

**Department of Personnel  
Services**

David Devine, Director

**Employee Benefits Office**  
Dave Comerchero,  
Employee Benefits Manager



**County Executive**  
Navdeep S. Gill

**County of Sacramento**

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Subject: Auto Enrollment into Deferred Compensation Plan (457(b))

Welcome to the County of Sacramento! We're very excited you have chosen to join our team.

The County and your Represented Group (union) have partnered together to invest in your retirement future by automatically enrolling you into the County of Sacramento's deferred compensation plan, also known as the 457(b) plan, as an important and integral compliment to your SCERS pension benefit. Because this may be your first time investing in a retirement plan, we wanted you to provide you additional information on the plan, which includes:

- Plan Guide – Document that describes the plan, contributions, investment choices, etc.;
- How to increase your contributions – a step by step guide on how to increase/decrease your contributions;
- Required Eligible Automatic Contribution Arrangement notice that explains your automatic enrollment and the process associated with that enrollment.

The account is managed by Fidelity and representatives are available anytime for financial guidance or assistance at: 800-343-0860 or [netbenefits.com/sacounty](http://netbenefits.com/sacounty).

If you have any additional questions, our benefits team is available at: 916-874-2020, Monday through Friday, 8 a.m. – 5 p.m. or you can email us at: [mybenefits@sacounty.net](mailto:mybenefits@sacounty.net).

Sincerely,

Dave Comerchero  
Employee Benefits Manager

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Services**

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**COUNTY OF SACRAMENTO 457(B) DEFERRED COMPENSATION PLAN  
NOTICE OF ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENT  
FOR THE PLAN YEAR BEGINNING JANUARY 1, 2021**

TO: Eligible Plan Participants

PLAN: County of Sacramento 457(b) Deferred Compensation Plan

PLAN YEAR: Beginning January 1, 2021 and ending December 31, 2021

In order to help you save for retirement, the County of Sacramento (the "County") has established the County of Sacramento 457(b) Deferred Compensation Plan (the "Plan"). The County and the other participating employers in the Plan are referred to as the "Employer" in this notice. The Plan has an automatic enrollment feature for salary deferral contributions that is intended to be an "eligible automatic contribution arrangement." If you have already made a salary deferral election you are not subject to the automatic enrollment provisions described below. Likewise, if you have already made an investment election, the default investment provisions will not be applicable to you.

This document is an important notice about the Plan for this Plan Year, which is required to be provided to you under the provisions of the Internal Revenue Code. This notice is intended to provide you with information related to the Plan's eligible automatic contribution arrangement. Separately, you will be receiving a Qualified Default Investment Alternative Notice, with respect to how your Plan account will be invested if you do not make your own investment decision.

**If you have any questions about this notice or the Plan please contact the Fidelity Retirement Benefits Line at 1-800-343-0860 or log on to NetBenefits® at [www.netbenefits.com/saccounty](http://www.netbenefits.com/saccounty) for more information. You may request a free paper copy of this notice by contacting Fidelity Retirement Benefits Line at 1-800-343-0860.**

***Automatic Enrollment Notice***

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The Plan includes an automatic enrollment feature applicable to a newly eligible employee or rehired eligible employee who is not currently participating in the Plan. With this feature, if you have not elected to make salary deferral contributions to the Plan you will be automatically enrolled to make pre-tax salary deferral contributions to the Plan at a contribution rate of 1% of eligible pay each pay period. This means amounts will be taken from your pay and contributed to the Plan. You may elect to contribute more, or nothing to the Plan. As a new participant, you are receiving this notice regarding the automatic enrollment feature of the Plan before being automatically enrolled. You will have 30 days from the date of this notice to contact Fidelity to opt out of automatic enrollment.

Furthermore, the Plan provides that your contributions will be invested in the Plan's Qualified Default Investment Alternative (QDIA) if you do not make an affirmative investment election. The Plan's QDIA is the Vanguard Target Date Funds, which is a group of single target date funds; one will be chosen based on your assumed retirement age of 65.

You can change your contribution level and investments, make changes with respect to your account, or obtain other information regarding the Plan or funds offered by the Plan by contacting Fidelity.

This notice gives you important information about some Plan rules, including the Plan's automatic enrollment feature. The notice covers the following points:

- Whether the Plan's automatic enrollment feature applies to you;
- What amounts will be automatically deducted from your pay and contributed to the Plan;
- What amounts you can voluntarily contribute to the Plan;
- What other amounts your Employer will contribute to your Plan account;
- How your Plan account will be invested;
- When your Plan account will be vested (that is, not lost when you leave your job);
- When you can get a withdrawal from your Plan account; and
- How you can change your contributions.

You can learn more about the Plan in the Plan Guide and by contacting **the Fidelity Retirement Benefits Line at 1-800-343-0860 or logging on to NetBenefits® at [www.netbenefits.com/saccounty](http://www.netbenefits.com/saccounty).**

**1. Does the Plan's automatic enrollment feature apply to me?**

If you are a new employee or rehired employee and are eligible to participate in the Plan, you will be automatically enrolled to make pre-tax salary deferral contributions to the Plan at a contribution rate of 1% of your Compensation as soon as administratively feasible following 35 days from your date of hire or rehire or the date you are provided a notice regarding automatic enrollment in the Plan (your "automatic enrollment date"), whichever is later, unless you make an affirmative election prior to your automatic enrollment date to contribute a different amount, including making no salary deferral contributions at all.

If you do not want to be automatically enrolled to make pre-tax salary deferral contributions to the Plan, you may opt out by contacting Fidelity before your automatic enrollment date. If you are already participating and have made a salary deferral contribution election (including an election to make no salary deferral contributions), your salary deferral contribution level will not change because the automatic enrollment feature will not apply to you. However, you may change your salary deferral contribution level by contacting Fidelity.

**2. If I do nothing, how much will be deducted from my pay and contributed to the Plan?**

If the automatic enrollment feature applies to you and you do not opt out of automatic enrollment by making a salary deferral contribution election (including an election to make no salary deferral contributions) by your automatic enrollment date, 1% of your Compensation for each pay period beginning as soon as administratively feasible following your automatic enrollment date will be taken from your pay on a pre-tax basis and automatically contributed to the Plan. This will continue until the end of the Plan year.

In addition to the automatic enrollment feature, if you are an employee covered by a collective bargaining agreement for Represented Group 028, beginning July 1, 2022, your contribution level will automatically increase by 1% on July 1 of each year (unless you choose a different level), until it reaches 5% of your Compensation. Compensation is limited to \$285,000 in 2020. To learn more about the Plan's definition of Compensation, the Plan or the automatic enrollment feature, please refer to the Plan Guide on NetBenefits® at [www.netbenefits.com/saccounty](http://www.netbenefits.com/saccounty).

Your salary deferral contributions to the Plan are automatically deducted from your pay. If you are automatically enrolled to make salary deferral contributions to the Plan or you elect to make salary deferral contributions to the Plan, except as otherwise required by applicable state

and local law, your contributions are made on a pre-tax basis, meaning that your contributions are not immediately subject to income tax and your earnings grow tax deferred. Your Plan account will generally be subject to income tax only when withdrawn. However, you may elect to make after-tax Roth salary deferral contributions to the Plan in addition to or instead of pre-tax salary deferral contributions (up to certain Plan and IRS limits). Except as otherwise required by applicable state and local law, Roth salary deferral contributions are made on an after-tax basis, meaning that your Roth contributions are immediately subject to income tax. However, earnings on Roth contributions grow tax deferred and are not taxed when distributed if the distribution is a qualified distribution. A "qualified distribution" in this case is generally one that is taken at least five consecutive tax years after the first day of your tax year in which you make your first Roth contribution to the Plan and after you have attained age 59½, become disabled or die.

You can decide how much you wish to contribute to the Plan (up to certain Plan and IRS limits). If the automatic enrollment feature applies to you and you decide to do nothing, you will be automatically enrolled to make pre-tax salary deferral contributions at a contribution rate of 1% of Compensation each pay period, but you may always choose to contribute an amount that better meets your needs. You can change your contribution level by contacting Fidelity.

**3. How much can I choose to contribute to the Plan?**

You may elect to defer between 0% and 100% of your Compensation to the Plan. Your salary deferral contributions are subject to IRS dollar limits that are set by law and determined each year by the Internal Revenue Service. In 2020, the limit is \$19,500; however, you can defer an additional \$6,500 in "catch-up" contributions if you are at least age 50 on or before December 31, 2020. You are always 100% vested in contributions you make to the Plan.

**4. In addition to the contributions taken out of my pay, what amounts will my Employer contribute to my Plan account?**

No employer matching contributions are made to your Plan account. Employees covered by a collective bargaining agreement for Represented Groups: 020, 021, 050 and Elected Officials are eligible to receive employer matching contributions to the County of Sacramento 401(a) Plan, based on their deferrals to this Plan.

Please see the Plan Guide for further information regarding employer matching contributions to the County of Sacramento 401(a) Plan.

The Plan Guide is available by contacting **the Fidelity Retirement Benefits Line at 1-800-343-0860** or logging on to NetBenefits® at [www.netbenefits.com/saccounty](http://www.netbenefits.com/saccounty) or at: <http://inside.personnelservices.saccounty.net/Benefits/Pages/Documents.aspx>

- 5. How will my Plan account be invested?** The Plan lets you pick your investment options from a variety of mutual funds and other investments. If you do not select an investment option, your Plan account will be invested in the Plan's default investment fund as described more fully in Question 6 below. To review the investments that are available to you please log on to NetBenefits® at [www.netbenefits.com/saccounty](http://www.netbenefits.com/saccounty). You may make your investment election at that site or by contacting **the Fidelity Retirement Benefits Line at 1-800-343-0860**.

- 6. What is the Plan's default investment fund?**

The Plan's default investment fund is Vanguard Target Date Funds, which is a group of single target date funds; one will be chosen based on your assumed retirement age of 65. Please refer to the Qualified Default Investment Alternative Notice that you will receive for further information.

*Target Date Funds: These options generally invest in a mix of stocks, bonds, cash equivalents, and potentially other asset classes, either directly or via underlying investments, and may be subject to all of the risks of these asset classes. The allocations become more conservative over time: the percentage of assets allocated to stocks will decrease while the percentage allocated to bonds will increase as the target date approaches. The higher the allocation is to stocks, the greater the risk. The principal value of the investment option is never guaranteed, including at and after the target date.*

<b>Investment Option</b>	<b>Retirement Date Range</b>
Vanguard Institutional Target Retirement Income	2012 or earlier
Vanguard Institutional Target Retirement 2015	Target Years 2013 - 2017
Vanguard Institutional Target Retirement 2020	Target Years 2018 - 2022
Vanguard Institutional Target Retirement 2025	Target Years 2023 - 2027
Vanguard Institutional Target Retirement 2030	Target Years 2028 - 2032
Vanguard Institutional Target Retirement 2035	Target Years 2033 - 2037
Vanguard Institutional Target Retirement 2040	Target Years 2038 - 2042
Vanguard Institutional Target Retirement 2045	Target Years 2043 - 2047
Vanguard Institutional Target Retirement 2050	Target Years 2048 - 2052
Vanguard Institutional Target Retirement 2055	Target Years 2053 - 2057
Vanguard Institutional Target Retirement 2060	Target Years 2058 - 2062
Vanguard Institutional Target Retirement 2065	Target Years 2063 or later

\* Date of birth ranges were selected by your Employer.

You are always free to change how your Plan account is invested, among the Plan's offered investment options, by contacting Fidelity. Additional details and individual fund profiles are available on your Plan website at [www.netbenefits.com/saccounty](http://www.netbenefits.com/saccounty).

You may also make changes to your investment elections for future contributions and/or exchange all or a portion of your existing balance into other investment options available under the Plan by contacting Fidelity. We encourage you to review your investment mix and deferral percentage and update as appropriate.

**7. When will my Plan account be vested and available to me?**

You are always fully vested in your contributions to the Plan. To be fully vested in Plan contributions means that the contributions (together with any investment gain or loss) can never be forfeited. You are also 100% vested in the employer matching contributions to the County's 401(a) Plan once they are deposited into your 401(a) Plan account.

You can learn more about the features of the Plan in the Plan Guide or by contacting the Fidelity Retirement Benefits Line at 1-800-343-0860 or logging on to NetBenefits® at [www.netbenefits.com/saccounty](http://www.netbenefits.com/saccounty).

**8. May I withdraw funds from my Plan account?**

Even if you are vested in your Plan account, there are limits on when you may withdraw your funds. These limits may be important to you in deciding how much, if any, to contribute to the Plan. Generally, withdrawals from the Plan are permitted when you terminate your employment with each Employer, or if you have an unforeseen emergency as defined by your Plan. However, unforeseen emergency withdrawals are generally only available from your salary deferral contributions to the Plan (including pre-tax, Roth and catch-up contributions).

In addition, you may withdraw your rollover contributions to the Plan, if any, at any time subject to the limits in the Plan. There is generally a 10% early withdrawal penalty tax on the taxable portion of distributions of rollover contributions attributable to amounts received from qualified plans received before age 59½ (or age 55 if you terminate employment). You can learn more about the 10% early withdrawal penalty tax in IRS Publication 575, Pension and Annuity Income. Your beneficiary can get any vested amount remaining in your Plan account when you die.

You also can borrow from your Plan account for any reason. Generally, the Plan allows you to borrow up to 50% of your vested account balance. The minimum loan amount is \$1,000, and a loan must not exceed \$50,000. Any outstanding loan balances over the previous 12 months may reduce the amount you have available to borrow. You may generally only have up to two Plan loans outstanding at a time.



After you terminate from employment with each Employer (and all of their related employers):

- You may leave the funds in the account.
- You may elect a distribution, which will be subject to all Federal and State taxation regulations.
- You may rollover your funds into another pre-tax account such as another 457(b), 401(k), 403(b) or IRA.

To learn more about distributions, loans, and withdrawals for unforeseen emergencies, or to initiate a request for any of these items, contact Fidelity or refer to the Plan Guide.

**9. How do I change the amount of my contributions?**

You may enroll, opt out, or change your contribution rate virtually any time by contacting **the Fidelity Retirement Benefits Line at 1-800-343-0860 or logging on to NetBenefits®** at [www.netbenefits.com/saccounty](http://www.netbenefits.com/saccounty).

**10. Can My Automatic Contributions Be Returned?**

If you do not opt out in time to prevent automatic salary deferral contributions, you can withdraw the automatic salary deferral contributions for a short time, despite the general limits on Plan withdrawals. You may elect to withdraw your automatic pre-tax contributions (and earnings on those amounts) if you make the withdrawal election no later than 90 days after the date of your first paycheck from which automatic pre-tax contributions are withheld. In addition, if you are automatically enrolled after being rehired, you may elect to withdraw those pre-tax contributions (and earnings on those amounts) as long as you have not made any automatic pre-tax contributions to the Plan for at least a full Plan Year. You must make the withdrawal election no later than 90 days after the date of your first paycheck from which automatic pre-tax contributions are withheld following your re-enrollment.

If you timely elect to withdraw your automatic salary deferral contributions your salary deferral contributions will be stopped and distributed to you as soon as practicable, but not later than (i) the second payroll period that begins after your withdrawal request, or, if earlier (ii) the first pay date that occurs at least 30 days after your withdrawal request. The amount you withdraw will be adjusted for any gains or losses which occur until the withdrawal is executed and will be reduced by

any fees generally applicable to distributions. Also, your withdrawal will be subject to federal income tax. In addition, any employer matching contributions made to the County's 401(a) Plan based on the withdrawn automatic pre-tax contributions will be forfeited. However, you can choose to restart your contributions at any time by contacting Fidelity.

To make an automatic salary deferral contribution withdrawal election, please contact the Fidelity Retirement Benefits Line at 1-800-343-0860 or log on to NetBenefits® at [www.netbenefits.com/saccounty](http://www.netbenefits.com/saccounty).

**If you have questions about this notice or about the Plan, please contact the Fidelity Retirement Benefits Line at 1-800-343-0860 or logging on to NetBenefits® at [www.netbenefits.com/saccounty](http://www.netbenefits.com/saccounty).**

*This Notice provides only a summary of certain features of the County of Sacramento 457(b) Deferred Compensation Plan, and the Plan document will govern in the event of any discrepancy between this Notice and the Plan document.*

## Managing Your Account Online

Managing your Workplace Savings Plan account online is easy — simply follow the steps below.

### Establish a username and password

If you are logging in for the first time, you'll need to establish a username and password.

1. Go to **netbenefits.com/saccounty**
2. Click *Register Now*.
3. Follow the instructions to set up your login information.

### Change your contribution percentage

To change the amount of your payroll contributions into your account:

1. Log in to your account through **netbenefits.com/saccounty**
2. From the home page, click the *Quick Links* drop-down menu next to your plan name, select *Contribution Amount*, then click *Contribution Amount*. Enter your new contribution percentage.
3. Confirm your new contribution percentage.  
*If your plan does not allow you to change your contribution online, visit your HR or Benefits department to complete a new Contribution Form.*

### Change your investment elections

To change how your future investment elections are invested online:

1. Log in to your account through **netbenefits.com/saccounty**
2. From the home page, click the *Quick Links* drop-down menu next to your plan name, select *Change Investments* then *Change Investment Elections*.
3. Enter the percentage of your payroll contributions that you wish to direct to each investment option you choose — your elections must add up to 100%.
4. View the online prospectus, if available, for each fund in which you are investing.
5. Confirm your investment elections.

### Need help?



Call **800-343-0860** to speak with a licensed financial professional, Monday through Friday from 8 a.m. to midnight Eastern time.



Visit **Fidelity.com/ask** for answers to your questions and more ways to contact us.



#### Stop by one of our Investor Centers.

To find the Investor Center nearest you, visit [fidelity.com/branches/branch-locations](http://fidelity.com/branches/branch-locations).



## Rebalance your portfolio online

Some investments perform better than others. So you may find that the mix of funds you're invested in - including stocks, bonds and money market funds - changes over time, and may no longer be a good fit to meet your goals. If this happens, you can rebalance your accounts, choosing investment options that are more appropriate for what you'd like to achieve financially.

To rebalance your account:

1. Log in to your account through **netbenefits.com/saccounty**
2. From the home page, click the *Quick Links* drop-down menu next to your plan name, select *Change Investments*, then click *Exchange Multiple Investments*, then *Start Your Rebalance*.
3. Choose *All Sources* or *Single Source* under *Rebalance: Source Selection*. Then enter the percentage of the balance in each of your current investment options that you wish to direct to each investment option you choose — your elections must add up to 100%.
4. View the online prospectus for each fund in which you are investing.
5. Confirm your elections.

## Update your mail preferences

Receiving communications by email offers you greater convenience and will help keep you up to date on topics related to your retirement plan.

1. Log in to your account through **netbenefits.com/saccounty**
2. Go to *Profile* and click *Personal & Contact Information*. Enter your preferred email address.
3. Go to *Preferences* to select which types of communications you wish to receive via email or regular mail.

## Designate/change your beneficiary

Your beneficiary or beneficiaries will inherit your account in the event of your death. You should consider identifying a beneficiary when you enroll in your plan, and updating the information if you experience a life-changing event such as a marriage, divorce, birth of a child, or death in the family.

1. Log in to your account through **netbenefits.com/saccounty**
2. Go to *Profile* and click *Beneficiaries*.



Investor Center products and services are offered beyond your employer-sponsored retirement plan.

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