

Eligibility and Enrollment

Who is eligible to participate in the plan?

You can join the plan when you are age 19 or older and have completed 6 months of service. Participation in the plan is required upon attaining age 40 and completing 5 years of service.

When can I enter the Plan?

If you are an eligible employee, you can join the Plan on the following entry dates: the first day of each month.

Are rollovers accepted?

If you want to roll over qualified retirement plan assets, you may do so once you are eligible to join the plan. Learn “Why Rollovers Make So Much Sense” by reviewing 10 valuable reasons to roll over your money into your employer's qualified plan provided in the back of this enrollment book. Check with your Plan Administrator for details.

How do I enroll in the Plan?

You can enroll by completing the form located at the back of the book and returning it to Bill Thoreson in Personnel.

Contributions

How much can I contribute to the Plan?

You are required to contribute 3% of the first \$4,800 of compensation plus 6% of compensation in excess of \$4,800.

Will my employer contribute to my account?

The City of Lincoln will make matching contributions on behalf of each participant equal to 6.3% of the first \$4,800 of compensation plus 12% of compensation in excess of \$4,800.

What else should I know about contributions?

Ownership of your Plan account is called vesting.

Your employer's contributions, plus the earnings on those contributions, are vested based on your years of participation according to the following schedule:

Matching Contributions:

| | | | | | | | |
|------------------------|-----|----|-----|-----|-----|-----|------|
| Years of Participation | 0-1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Percent Vested | 0% | 0% | 20% | 40% | 60% | 80% | 100% |

Plan Highlights

Continued

Managing Your Money

How will contributions to my account be invested?

Contributions to your account will be placed in the investment options you select. Information and performance sheets for these options are located in the back of this booklet. Follow the instructions for selecting your investment options on the enrollment form. All contributions made to this plan, including rollover contributions, will be invested using the percentages selected.

If you do not choose investments for your Plan, your contributions will automatically be invested in the Ameritas Guaranteed Account.

How can I keep track of my account?

Information on your account is available 24 hours a day by calling 1-800-277-9739 or by accessing the website at www.retirement.ameritas.com. Your PIN is required to access the value of your account balance, change the investment directions of new contributions or make transfers among the City of Lincoln Employees Retirement Plan investment options. If you need to change your PIN for any reason, you can do so by accessing the website at www.retirement.ameritas.com.

You will receive a statement that details your account summary quarterly. This statement includes account balances, performance history for your investments and other information about your account.

A quarterly newsletter, *Financial Dimensions*, is available online and provides reader-friendly information on current topics pertaining to investing and saving.

Access to Your Money

Can I take money out of my account?

The federal government established retirement plans to help you prepare for retirement. For that reason, there are certain restrictions regarding withdrawals and distributions. Remember to consider the tax and long-term savings implications of taking money out of your account, especially those prior to age 59 ½. You may be able to withdraw money in these events:

- Retirement
- Death — Your account balance will be paid to your designated beneficiary(ies)
- Permanent disability
- Separation from service

Generally, distributions must begin after you reach age 70 ½.

What if I leave City of Lincoln?

If your balance is between \$1,000 and \$5,000 and you do not choose a distribution method, your money will automatically be rolled over into an IRA at 1st Choice Credit Union.

Additional Information

ERISA Section 404(c)

The City of Lincoln Employees Retirement Plan is designed to comply with Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. Participants in the Plan manage their own investment accounts by directing account contributions to one or more of the investment alternatives provided by the Plan. As a plan participant, you will be responsible for your own investment decisions. Plan fiduciaries may be relieved of liability for any losses in your account that can be attributed to decisions made by you or your beneficiary(ies).

City of Lincoln is the Plan administrator of the City of Lincoln Employees Retirement Plan and is the Plan fiduciary. At your request, you may receive specific information about the Plan's investment alternatives, including a description of annual operating expenses; copies of any prospectuses, financial statements and reports; and details about the value, historical performance and portfolio composition of each investment alternative. To request any of these materials, please contact Bill Thoreson.

Note: The Plan Highlights portion of this booklet is intended to provide an overview of the City of Lincoln Employees Retirement Plan. It is not a legal document. If information in this Plan Highlights booklet is inconsistent with Plan requirements, the Plan Document shall govern.