penalty.

Withdrawals

Qualifying distribution events are as follows:

- Retirement
- Permanent disability
- Financial hardship (as defined by the Internal Revenue Code and your Plan's provisions)
- Severance of employment (as defined by the Internal Revenue Code provisions)
- Attainment of age 59 1/2
- Death (your beneficiary receives your benefits)

Traditional Accounts and Matching Contributions

Ordinary income tax will apply to each distribution. Distributions received prior to age 59 1/2 may also be assessed a 10% early withdrawal federal tax penalty. Refer to your Summary Plan Description for more information about distributions.

Plan Fees

Recordkeeping or Administrative Fees

There is a quarterly Asset Based fee of 0.1375% that is calculated and deducted quarterly.

Distribution Fees

The benefit disbursement fee is \$0.00.

The periodic payment setup fee is \$50.00.

The quarterly periodic payment fee is \$6.25.

Investment Option Fees

Each investment option has an investment management fee that varies by investment option. 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 option and other management expenses.

Funds may impose redemption fees on certain transfers, redemptions or exchanges.

Loans

Your Plan allows you to borrow the lesser of \$50,000.00 or 50% of your total vested account balance. The minimum loan amount is \$1000.00 and you have up to 60 months to repay your general purpose loan or up to 360 months if the money is used to purchase your primary residence.

There is also a \$125.00 origination fee for each loan, plus an ongoing annual \$25.00 fee.

Empower Retirement Advisory Services

Your Plan offers a service called Empower Retirement. You can have Advised Assets Group, LLC (AAG), a federally registered

investment advisor, manage your retirement account for you. Or, if you prefer to manage your retirement account on your own, you can use online investment guidance and advice tools. These services help create a personalized retirement strategy for you.

For more detailed information on the managed account service, including fees, please see the Managed Accounts Agreement attached to the Enrollment form. For more detailed information about the other services, including any applicable fees, visit your Plan's Web site at www.empowermyretirement.com (click on the "Empower Retirement" tab) or call the Voice Response System, toll free at 1-800-338-4015 to speak to an AAG advisor representative.

How do I get more information?

Visit the Web site at www.empowermyretirement.com or call the Voice Response System, toll free at 1-800-338-4015 for more information. The Web site provides information regarding your Plan, as well as financial education information, financial calculators and other tools to help you manage your account.

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