



CalPERS SCP POFF Rollover

Your choice, simplified.
Welcome Kit





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We are CalPERS

CalPERS is the largest public pension fund in the U.S., with assets of approximately \$330 billion as of June 30, 2014. The retirement system administers retirement benefits for more than 1.6 million current and retired California State, public school, and local public agency employees and their families on behalf of more than 3,000 public employers in the state. CalPERS also administers health benefits for 1.3 million enrollees and offers additional programs, including a deferred compensation retirement savings plan, member education services, and an employer trust for post-retirement benefits.

This Guide is intended to introduce you to general investment concepts and help you understand the investment options available to you as a participant in the SCP. This Guide is not intended to provide investment advice. You should consider consulting with an outside investment advisor prior to investing.

Understanding Your CalPERS SCP POFF Rollover

Recent California legislation enabled the termination of the Peace Officers & Firefighters Supplemental Plan (POFF) and the distribution of all funds in POFF participant accounts. As communicated throughout the process, CalPERS has been working with the IRS to receive the appropriate IRS approvals. The plan termination has been approved and is now complete.

The California State Legislature has selected the CalPERS Supplemental Contributions Plan (SCP) as the default option for those participants who did not take action and make a distribution election regarding their POFF account balance prior to the plan terminating. While no new contributions are allowed, you may allocate your funds into any of the investment options available through the SCP. Distributions from the SCP POFF Rollover will be permitted, regardless of employment status, however, they are subject to Federal and California State law. **This welcome kit contains important information you need to know as a participant. Please review it carefully.**

The POFF SCP Rollover Account — Designed with the participants' interest in mind

- Promotes smart investing principles
- Offers earnings benefits from the power of tax-deferral
- Taxes withdrawals as ordinary income when distributions begin
- Provides access to financial learning resources, provided by Voya Institutional Plan Services, LLC.
 - Tools for retirement planning, personal finance, estate planning and family finance

The Target Retirement Date Funds have been designated as the default investment under the Plan. YOUR ROLLOVER WILL BE INVESTED IN THE APPROPRIATE TARGET RETIREMENT DATE FUND, BASED ON YOUR DATE OF BIRTH AND ASSUMING YOU WILL RETIRE AT AGE 60. Prior to investing you should carefully review all fund information and objectives and consider consulting with an outside investment adviser. Investing involves risk, including possible loss of principal.

For more information regarding the Target Retirement Date Funds, and to see what fund you were defaulted to, please see page 6.



Getting Started

SCP Forms

All forms noted in this brochure can be found in the *Forms* section of the SCP Website at <https://calpers.voyaplans.com>, or obtained by calling the Plan Information Line at (800) 260-0659. You can download the forms by going to *Plan Information* and selecting the *SCP Plan*, from there click on *Plan Information* and *Forms*.

Need Assistance?

Participant Service Representatives are available Monday – Friday, 6:00 a.m. to 5:00 p.m. Pacific Time (except stock market holidays) to assist you with transactions, information about your account or any other general CalPERS Supplemental Contribution Plan questions and requests by calling the SCP Information Line at (800) 260-0659.

How much will you need?

Today, many financial experts agree that you will need 70% or more of your current income to maintain your current lifestyle in retirement. Your long-term strategy not only has to work up to the day you retire, it will most likely need to continue generating growth and income throughout your retirement.

So, if you have 30 years before you retire, and you live another 30 years after you retire, you're looking at creating and maintaining a 60-year investment strategy!

Chances are you're going to need to rely on personal savings, over and above your Social Security and defined-benefit pension benefits, when it comes to meeting your retirement income goals. Participating in the CalPERS Supplemental Contribution Plan is another way to save for your retirement goals.



Tips to planning.



Update your beneficiary information.

Your beneficiary information will not be carried over from your POFF Plan. Please update your beneficiary designation, as soon as possible, to ensure your assets are distributed to the individual(s) of your choice in the event of your death. If you are single or married and designate your spouse as 100% beneficiary, you can do so by logging in to your account and updating online at <https://calpers.voyaplans.com>, or you can download the forms by going to *Plan Information* and selecting the *SCP Plan*, from there click on *Plan Information* and *Forms*.



Maintain an emergency fund.

The SCP was not designed to be a short-term savings vehicle or to replace your household emergency fund. Therefore, it is important that you have another source of savings that you can access easily for emergencies.

- Many experts suggest having three to six months of your living expenses set aside in cash.

What's your investment strategy?

When it comes to investing, people have different levels of risk tolerance and experience. There are some who have limited knowledge in actively developing an investment portfolio and there are those who prefer to select their own mix of investments. Remember, while no new contributions are allowed, your initial account balance was defaulted into the appropriate Target Retirement Date Fund, based on your date of birth and assuming you will retire at age 60. For more information about these funds, and to determine which fund you were defaulted to, please see the Help-Me-Do-It section on page 6.

If you choose to re-allocate your investments, the SCP investment lineup offers a simple approach to investing and is organized into choices designed to match your level of interest in investing. You should carefully review all information prior to making an investment decision.

Your choice, simplified.

Your Choice	Your Involvement	The Investment Approach
<p>Help-Me-Do-It.</p> <p><i>Target Retirement Date Funds — A diversified portfolio in a single fund.</i></p>	<p>You select the fund, CalPERS manages the asset allocation of the fund.</p> <p>This approach is convenient if you don't have the desire, time or experience to actively select your asset allocation and manage it over time.</p>	<p>A series of target retirement date funds offer a diversified portfolio in one fund. Each fund invests in a well-diversified portfolio of a mix of index funds that is automatically rebalanced to a less aggressive mix of investments to become more conservative as it approaches its target date.</p>
<p>Do-It-Myself.</p> <p><i>Core Funds — A carefully selected list of passively managed investment options.</i></p>	<p>You select your funds and actively design and manage your asset allocation over time.</p> <p>If you like to design and actively manage your own asset allocation based on your individual circumstances, you can choose from a carefully selected list of core investment fund options.</p>	<p>CalPERS has selected a set of six index funds in different asset classes (stocks, bonds, and cash equivalents) so you can diversify your portfolio based on your personal situation.</p>

Personal Choice Retirement Account® (If available)

The PCRA is a fee-based brokerage account that offers you the ability to invest in mutual funds and Certificates of Deposit (CD's). You have to apply for and set up a separate PCRA account before you may trade mutual funds. Please confirm with your employer if they have adopted the PCRA option; if so you may obtain information on how to enroll from them. Please note, however, the mutual funds are not selected, reviewed or monitored by CalPERS.

Participant Fees

We strive to provide investments and services at a reasonable cost using a simple fee schedule with an overall objective of minimizing expenses. There are costs associated with investing in the underlying investment fund options offered under the SCP. Each of the investment fund options currently have an annual fee of less than one percent, prorated daily based on your account balance. CalPERS periodically reviews fees and operating costs, and changes to fees and costs may be made at any time.

More information about the fees associated with each investment offering can be found in the Fund Fact Sheets or on the SCP Website.



Target Date Funds vs. Index Funds

What are target date funds?

Target date funds are broadly diversified funds, which have a predetermined underlying asset mix that are intended to adjust over time toward a more conservative allocation until the selected target date.

You simply choose a target date fund based on the date you expect to begin withdrawing money for retirement. While target date funds are intended to offer a simpler investing approach, you should continue to monitor your Plan investments and make adjustments as needed.

What are index funds?

Index funds are designed to produce results that mirror the performance of the index they track by buying and holding the stocks or bonds included in the index. That's why these funds are often described as passively managed. If you want to invest in a certain asset class, such as the stocks or bonds of large U.S. companies, an index fund gives you a convenient way to invest without having to choose individual stocks or bonds.

What is an index?

A fund's performance is usually compared with its market benchmark or index. An index is a grouping of stocks or bonds selected to represent a particular market. The best-known index is the Dow Jones Industrial Average that follows 30 of the largest U.S. companies. The Standard & Poor's 500 Index widens the range to include 500 of the largest U.S. companies for a broader reading of the market. An index is not managed and cannot be invested in directly.

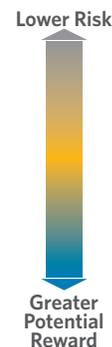
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The Asset Classes

There are three basic asset classes and each has specific risk and return features to consider. There are also asset allocation investments, like the target date funds, that generally contain a mix of any of the three asset classes.

Asset Class	Benefit	Risk
Asset Allocation	Professionals make the diversification, asset allocation and rebalancing decisions	Shifting to a conservative mix over time helps manage risk, but does not guarantee earnings growth
Asset Class	Benefit	Risk
Cash Equivalents	Designed to protect original investment or principal	May not keep pace with inflation over time
Bond	Generally offer greater income potential than short-term investments and not as much risk as stocks	Potentially lower growth than stocks.
Stocks	Historically, stocks have provided greater long-term returns than other asset classes	Due to market volatility the value of stocks can go up and down over short periods of time



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Investment risk vs. inflation risk

Investment risk is generally associated with the potential that investments may go down in value as a result of market volatility, though other risks exist. Stocks are generally considered riskier investments because they tend to fluctuate in value more than conservative investments like bonds. Conservative investments may help reduce investment risk, but over the long term they can expose you to another kind of risk — inflation risk. When investments are earning less than the rate of inflation, they are actually losing value.

The importance of asset allocation & diversification

Combining different types of investments through asset allocation and diversification may help you manage risk and maximize your return potential by smoothing out market fluctuations, while still taking advantage of the market's potential for higher returns.

Asset allocation involves assigning specific percentages of your investments to different asset classes according to your financial goals, risk tolerance and time horizon. Diversification is a risk management technique that mixes a variety of investments within a portfolio. It involves distributing your money among different securities, sectors, industries and strategies within a number of asset classes. Diversification through asset allocation does not ensure a profit or protect against loss.

Help-Me-Do-It

**Target Retirement Date Funds —
A diversified portfolio in a single fund.**

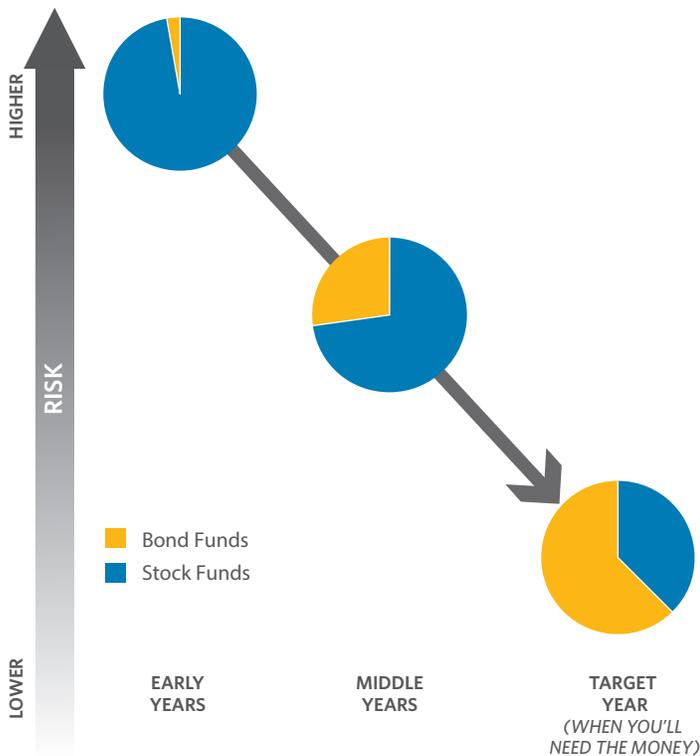
CalPERS Target Date Funds

The target date funds offer the ease and convenience of a professionally managed, diversified portfolio for participants who don't have the time, desire or expertise to choose an appropriate asset mix for their situation and actively manage it over time.

Once you select your target date fund, the fund's underlying asset mix will automatically adjust over time so you don't have to actively manage your allocation after making the initial investment decision.

Funds that evolve over time.

Over time, the investment mix of each fund gradually shifts from a greater concentration of higher-risk investments (such as stock funds) to a greater concentration of lower-risk investments (such as bond funds). The investment mix automatically becomes more conservative as the target date fund approaches its target date, so you don't have to actively manage the mix of individual investments over time.



For illustration purposes only. Actual fund allocations will vary. Please refer to the individual fund fact sheets.

Picking your target date fund.

Simply choose the fund with the target date that is closest to the year you expect to begin withdrawing money from your Plan account. For example, if you were born in 1965 and expect to retire at age 60, you would select the CalPERS Target Retirement 2025 Fund.

If your birthdate is....	Your CalPERS Target Retirement Date Fund is...
On or before 1952	CalPERS Target Retirement Income Fund
On or between 1953 - 1957	CalPERS Target Retirement 2015 Fund
On or between 1958 and 1962	CalPERS Target Retirement 2020 Fund
On or between 1963 and 1967	CalPERS Target Retirement 2025 Fund
On or between 1968 and 1972	CalPERS Target Retirement 2030 Fund
On or between 1973 and 1977	CalPERS Target Retirement 2035 Fund
On or between 1978 and 1982	CalPERS Target Retirement 2040 Fund
On or between 1983 and 1987	CalPERS Target Retirement 2045 Fund
On or between 1988 and 1992	CalPERS Target Retirement 2050 Fund
On or after 1993	CalPERS Target Retirement 2055 Fund

Based on assumption that retirement age is 60.

The "target date" is the approximate date when an investor plans to start withdrawing their money. When a fund's target date is reached, they may have more or less than the original amount invested. For each target-date portfolio, until the day prior to its target date, the portfolio will seek to provide total returns consistent with an asset allocation targeted for an investor who is retiring in approximately each portfolio's designated target year. On the target date, the portfolio will seek to provide a combination of total return and stability of principal. However, there is no guarantee that any investment option will achieve its stated objective. Principal value fluctuates and there is no guarantee of value at any time, including the target date. Asset allocation, diversification and rebalancing do not ensure a profit or protect against loss in declining markets.

While target date funds are intended to offer a simpler investing approach, you should continue to monitor your Plan investments and make adjustments as needed.

Do-It-Myself

Core Funds – A carefully selected list of passively managed investment options.

Core Funds

If you like to pick, actively manage and design your asset allocation, you can choose from a carefully selected list of core investment fund options. CalPERS has selected a set of six index funds in different asset classes (stocks, bonds, and cash equivalents) so you can diversify your portfolio based on your personal situation.

Index Fund	Asset Class
SSgA Short Term Investment Fund	Cash Equivalent
SSgA Real Asset Fund	Inflation Protection
SSgA U.S. Short-Term Government/ Credit Bond Index Fund	Bond
SSgA U.S. Bond Index Fund	Bond
SSgA Russell All Cap Index Fund	U.S. Stocks
SSgA Global All Cap Equity ex U.S. Index Fund	Global Stocks

Building your investment portfolio.

It is important for you to determine how long you plan to keep your money invested, and your willingness to stay invested during market ups and downs, and build a portfolio appropriate for that strategy.

When developing your investment strategy, you need to consider:

- How much to save and invest today.
- Your investment time horizon.
- Your risk tolerance.

Once you determine the answers to these questions you can create an investment mix that will help you work toward your objective.



A reminder about asset allocation.

Asset allocation helps to reduce investment risk by spreading your money among different investments, or across the main asset classes. Combining different types of investments, i.e. stocks, bonds and cash equivalents, may help you manage risk and maximize your return potential by smoothing out market fluctuations, while still taking advantage of the market's potential for higher returns. However, diversification through asset allocation does not specifically ensure a profit or protect against loss.

Be aware of inflation risk.

When you're ready to retire, you'll most likely be living in a much more expensive world than today. Conservative investments (like bonds) may help reduce volatility risk, but over the long term they can expose you to inflation risk. When investments are earning less than the rate of inflation, they are actually losing value.

Be a smart investor!

Visit the online Resource Center for tools and educational resources on retirement planning, personal finance, estate planning and family finance.

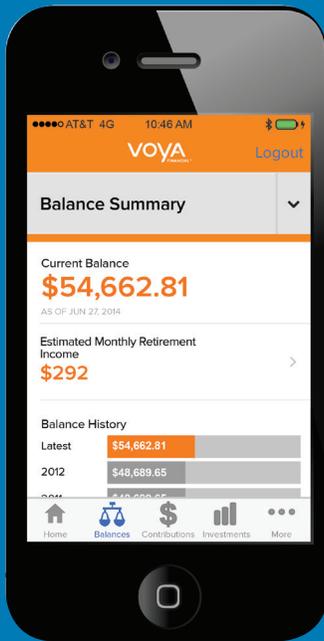
Account Management is at your fingertips.

We're just a click away!

The SCP gives you access to your account 24/7 (excluding any period of time dedicated to scheduled standard system maintenance) to manage your SCP investments and manage your personal information by logging in to the SCP Website or calling the SCP Information Line.

Download the Voya Retirement Plan Account mobile application for iPhone®, iPod touch® and Android™ onto your mobile device to view information about your Plan account or to use the savings calculator.

- To try the mobile app for the first time, sign in to your online account at least once first. Then use your smartphone to download the app directly from the App StoreSM or the Google Play Store for Android™ devices (keywords: **Voya Retire**). For more information, visit mobile.voyaplans.com.



iPhone, iPod touch are trademarks of Apple Inc., registered in the U.S. and other countries. App Store is a service mark of Apple Inc. Android is a trademark of Google Inc.



Account access

You will need your Personal Identification Number (PIN) to access your account in order to complete any transactions, to make any changes to your account, or to change any personal information if not done by form.

What can you do where?	ONLINE	MOBILE APP	PHONE
Investments			
Change and/or monitor your investment elections	●	●	●
Review current and historic balances	●	●	●
Transfer money among funds	●	●	●
Reallocate account balance	●	●	●
Automatic rebalancing	●		●
Download account data to Quicken® & Microsoft Money®	●		
Personal Information			
Review beneficiary designation information	●		●

By form only. Forms can be obtained from the SCP website at <https://calpers.voyaplans.com>, or by calling the SCP Information Line at **(800) 260-0659**.

Type of Request	Form Name
Designation of Beneficiary Information	<i>Beneficiary Designation</i>
Distribution Request	<i>Distribution</i>
IRA, 401(a), 401(k) or 403(b) Rollover	<i>Rollover</i>

Confirmation of changes

You will be mailed a confirmation within three business days following any changes made to your account. If you do not receive a confirmation in a timely manner, please contact the SCP Information Line to ensure that your changes were properly made to your account. It is your responsibility to monitor these changes and to promptly notify a Participant Service Representative by calling **(800) 260-0659**, Monday - Friday, 6:00 a.m. to 5:00 p.m. Pacific Time (except stock market holidays) if a change to your SCP account was not implemented correctly.

Features of the CalPERS Supplemental Contribution Plan.



Distribution Flexibility

You may begin taking distributions from your SCP account at any time, however, IRS rules governing early distribution penalties may apply if you haven't attained age 59½. The Plan offers you the flexibility to receive:

- a lump sum
- a partial lump sum
- payments for a specific time period
- payments based on your life expectancy or the combined life expectancy of you and your spouse.

Monthly, quarterly, semi-annual or annual payment options are available and you may change your payment frequency whenever you need to. You may also increase, decrease or cease your benefit payments, unless you have started receiving Required Minimum Distributions after reaching age 70½.

Required Minimum Distributions

Federal tax law requires you to begin taking distributions from your CalPERS Supplemental Contribution Plan account no later than April 1 of the year following the year you reach age 70½, unless you are still employed. If you remain employed beyond April 1 following the year in which you reach age 70½, payment must begin by April 1 in the year following the year you end your employment.

Tax Liability on Distributions

Distributions are treated as ordinary income in the year the money is paid and are subject to federal and state income taxes. 20% is withheld for federal tax purposes, as well as 2% for state taxes for California residents, at the time of payment on all distributions. A rollover to another eligible retirement plan or a traditional IRA is not subject to tax withholding.

Purchasing Service Credit

You may choose to use your investments in the Plan to purchase Pension Service Credit, if eligible.

Questions & Requests

CalPERS Participant Service Representatives are available Monday - Friday, 6:00 a.m. to 5:00 p.m. Pacific Time (except stock market holidays) to assist you with transactions, information about your account or any other general CalPERS Supplemental Contribution Plan questions and requests.

Guidelines & Forms

Guidelines on Distributions, Tax Liability and In-service Withdrawals are available on the SCP Website.

All forms noted in this brochure can be found in the *Forms* section of the SCP Website at <https://calpers.voyaplans.com>, or obtained by calling the SCP Information Line at **(800) 260-0659**.

Easy account access, 24/7 at
<https://calpers.voyaplans.com> or
1-800-260-0659 (Press 2)

- View, download, and print account statements, including 18 months of history
- Review beneficiary information online
- Reallocation of account balances
 - Redistribute fund balances across multiple funds in one simple transaction
- Download forms and stay up-to-date on Plan rules
- Download account data to Quicken® & Microsoft® Money

PIN Reset Capabilities

When you log on to the CalPERS Website for the first time, you will be prompted to establish a Username and to choose security questions to establish future PIN reset capabilities in case you forget or misplace your PIN in the future. If you misplaced your PIN and haven't established PIN reset capabilities, there are two ways to obtain a new PIN.

- Online at <https://calpers.voyaplans.com>, click on the link *Forgot Your PIN?* in the User Login box.
- Call **(800) 260-0659**, and provide your Social Security number.

Your PIN will be mailed to your address on record within three business days.

For more information:

- Go to <https://calpers.voyaplans.com>
 - Select *SCP Information* under Plan Information
- Call **(800) 260-0659**
 - **Press 2** for a Participant Service Representative, Monday – Friday, 6:00 a.m. to 5:00 p.m. Pacific Time

