ACPS Alexandria City Public Schools

Principal®

Congratulations—you're ahead of the game

The Alexandria City Public Schools Supplemental Retirement Plan gives you a retirement boost.

You don't just work for a paycheck. You work for an organization that thinks you're pretty great. That's why they provide you with a defined benefit pension plan.

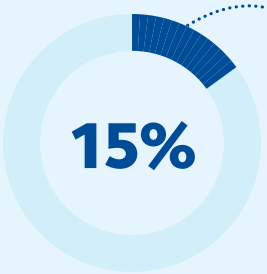
This benefit helps you prepare for life after work by providing you with an anticipated monthly income when you retire. Very cool.

A defined benefit pension plan is different from many retirement plans in these key ways:

- You're automatically enrolled when you become eligible, no forms to complete
- Your organization covers the great majority of the benefit you'll receive. You contribute just 1.5% of your eligible pay to the plan

Defined benefit pension plan at a glance

- A reward from your organization for your service
- Provides an anticipated monthly retirement income
- Helps you achieve your retirement goals



A UNIQUE BENEFIT.

Only 15% of workers have access to a pension plan.*[1]

On average, pension plans payments can be almost $1,700 per month in retirement.*[2] You would need to save $261,000 to create the same payment amount.*[3] That's a huge advantage!

WHEN ARE YOU ELIGIBLE?

You are eligible for the plan on the first of the month on or after your hire date. It's that easy.





WHAT'S VESTING?

A vesting schedule determines when you become entitled to the full value of your earned benefit.

This plan has a five-year cliff vesting schedule. This means you're "fully vested" after working for the organization for five years, and eligible for 100% of the accrued pension benefit.

*[1] Bureau of Labor Statics, U.S. Department of Labor, The Economics Daily, March 2024.

*[2] Average full retirement benefit for Principal pension plans as of June 2024.

*[3] Estimated cost to purchase an equivalent life annuity assuming 4.0% interest and unisex proprietary mortality as of Sept. 2024.

When do you start getting benefits?

The plan's Normal Retirement Age is 65 (or age 50 if you have completed 30 years of service with the organization). The amount of the benefit you receive on a monthly basis in retirement is based, in part, on your salary and the number of years you worked at the company.

Make sure you're getting the full picture

You may have received a plan statement quoting your earned benefit, but it doesn't always show the whole picture. Did you know that you have other benefit options which can sometimes provide a higher amount of income? Because your statement only gives a very conservative value based one income option, it's important to know your estimated value based on your own needs.



GET AN ESTIMATE ONLINE

There's an online estimate tool available to you that allows you to view your estimated value based on your own needs or preferences.

The tool even allows you to compare quotes side by side (if available in your plan contract). The best part? If you're eligible and ready to take a distribution, you can just continue online with your request based off of the quote you received.

Log in at **principal.com** and access your defined benefit dashboard to get started.

You're off to a great start

Combined with your other savings and Social Security, your monthly pension benefit can help you reach your retirement goals. Go online for more information or contact your financial professional.

*[4] Examples are for illustrative purposes only using 417e segments rates and mortality as of May 2024. Annuitant is assumed to be age 65 at retirement and 50% Joint and Survivor is assumed to be a male participant with a spouse three years younger.

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You've got options

At retirement, you can review the pension plan's benefit options and pick which type of payment you want to receive based on your personal situation. Here are some of the most common options:

→ Life annuity

Provides retirement income payments for your lifetime, with no beneficiary payments.

***[4] Monthly income example: $100**

→ Life annuity with period certain

Provides retirement income payments for your lifetime, with potential income for your beneficiary.

Monthly income example: $97

→ Survivorship annuity

Provides retirement income for your lifetime and your beneficiary's lifetime.

Monthly income example: $92 until you die then spouse gets $46

For illustrative purposes only.