

Making an Informed Decision - Which plan is right for you? Special Election Period between 11/1/2015 – 1/31/2016

You will need to make your decision based on your individual circumstances and preferences to determine which plan is right for you. As you review the key features of both plans, we hope you will choose the plan that fits most comfortably with your retirement objectives.

If you elect to keep funds in the Defined Contribution Plan...

- A specific **“defined” monthly contribution** amount will be paid by you and your employer during your working years to fund your retirement.
- You are responsible for making investment decisions and managing investment market risk and volatility on your own individual account.
- Your **member contributions continue at the current rate.**
- Your retirement account balance available at retirement is unknown and depends on the contributions and performance of your investment choices.
- You choose your benefit amount and stream of retirement income.
- You waive any future right to become enrolled in the Defined Benefit Plan.
- Your decision is irrevocable.

If you elect to transfer funds to the Defined Benefit Hybrid Plan...

- A specific **"defined" monthly benefit** amount will be calculated at your designated normal retirement date by using a pre-established formula based on your final average salary, years of eligible service credit, and the benefit multiplier.
- Investment decisions are made by the State Investment Board in order to provide lifetime retirement benefits for all eligible members.
- **Your member contributions will be increased prospectively by an additional 2%** of your gross monthly salary.
- Your retirement benefit amount is determined by North Dakota state law, not investment results, and is a defined monthly income stream.
- Your Defined Benefit account will be set up with the **respective employee and employer contribution balances transferred from your Defined Contribution account. Therefore, funds designated as “employer contributions” in the Defined Contribution plan will be excluded from your member account balance** in the Defined Benefit plan.
- If you have a Qualified Domestic Relations Order on your account you are not eligible for this transfer option.
- If you are deferred, retired, or a member with a previous distribution from the Defined Contribution plan, you are not eligible for this transfer option.
- Funds previously rolled over into your Defined Contribution Plan are not eligible for transfer.
- You must be actively participating upon the date of funds transfer.
- **Termination of employment prior to funds transfer voids your election.**
- Your decision is irrevocable.

The plan that best meets your needs depends entirely on your specific situation. Keep in mind that the right decision for you may not be the right decision for someone else.