



Frequently Asked Questions about the City of Eugene Deferred Compensation Plan

Self-Directed Brokerage Account (SDBA)

What is the Self-Directed Brokerage Account (SDBA)?

The SDBA is available as an additional investment option available through the City of Eugene Deferred Compensation Plan. This option gives you the freedom to invest a portion of your plan assets in a self-directed brokerage account that provides access to a wider array of investment choices, including open-end mutual funds, fixed income securities, ETFs, and publicly traded stocks (all for an additional fee and at your own risk).

Who is providing the SDBA services?

The SDBA is offered through TD AMERITRADE.

Is a Self-Directed Brokerage Account right for me?

A SDBA is designed for the experienced investor who wants to independently and actively manage an even greater choice of investments and is willing to pay additional fees and accept full responsibility for researching, selecting, monitoring and managing their investments.

If you are confident with an independent approach of actively managing your retirement assets in the Plan, the SDBA may be right for you. Keep in mind that if you choose to open a SDBA, you assume the added responsibility for actively managing the investments in your account.

What should I consider before opening a SDBA?

The SDBA is designed for the experienced investor. Before using this option as part of your retirement savings portfolio, you should consider whether a SDBA is appropriate for your long-term investment needs. If all of the following describes you as an investor, the SDBA may be right for you:

- You have access to the Internet.
- You are knowledgeable about investment matters.
- You are comfortable with and understand risk, and are capable of making my own personal investment decisions.
- You have experience using the Internet to research and manage your investments.
- You have the time and investment expertise to research, evaluate and select investments consistent with your investment strategy and personal risk profile.
- You have the time to monitor and manage your retirement plan portfolio.
- You are willing to pay additional fees and charges to invest in investment choices not available within your core account.

How are the investment choices in the SDBA different from those available through the City's Deferred Compensation Plan?

There is a significant difference between the investment choices available through the Plan and the investments available through the SDBA. Investment options offered through the Plan are selected through a due-diligence process which helps ensure that you are offered a diverse and balanced array of appropriate long-term investments. The investment choices available through the SDBA, however, are not approved, selected, monitored or reviewed by the Plan's Deferred Compensation Committee or Voya. When you elect to open a SDBA, you assume the sole responsibility for researching, selecting, monitoring and managing the investments in your SDBA. As an investor, you need to be aware of the additional risk that may be present in the mutual funds and stocks available through this option.

Before investing in any investment company, investors should carefully consider a fund's investment objectives, risks, charges and expenses. Fund prospectuses contain this and other important information. Investors should read prospectuses carefully before investing.

What investment options will be available?

The SDBA will offer a full menu of investment alternatives with the exception of prohibited transactions. Investment options include stocks, bonds, mutual funds and ETFs (exchange traded funds).

Getting Started

Am I eligible to open a SDBA?

To open a SDBA you must have a balance of at least \$11,000 in your core investment options. The minimum initial transfer amount is \$1,000 and you must maintain a minimum core account plan balance of \$10,000. This minimum Plan account balance will be monitored each time you request a transfer.

Where do I go to get more educated on this subject so I can make informed decisions?

You can research self-directed brokerage accounts on the Internet, and on the Voya and TD AMERITRADE websites:

<http://www6.ingretirementplans.com/SponsorExtranet/ameritradeParticipantGuide.pdf>

http://www.tdameritraderetirement.com/demo/1067_td_sdba.html

Or contact the local Voya office:
541 343-6759
160 E. Broadway, Suite 200
Eugene, Oregon 97401

What are the fees and charges?

There is an annual \$50 fee charged each November which will be deducted from your core investment account. You will also pay brokerage account commission and fees which vary by the type of security traded, as described in the Commission Schedule.

How do I open a SDBA?

Contact the local Voya office for TD AMERITRADE Account Agreement, Commission Schedule and Participant Acknowledgement and Release Form. Once your account is opened TD Ameritrade will send you a Welcome Kit that includes your TD AMERITRADE brokerage account number and explains their brokerage account services, procedures, commissions and fees. You will also receive a personal identification number (PIN).

What information will I receive about my SDBA?

Your Deferred Compensation Plan regular quarterly statement from Voya will show the total account value of your core account investment options, including the value of your TD AMERITRADE account. You will also receive a separate statement from TD AMERITRADE detailing your individual holdings and transactions. You will also receive fund prospectuses, semi-annual and annual reports for the investments in your SDBA.

Can I transfer assets back to my core account?

Yes, to transfer assets back to your core account, you may first need to redeem/sell the securities held in your TD AMERITRADE SDBA. Once the trades have settled (generally one to three business days, depending upon the type of security), you can request a transfer to your core account at www.voyaretirementplans.com by selecting Account / Manage Investments / Fund Transfer.

Distributions

Are distributions available from the SDBA?

All distributions can only be made from the Plan's core investment options; your SDBA cannot be directly accessed for any type of distribution. All distributions from the Plan, including amounts in the SDBA, are subject to the requirements of the Internal Revenue Code section 457, other laws and rules, and the Plan document.

Withdrawals

If you request a withdrawal from the Plan for any reason, only the assets in your Plan account can be used for the withdrawal amount. If the amount of the withdrawal is greater than the amount available in your in your Plan core account, you will need to transfer assets from your SDBA to your Plan core account, prior to your withdrawal request being processed.

Systematic Distribution Options

If you elect a Systematic Distribution Option from your Plan core account, you will be required to liquidate the securities in your SDBA and transfer the assets to your Plan account. Voya will not process your systematic distribution request until the assets have been transferred to your Plan account. Systematic distributions will be taxed as ordinary income in the year the money is distributed to you. Account values fluctuate with market conditions, and the principal value may be worth more or less than its original amount invested.