
Charles Schwab PCRA Self-Directed Brokerage Account

What is a PCRA?

The Schwab Personal Choice Retirement Account® (PCRA) is a Self-Directed Brokerage (SDB) account offered through Charles Schwab & Co., Inc. (Member SIPC) that allows you to select from numerous mutual funds, exchange-traded funds (ETFs), and other types of securities, such as stocks and bonds, for an additional fee or fees.

You may transfer up to 90% of your Colorado Retirement Association 401(a) or 457 account balance, with a minimum initial transfer requirement of \$5,000. The minimum for subsequent transfers is \$1,000. Additional fees apply to this account: a quarterly account fee of \$15, a quarterly asset-based fee of .0125%, and investment transaction fees based on the particular securities purchased through Schwab. A complete list of investment transaction fees will be included in your PCRA Welcome Package, which will be mailed to you once you establish a Schwab PCRA. You can also access an overview of transaction fees on www.schwab.com after logging in to your new Schwab PCRA.

For whom is this investment option appropriate?

The Schwab PCRA is for *knowledgeable investors* who acknowledge and understand the risks associated with many of the investment choices available through the PCRA. The PCRA is designed for individuals who seek more flexibility, increased diversification, and a greater role in managing their retirement savings.

By utilizing the PCRA, you acknowledge that *none* of the available options in the PCRA have been reviewed for suitability by your employer, CRA, or Empower Retirement, your service provider. *You are solely responsible* for determining suitability of the options that are available through the PCRA. You agree to fully indemnify and hold harmless your employer, CRA, and Empower Retirement, and any and all service providers to CRA, against any claims, damages, or other possible causes of actions resulting from your use of the PCRA.

How do I get started?

This is a web-based feature only. You can open a new account by going to www.cra-online.org, logging on to “Your Account,” selecting the plan [401(a) or 457, if applicable] you want to use for your new Schwab account, and clicking on the “My Accounts” menu. You will then need to select the “Brokerage” link and follow the instructions to enroll. During the enrollment process, you will immediately receive your Schwab PCRA account number. Follow the instructions to web activate your account. Immediately following this step, you will be able to initiate your first transfer into the PCRA. Schwab will send you a Welcome Kit. You can also view the PCRA “how-to” video with step-by-step instructions on how to research, trade, and monitor your investments at www.schwab.com/pcrahowto.

The CRA 457 plan allows Roth investments into the PCRA. You may open a separate Roth PCRA, which will allow you to track your Roth investments and earnings separately from your regular PCRA.

To take advantage of the PCRA, you must be enrolled in a CRA retirement plan. Once your PCRA is processed, you will receive a Personal Identification Number (PIN), which is needed to open your PCRA.

How do I fund my self-directed account?

To initiate transfers into the self-directed cash sweep feature at Schwab, log in to your account at www.cra-online.org.¹ Transfers must be made into the cash sweep feature at Schwab first. Then, through Schwab, you can purchase other investments. Also, when you move money back to CRA’s core options, Schwab assets must be liquidated and settled to the cash sweep feature first, then moved to the core options.

Transfers into your Schwab PCRA (after an initial transfer requirement of \$5,000) will be subject to a minimum transfer of \$1,000. You must also maintain a minimum account balance in CRA’s core options that is the greater of \$2,500 or 10% of your total 401(a) or 457 account balance. If your transfer request does not meet these minimum requirements, your transfer will not be completed.

If you transfer more than one contribution type to the SDB, earnings (or losses) that accrue in the SDB will be allocated proportionately to each contribution type. When an amount is transferred back from the SDB, earnings (or losses) that accrued in the SDB will be allocated proportionately into the core investment options based upon the contribution types in the SDB prior to the returning transfer, regardless of whether such earnings (or losses) are attributable to investments in the SDB that were purchased with amounts originally transferred to the SDB from such a contribution type. This may include a contribution type subject to a vesting schedule under CRA, if applicable, if assets from that contribution type were invested in the SDB.

What kind of access will I have to funds in a PCRA?

When you transfer money from your core funds into a Schwab PCRA, the money will be automatically allocated to the Schwab cash sweep feature fund within approximately two business days. Once you see the transferred money in your Schwab cash sweep feature, you may then purchase securities in your PCRA.

What cash options are available in a PCRA?

The cash feature is not intended to be a long-term investment. If you desire to maintain cash balances for other than a short-term period and/or are seeking the highest yields currently available in the market, you can use alternative cash investment options, such as Schwab purchased money market funds and Certificates of Deposit (CDs) from Schwab CD OneSource®. These options are available outside of the Cash Features Program to help maximize your return potential consistent with your investment objectives and risk tolerance.

For additional information, contact your Schwab representative or visit www.schwab.com/cash after you log in to your account.

How do I manage and/or make changes to my self-directed account?

Place trades and manage your account through www.schwab.com and mobile applications; use Schwab's touch-tone telephone service, Telebroker®, or voice-activated telephone service, Schwab by Phone™ at (888) 393-7272; or call the dedicated PCRA Call Center at (888) 393-PCRA (7272) to inquire about your

daily account balance or change your investments in your PCRA.

How do I transfer money from a PCRA back to CRA's core funds?

Visit the Schwab website at www.schwab.com or use Telebroker® or Schwab by Phone™ at (888) 393-PCRA (7272) to transfer money from your Schwab PCRA to your core funds. You will need to:

1. Instruct Schwab to liquidate the securities and/or mutual funds in your PCRA.
2. Wait for the proceeds to settle and be invested in your Schwab cash sweep feature.
3. Then use CRA's website or toll-free number to transfer the cash from your Schwab cash sweep feature to your core account.

Direct distributions from your PCRA are not permitted.

- Partial transfers from your Schwab cash sweep feature will be allocated to the core fund you have indicated within approximately two business days.
- For full liquidation of your Schwab cash sweep feature, use the "Transfer All" button on CRA's website. Money transferred into a core fund will be allocated to the fund you have indicated within approximately four business days. Additional time is needed for this transaction in order to transfer any accrued interest or dividends.

What do I do if I want to make a withdrawal?

If you are requesting a payout option, you must transfer cash from your Schwab PCRA back to CRA's core options. If you transfer 100% from your Schwab PCRA back to CRA's core options and no balance remains invested in the Schwab PCRA, residual dividends will automatically sweep back to the core options that were used in your last full transfer request.

If additional money is deposited into the Schwab PCRA at a later date (either via a new transfer request or payroll contribution, as applicable), the residual sweep process will discontinue.

If you have requested a voluntary payout but have insufficient money in CRA's core options, the request will be cancelled. If the payout is due to a required distribution, such as a required minimum distribution, and you have insufficient money in CRA's core options,

your PCRA may be liquidated and the account closed. You will be responsible for any losses or expenses associated with the liquidation.

If you are requesting a disbursement or loan, you must transfer sufficient funds to process your request. If you do not have sufficient funds in your core funds at the time you submit your distribution request, your request will be processed to the extent possible from the core funds. However, this could result in a smaller payout than requested.

A beneficiary is not authorized to trade and therefore cannot access the PCRA. Beneficiaries should call CRA's Call Center Services at (800) 352-0313 and press 0 for assistance.

Who sends me statements?

Empower Retirement sends quarterly statements. Schwab sends you a monthly statement.

Note: The account balance on your Empower Retirement and Schwab statements may be slightly different due to different period-ending dates (for example, one may be as of the last day of the quarter while the other may be as of the last business day of the quarter).

Please consider the investment objectives, risks, fees, and expenses carefully before investing. This and other important information, including prospectuses for all PCRA funds, can be obtained on the website at www.schwab.com or by calling (888) 393-PCRA (7272). Read them carefully before investing.

Securities available through Schwab Personal Choice Retirement Account® (PCRA) are offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer. Additional information can be obtained by calling. Charles Schwab & Co., Inc. and Great-West Life & Annuity Insurance Company are separate and unaffiliated.

You could lose money by investing in a money market fund. Because the share price of the fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

1 Transfer requests made via the website received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

Colorado Retirement Association or CRA is formerly known as Colorado County Officials and Employees Retirement Association.

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