



City of San José Deferred Compensation Self-Directed Brokerage Account

OVERVIEW

Participants in the City of San José 457 Deferred Compensation Plan are able to take advantage of the Schwab Personal Choice Retirement Account (PCRA) which is a Self-Directed Brokerage Account (SDBA) for Plan Participants available through Charles Schwab & Co., Inc., in addition to the core investment options offered under the Plan. The SDBA provides an expanded choice of investments for your deferred compensation plan offering open-end mutual funds, no-load, No Transaction Fee (NTF)¹ funds, publicly traded stocks, Exchange Traded Funds (ETFs) and fixed income securities, including CDs.

Please Note: Since the SDBA is an investment option offered under the Plan, all amounts invested in the SDBA are subject to the provisions of Internal Revenue Code 457.

The investments available through the SDBA are not approved, selected, monitored, or reviewed by Voya Financial® or the City of San José. When you elect to open a SDBA, you assume the sole responsibility for researching, selecting, monitoring, and managing the investments in your Self-Directed Brokerage Account.

You should consider the investment objectives, risks, and charges and expenses of the investment company carefully before investing. To obtain a prospectus containing this and other important information, please call a Charles Schwab representative at 888-393-PCRA (7272). Please read the prospectus carefully before investing.

GETTING STARTED

An SDBA is designed for the experienced investor. To help you decide whether this option is right for you, see if the following describes you as an investor:

- I am knowledgeable about investment matters.
- I am comfortable with, and understand risk.
- I am capable of making my own personal investment decisions.
- I have experience using the Internet to research and manage my investments.
- I have the time and investment expertise to research, evaluate, and select investments consistent with my investment strategy and personal risk profile.
- I have the time to monitor and manage my retirement plan portfolio.
- I am willing to pay additional fees and charges that apply to the brokerage account.

CONSIDERATIONS

To open an SDBA, you must have a core account balance under the Plan of at least \$3,500. The minimum initial transfer amount is \$2,500 and subsequent transfer amounts must be at least \$1,000. You must maintain a core balance of at least \$1,000. Your investments in the SDBA are made through transfers from your core account. Your payroll contributions cannot be directed to the SDBA; they must continue to be directed to one or more of the Plan's core investment options. You will be charged a \$50 fee, annually on November 1st or the next business day the New York Stock Exchange is open, irrespective of when the account was opened.

¹ No Transaction Fee (NTF) mutual funds are no-load mutual funds for which Charles Schwab does not charge a transaction fee. NTF funds have other fees and expenses that apply to a continued investment in the fund and are described in the prospectus. Funds held 90 days or less may be subject to a Short-Term Redemption Fee. This fee is in addition to any applicable transaction fees or fees addressed in the fund's prospectus.

CITY OF SAN JOSE 457 DEFERRED COMPENSATION PLAN

IF YOU DECIDE TO OPEN AN SDBA:

1. Log in to sanjose.beready2retire.com and select "Investments & Research > Self-Directed Brokerage Account."
2. Read the information, then click "Open an Account" at the top of the page.
3. Follow the steps to complete the online SDBA Application (referred to as the PCRA on [Schwab.com](https://www.schwab.com)).
4. Once you click "Submit," you will receive your new account number instantly on the screen, and you'll be automatically re-directed to [Schwab.com](https://www.schwab.com).
5. Once on [Schwab.com](https://www.schwab.com), click "First Time Users" (under "LOG IN") to set up your SDBA for online access. You'll need to input your new SDBA number, date of birth, phone number and SSN for this step.
6. Your SDBA is now ready to be funded, and you can begin researching investment opportunities.
7. You will receive welcome materials from Schwab in a few days.

MAKING TRANSFERS IN YOUR ACCOUNT

Once your SDBA is established, fund your SDBA by transferring money from your retirement plan core investments at sanjose.beready2retire.com or by contacting Voya Customer Service at **(800) 584-6001**. Assets transferred from your retirement plan core account into your SDBA will be automatically allocated into the cash sweep feature in your SDBA within approximately two business days. Use these assets to purchase the securities you have selected.

Settled cash balances are swept to one or more Program Banks after the close of business and begin earning interest on the following Business Day. Interest is compounded daily and credited on the 15th of each month (or the following Business Day if the 15th is not a Business Day). A "Business Day" is any Monday through Friday that is not a Federal Reserve Bank or New York Stock Exchange holiday. Bank Sweep for Benefit Plans deposits are held at one or more FDIC-insured banks ("Program Banks"). Investment products and services (including unswept or intra-day cash, net credit or debit balances, money market funds, and assets held in a Schwab Personal Choice Retirement Account[®]) are not deposits or obligations of the Program Banks, are subject to investment risk, are not FDIC insured, may lose value, and are not Program Bank-guaranteed.

Some investment options may have restrictions and limitations such as competing investments that may prohibit or invoke equity wash provisions as applicable.

Investments in a money market fund are subject to restrictions, charges and expenses described in the prospectus. Money market funds are securities that may increase or decrease in value. They are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although the funds seek to preserve their value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund. Investments reflected in this money market fund in your Charles Schwab account are not covered by the Securities Investor Protection Corporation (SIPC) protection applicable to other investments in your Charles Schwab self directed brokerage account.

This is intended to be an overview of the SDBA program. For more complete details, please contact the Voya[®] local San José office at (877) 464-4748.

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