

PLAN NOW

for **your** Financial Future

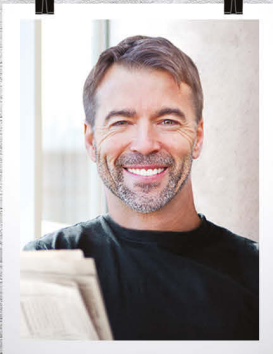
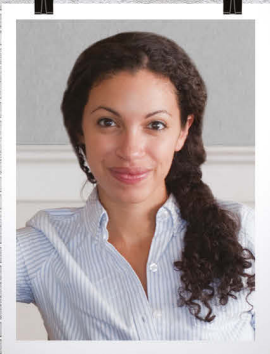


Table of Contents

Introduction.....	3
Start Saving Early.....	4
Steps to Enroll	5
Step 1: Decide How Much to Save.....	6
Step 2: Determine Whether to Contribute Pre-tax and/or Roth After-tax Dollars.....	7
Step 3: Select How to Invest Your Contributions.....	8
Hands-Off Investor	9-12
Hands-On Investor	13-14
Step 4: Enroll in the MNDCP	15
Frequently Asked Questions.....	16-17
Contact Us - We're Here to Help.....	18



Plan Now for Your Financial Future

Your post-employment income will most likely come from the following sources: personal savings, Social Security and your pension benefit.

Most Minnesota public employees will receive a monthly pension benefit based on years of service and average salary. Will your pension and Social Security benefits be enough or will you need to rely on personal savings accounts?

The Minnesota Deferred Compensation Plan (MNDCP) can help. The MNDCP is a voluntary personal savings plan offered by your employer. It's a smart and easy way to supplement any post-employment income you will receive from your Minnesota public pension and Social Security benefits.



Average Monthly Benefits

\$1,341 - Social Security for retired workers¹

\$1,119 - Minnesota Public Employees Association (PERA)²

\$1,600 - Minnesota State Retirement System (MSRS)²

\$2,300 - Teachers Retirement Association (TRA)²

¹Social Security Administration, January 2016 – The amount changes monthly.

²2015 Comprehensive Annual Financial Reports of TRA, MSRS & PERA.



REASONS

To Take Advantage of Enrolling in the MNDCP

- 1. Convenience** – Contributions are automatically deducted from your paycheck so you make saving for your future a priority by paying yourself first. Increase, decrease, or stop your contribution amount at any time.
- 2. No IRS Tax Penalty** - The 10% federal early withdrawal penalty typically assessed on withdrawals made before age 59 ½ does not apply to 457(b) plans (like the MNDCP). However, the penalty does apply to withdrawals attributed to assets rolled in from other types of retirement savings plans (i.e., 401(k), 403(b), or Traditional IRA's). Withdrawals may be subject to ordinary income tax.
- 3. Matching Dollars** - Most State employees have a match through their union. Non-State employers may also match a portion of your contributions.
- 4. Investing Flexibility** - You have the flexibility to select from a wide variety of investment options.
- 5. Tax Savings** - If you make pre-tax contributions, you don't pay federal or state income taxes until you withdraw them from your account. This means you can actually lower the amount of current income taxes you pay each pay period. If you make after-tax contributions, you pay federal and state income taxes now but pay no income taxes when you withdraw them from your account.³

³Tax-free as long as your MNDCP Roth Account was funded for 5-years **AND** you are age 59 ½ or older at the time of withdrawal (or upon your disability or death).

Start Saving Early – Enroll Today

Saving early in life is important because of the power of compounding. Compounding is the ability of your contributions to generate earnings, which are then reinvested to generate their own earnings. In other words, compounding can generate earnings from previous earnings.

It's like building a snowman. You start with a little snowball and roll it. The longer you roll the snowball, the bigger it gets. Similarly, the more time you have to save, the longer it stays invested and has the potential to grow.



Start Date Comparison

Starting to save earlier rather than later for your financial future can make all the difference. A comparison between Sara and Mark shows what the dollar difference could actually be. Sara's investments generated more savings than Mark's because she started saving at a much earlier age.



STARTS
SAVING
AGE 25



STOPS SAVING = \$871,667
AT AGE 65



STARTS
SAVING
AGE 40



STOPS SAVING = \$312,241
AT AGE 65

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or advice. It assumes a 6% annual rate of return and reinvestment of earnings with no withdrawals. Actual rates of return may vary. The illustration does not reflect any associated charges, expenses or fees. The tax-deferred accumulation shown would be reduced if these fees had been deducted.

Get Started Today

We will guide you step-by-step through the process to enroll in the Minnesota Deferred Compensation Plan to help make investing in your future easy.

1

Decide

how much to save each pay period.

See page 6

2

Determine

whether to contribute pre-tax or Roth after-tax dollars...or both.

See page 7

3

Select

how you want to invest your contributions among the investment options available in the MNDCP.

See page 8

4

Enroll

in the MNDCP and make saving for your future a priority.

See page 15



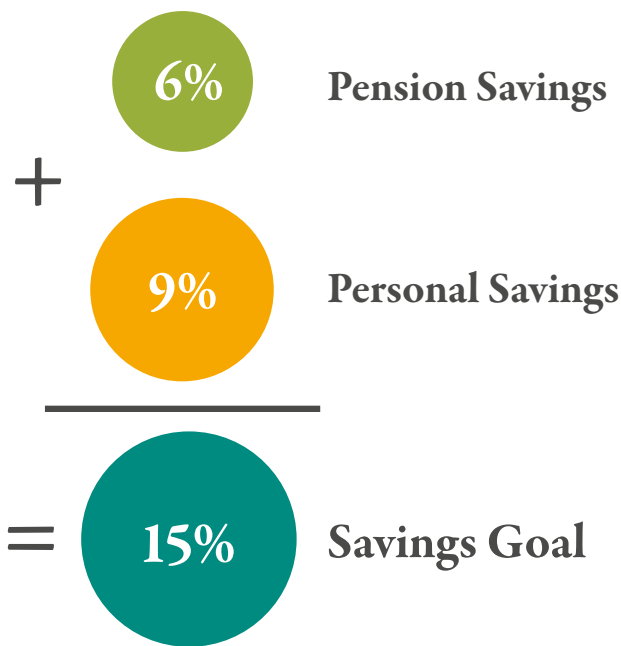
Decide

how much to save each pay period.

Set a Savings Goal - Aim for 15%

Consider aiming high. Retirement professionals recommend saving at least 15% of your salary each year.⁴ This may seem like a lot but it includes all of your retirement savings (including your pension plan or other voluntary savings accounts you may have). And keep in mind, you can change your MNDCP contribution amount at any time.

For example, if your annual pension contribution is 6% of your base salary, then a reasonable contribution to your MNDCP account might be 9%. For someone making \$45,000 a year, that's \$156 per pay period.



What does this mean to you?

Gross Salary: \$45,000/year

9% Annual Savings: \$4,050/year

That's \$156/pay period or \$11/day

FOR ILLUSTRATIVE PURPOSES ONLY. The amount of savings you contribute depends on your income and pension savings rates. The calculation shown reflects how much someone could save if they earn a gross salary of \$45,000 per year and contributed 9% of their earnings to a defined contribution account over 26 pay periods.

⁴Center for Retirement Research at Boston College, 2014.

Need More Help?

To help determine how much post-employment income you will need from personal savings to supplement your pension and Social Security benefits, try our interactive calculator.



Visit: www.msrs.state.mn.us/retirement-income-calculator



Determine

whether to contribute pre-tax or Roth after-tax dollars...or both.

What's the difference?

State of Minnesota employees are able to contribute Roth after-tax dollars. Other Minnesota public employers may not choose to offer the MNDCP Roth. Ask your employer if they have adopted the MNDCP Roth.

	Pre-Tax Savings	Roth After-Tax Savings
Contributions	Pay no income taxes Can reduce your current taxable income	Pay income taxes Subject to federal, state, and local (where applicable) income taxes
Earnings	No income tax until withdrawn	Tax-free*
Withdrawals	Pay income taxes Subject to federal, state, and local (where applicable) income taxes	Tax-free*
Who Benefits?	Employees who: <ul style="list-style-type: none"> • Expect to be in a lower tax bracket later in life. • Want to lower current taxes. 	Employees who: <ul style="list-style-type: none"> • Expect to be in a higher tax bracket later in life. • Are in a low tax bracket today or have other large tax deductions. • Want tax-free withdrawals later in life. • Want the option of not taking required withdrawals at age 70½ (if you roll over to a Roth IRA). Please review your specific circumstances with your tax or financial advisor. • Exceed the Roth IRA income limitations. (There are no income limits if you contribute Roth dollars to your MNDCP account.)

** Tax-free as long as your MNDCP Roth account was funded for 5-years AND you are age 59 ½ or older at the time of withdrawal (or upon your disability or death).*

Need More Help?

The interactive Roth decision tree may help you determine which savings route might be best for you.



Visit: www.msrs.state.mn.us/pretax-aftertax-mndcp



Select

how you want to invest your contributions among the investment options available in the MNDCP.

What Kind of Investor Are You?

Before you jump in and start choosing investments, spend some time thinking about your financial strengths and weaknesses.

Are you a HANDS-OFF investor?

I am not familiar with investment terminology and have little understanding of how to invest. I don't want to spend my time following every twist and turn of the financial markets and making sure my investment portfolio is properly diversified.

Simplify investing with a Target Retirement Fund

See pages 9-12 for more information.

Are you a HANDS-ON investor?

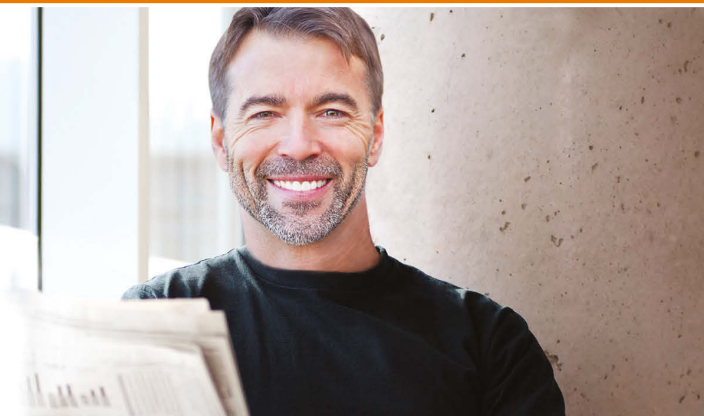
I feel I am a knowledgeable investor who could properly manage my investments. I am comfortable making sure my investment portfolio has the right mix of stocks and bonds or fixed income investments. I know how to ensure my investment portfolio is properly diversified.

Choose your own investment options

See pages 13-14 for more information.

Please consider the investment objectives, risks, fees and expenses carefully before investing. The prospectus and/or disclosure documents contain this and other important information about investments offered through the MNDCP. To obtain prospectus or disclosure documents, or to learn more about the MNDCP investment options, visit www.msrs.state.mn.us or call 800-657-5757.

HANDS-OFF Investor



Are You a HANDS-OFF Investor?

Consider investing in a single Minnesota Target Retirement Fund if you:

- Are uncertain about how to build an investment portfolio
- Are unable to spend the time managing your investments
- Prefer a simplified, less involved approach to investing

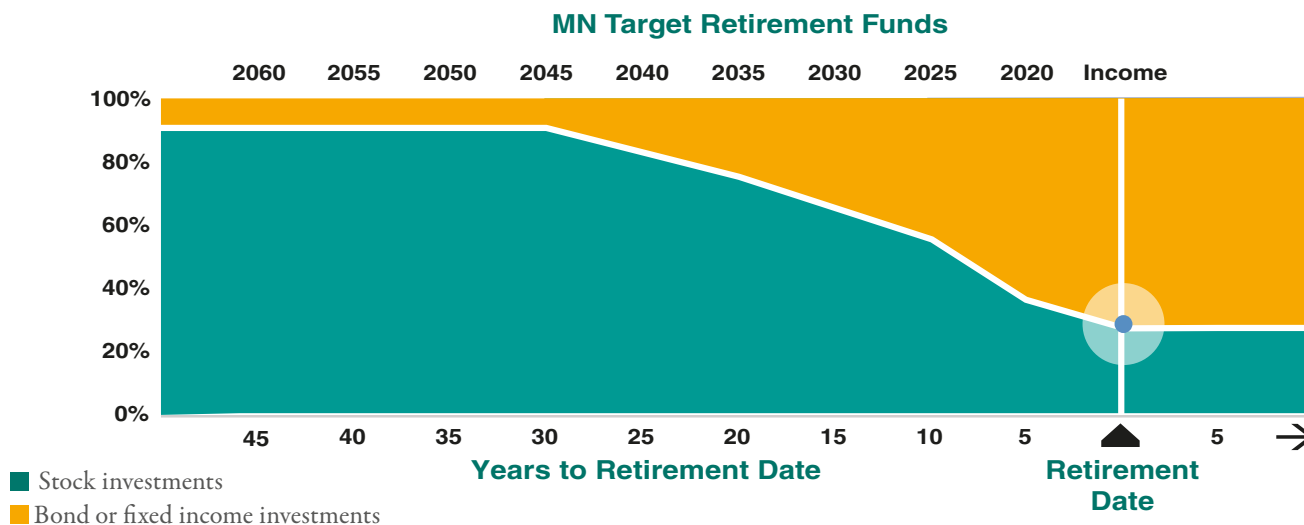
How Target Retirement Funds work

A MN Target Retirement Fund offers a diversified mix of stocks and bonds or fixed income investments. The funds are generally designed for investors expecting to retire around the year indicated in the fund's name.

A professional money manager selects and manages the right mix of investments based on the target date of the fund.

Over time, each MN Target Retirement Fund's asset allocation becomes more conservative as the target date nears. The date in the fund name is the approximate date when the investor plans to start withdrawing their money (which is assumed to be at age 65). This reflects the need for reduced investment risk as the target date approaches. Typically at the end of a working career, investors tend to reduce their investment risk by investing more conservatively in order to preserve their principal account balance.

Bear in mind that an investment in a Target Retirement Fund is not guaranteed at any time, including on or after the target date.



The example shown is intended for illustrative purposes only. The allocation will vary depending on the Target Retirement Funds' anticipated retirement date. Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds.

As a HANDS-OFF Investor

Here's What You Need To Do

1. Select a MN Target Retirement Fund closest to the year you expect to begin taking withdrawals from your account.
 - Funds with longer time horizons, such as the 2040 – 2060 funds, take on more risk by investing in stock funds to pursue growth.
 - Funds with shorter time horizons, such as the 2020 – 2030 funds, take on less risk by investing more in bond funds or fixed income investments to preserve principal and target more income since the anticipated target retirement date is closer.
2. Review your investment at least annually and make planning and saving for your future a part of your life.



Need More Help?

To learn more about the MN Target Retirement Funds, including a short video, an interactive lesson and to view the detailed asset allocation of each fund.



Visit: www.msrs.state.mn.us/target-retirement-funds

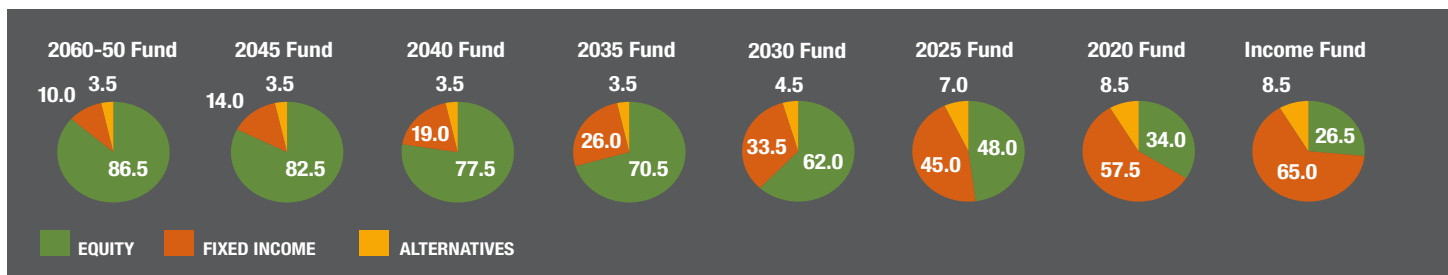


MN Target Retirement Funds

December 31, 2016

Diversification of Underlying Funds – Target allocations among equities and fixed income, shown in percent

	2060	2055	2050	2045	2040	2035	2030	2025	2020	Income
EQUITY	86.50%	86.50%	86.50%	82.50%	77.50%	70.50%	62.00%	48.00%	34.00%	26.50%
State Street S&P 500 Index Fund	35.90	35.90	35.90	35.40	34.60	32.50	29.60	23.82	17.80	13.80
State Street Russell Small/Mid Cap Index Fund	16.00	16.00	16.00	14.10	11.90	9.80	7.70	5.33	3.10	2.60
State Street Global All Cap Equity ex U.S. Index Fund	34.60	34.60	34.60	33.00	31.00	28.20	24.70	18.85	13.10	10.10
FIXED INCOME	10.00%	10.00%	10.00%	14.00%	19.00%	26.00%	33.50%	45.00%	57.50%	65.00%
State Street U.S. Long Government Bond Index Fund	10.00	10.00	10.00	10.00	10.00	10.00	8.00	3.00	0.00	0.00
State Street U.S. Short-Term Government/Credit Bond Index Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	20.00
State Street U.S. High Yield Bond Index Fund	0.00	0.00	0.00	0.00	0.00	2.30	5.30	6.00	7.00	7.00
State Street U.S. Bond Index Fund	0.00	0.00	0.00	4.00	9.00	12.00	14.50	23.00	23.00	20.00
State Street U.S. Inflation Protected Bond Index Fund	0.00	0.00	0.00	0.00	0.00	1.70	5.70	6.00	0.00	0.00
State Street 1-10 Year U.S. TIPS Index Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.00	20.00	18.00
ALTERNATIVES	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	4.50%	7.00%	8.50%	8.50%
State Street Global Real Estate Index Fund	0.00	0.00	0.00	0.00	0.00	0.00	1.00	3.50	5.00	5.00
State Street Bloomberg Roll Select Commodity Index Fund	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50



Fund Characteristics

	2060	2055	2050	2045	2040	2035	2030	2025	2020	Income
GENERAL										
Inception Date	8/1/2011	8/1/2011	8/1/2011	8/1/2011	8/1/2011	8/1/2011	8/1/2011	8/1/2011	8/1/2011	8/1/2011
Expense Ratio ¹	0.10%*	0.10%*	0.10%*	0.10%*	0.10%*	0.10%*	0.10%*	0.10%*	0.10%*	0.10%*
EQUITY										
Total Number of Holdings	9,096	9,096	9,096	9,096	9,096	9,096	9,096	9,096	9,096	9,096
FIXED INCOME-NOMINAL										
Effective Duration (Years)	16.78	16.78	16.78	13.65	11.59	10.17	8.65	6.53	4.72	3.90
Total Number of Holdings	78	78	78	7,020	7,020	7,802	7,802	7,802	7,886	7,886
FIXED INCOME-REAL RETURN										
Real Duration (Years)	N/A	N/A	N/A	N/A	N/A	7.62	7.62	6.34	5.24	5.24
Total Number of Holdings	N/A	N/A	N/A	N/A	N/A	38	38	38	25	25
ALTERNATIVES-REAL ESTATE										
Total Number of Holdings	N/A	N/A	N/A	N/A	N/A	N/A	173	173	173	173

* As of February 10, 2017

¹Please see the Fee Disclosure on the next page for a complete disclosure of the Fund's total operating expense.

The top holdings are presented to illustrate examples of the securities that the Fund has bought and may not be representative of the Fund's current or future investments. In the case of fixed income and cash funds the securities are aggregated and shown at the issuer level. The top holdings do not include other assets or instruments that may be held by the Fund including, for example and not by way of limitation, cash or cash equivalents and derivatives such as futures, options and swaps. The figures presented are as of the date shown above, do not include the Fund's entire investment portfolio, and may change at any time. Although data is gathered from reliable sources, the completeness or accuracy of the data shown cannot be guaranteed. Characteristics and allocations, if shown, are subject to change and should not be relied upon as current thereafter. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future.

Fee Disclosure

Each Target Retirement Fund (the "Fund") is a collective investment fund managed by State Street Global Advisors. The Fund seeks to achieve its investment objective by primarily owning units of one or other collective investment funds which make direct investments (the "Component Funds"). As a result, the participants investing in the Fund indirectly bear the fees and expenses of the Component Funds in which the Fund invests, in addition to the direct fees of the Fund which include, among others, investment management, audit, administration and legal fees. The indirect fees and expenses may include, among others, the Component Fund's custody, audit, administration and legal fees. The indirect fees and expense of the Component Funds combined with the direct fees of the Fund which include the investment management fee (the "Total Annual Operating Expense Ratio") are not expected to exceed 0.12% annually.

The Total Annual Operating Expense Ratio of 0.12% reflects all indirect and direct fees associated with the Fund. Transaction costs (including, for example, brokerage cost and taxes, if any) are not reflected in the Total Annual Operating Expense Ratio but are reflected in the net performance returns of the Fund. The investment manager does not assess any fee or charge in connection with the purchase or redemption of units of the Fund.

The following example is intended to help illustrate the impact of fees and expenses associated with investing in the Fund (based upon the Total Annual Operating Expense Ratio). It is intended to illustrate the hypothetical expense that you would incur over various time periods if you were to invest \$10,000 in the Fund. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its Component Funds remain the same. The results apply whether or not you redeem your investment at the end of the given time period.

Example Fees: 1 year - \$12.27; 3 years - \$38.68; 5 years - \$67.80; 10 years - \$154.29

The example outlined above was for illustrative purposes only and does not represent the actual fees and expenses or the past or future performance of the Fund. Actual future fees and expenses may be higher or lower than those shown.

Fees and expenses are only one of several factors that participants and beneficiaries should consider when making investment decisions

Custom Index Description

The benchmark performance for each Target Retirement Fund is derived by applying each Fund's target allocations to a series of unmanaged benchmarks. The allocation of the Custom Index for each fund is shown in the Diversification of Underlying Funds illustration on the previous page. Each of the applicable individual indices making up the composite benchmarks are described in further detail below.

S&P 500®

S&P 500® Index is a registered trademark of Standard & Poor's Financial Services LLC, and is an unmanaged index considered indicative of the domestic Large-Cap equity market.

Russell Small Cap Completeness® Index

The Russell Small Cap Completeness® Index measures the performance of the Russell 3000® Index companies excluding S&P 500® constituents.

MSCI AC World Index ex USA IMI Index

The MSCI AC World Index ex USA IMI Index is a free float-adjusted market capitalization weighted Index that is designed to measure the equity market performance of developed and emerging markets. The Index consists of approximately 6,100 stocks in markets with emerging markets representing approximately 20%. MSCI attempts to capture approximately 99% of the total market capitalizations in each country. The MSCI AC World Index ex USA IMI Index is a trademark of MSCI Inc.

FTSE EPRA/NAREIT Developed Liquid Index

The FTSE EPRA/NAREIT Developed Liquid Real Estate Securities Index is a float-adjusted market-cap-weighted Index designed to track the performance of eligible listed real estate in the Developed markets. The Index includes Real Estate Operating Companies and REITs that derive at least 75% of their income from relevant real estate activities. Relevant real estate activities are defined as

ownership, trading and development of income-producing real estate. The Index is screened for liquidity and provides geographic and property sector diversification. The Index is priced daily, rebalanced, and reconstituted quarterly at the close of business on the third Friday of March, June, September and December.

Bloomberg Roll Select Commodity IndexSM

The Bloomberg Roll Select Commodity IndexSM is a broad based commodity index. It is comprised of 20 commodity futures contracts spread across five main commodity groups: Agriculture, Energy, Livestock, Industrial Metals and Precious Metals. The index aims to mitigate the effects of contango on index performance. For each commodity, the index rolls into the futures contract showing the most backwardation or least contango, selecting from those contracts with nine months or fewer until expiration.

Barclays U.S. Long Government Bond Index

The Barclays U.S. Long Government Bond Index consists of U.S. Treasury and native currency U.S. Agency securities with maturities greater than ten years.

Barclays U.S. Aggregate Bond Index

The Barclays U.S. Aggregate Bond Index is an index representative of well diversified exposure to the overall U.S. bond market. More specifically, it covers the dollar denominated investment grade fixed rate taxable bond market, including U.S. Treasuries, government-related and corporate securities, mortgaged pass through securities, asset backed securities and commercial mortgage backed securities.

Barclays U.S. TIPS Bond Index

The Barclays U.S. TIPS Bond Index is limited to U.S. Treasury Inflation Protected Securities (TIPS). Like other Treasuries, an inflation-indexed security pays interest every six months and pays the principal when the security matures. The difference is that the coupon payments and underlying principal are automatically increased to compensate for inflation as measured by the consumer price index (CPI). The maturities of the bonds in the Index are more than one year.

Barclays U.S. High Yield Very Liquid Index

The Barclays U.S. High Yield Very Liquid Index (VLI) is a more liquid version of the U.S. High Yield Index that covers USD-denominated, noninvestment grade, fixed-rate, taxable corporate bonds

Barclays 1-10 Year Government Inflation-linked Bond Index

The Barclays 1-10 Year Government Inflation-linked Bond Index is designed to measure the performance of the inflation protected public obligations of the U.S. Treasury commonly known as "TIPS" that have a remaining maturity greater than or equal to 1 year and less than 10 years. TIPS are securities issued by the U.S. Treasury that are designed to provide inflation protection to investors. The Barclays 1-10 Year Government inflation-linked Bond index includes publicly issued, TIPS that have at least 1 year remaining to maturity and less than 10 years on index rebalancing date, with an issue size equal to or in excess of \$500 million. Bonds must be capital-indexed and linked to a domestic inflation index. The securities must be issued by the US Government and must be denominated in U.S. dollars and pay coupon and principal in U.S. dollars.

1-3 Year Government/Credit Index

The Barclays U.S. 1-3 Year Government/Credit Index consists of a well diversified group of government, corporate and non-corporate securities with maturities between one and three years.

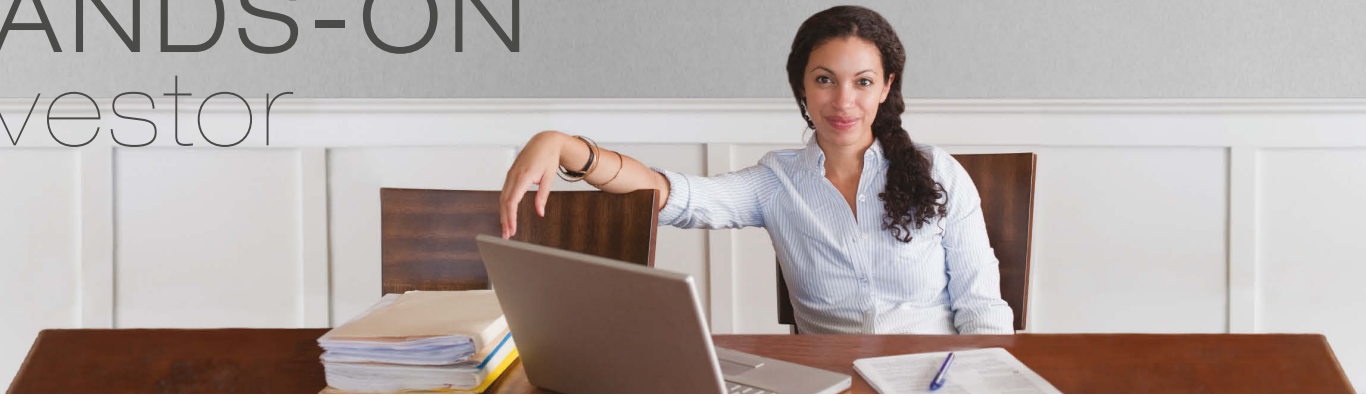
Nominal Return

A nominal interest rate refers to the interest rate before taking inflation into account.

Real Rate of Return

A real rate of return is the annual percentage return realized on an investment, which is adjusted for changes in prices due to inflation or other external effects. This method expresses the nominal rate of return in real terms, which keeps the purchasing power of a given level of capital constant over time. Adjusting the nominal return to compensate for factors such as inflation allows you to determine how much of your nominal return is actually real return.

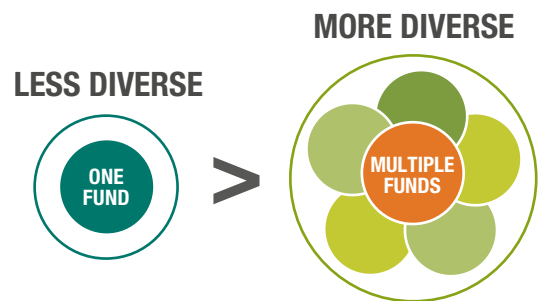
HANDS-ON Investor



Are You a HANDS-ON Investor?

Consider selecting your own investment options if you:

- Are comfortable making your own investment decisions
- Feel confident that you can build a diversified⁵ investment portfolio
- Have the time to actively manage your investments



The Importance of Diversification⁵

Diversification is the process of choosing investments within various asset classes. For example, holding stock funds of international, large, small and mid-size companies along with a variety of bond funds or fixed income funds. Spreading your investments among different asset classes may help weather the ups and downs of the market because you don't depend on any one investment.

Here's What You Need To Do

1. Determine whether you are an aggressive, moderate or conservative investor. This depends on the level of risk and market volatility you are comfortable with and your time horizon (how long before you will use the funds in your account).
2. Select your investments from a range of asset classes to help build a diversified⁵ portfolio.

Need More Help?



To learn about MNDCP investment options

Visit: www.msrs.state.mn.us/core-investment-options



To learn how to build your own investment portfolio

Visit: www.msrs.state.mn.us/how-to-choose-mndcp



To view the fees and performance⁶ of each MNDCP investment option

Visit: www.msrs.state.mn.us/investments-mndcp and select the *Performance Report* tab

⁵Using diversification as part of your investment strategy neither assures nor guarantees better performance and cannot protect against loss in declining markets.

⁶Past performance is no guarantee of future results.

Select Your Investment Options

Higher Risk/
Potential Reward



Lower Risk/
Potential Reward

Investment Asset Class	MNDCP Investment Options
<p>U.S. Small-Cap Stock</p> <ul style="list-style-type: none"> Typically invest in the stock of small U.S. companies valued at less than \$2 billion. Small company funds involve increased risk and volatility. 	<ul style="list-style-type: none"> T. Rowe Price Small-Cap Stock Fund
<p>International Stock</p> <ul style="list-style-type: none"> Typically invest in the stock of non-U.S. companies. International investing involves additional risks including currency fluctuations, political instability, differences in accounting standards and foreign regulations. 	<ul style="list-style-type: none"> Vanguard Total International Stock Index Fund (Institutional Plus Shares) Fidelity Diversified International Comingled Pool
<p>U.S. Mid-Cap Stock</p> <ul style="list-style-type: none"> Typically invest in the stock of mid-sized U.S. companies valued at \$2 - \$10 billion. Mid-cap stock funds are subject to market risk. They are generally perceived to be riskier and more volatile than large-cap stock funds, but less than small-cap stock funds. 	<ul style="list-style-type: none"> Vanguard Mid-Cap Index Fund (Institutional Plus Shares)
<p>U.S. Large-Cap Stock</p> <ul style="list-style-type: none"> Typically invest in the stock of large U.S. companies valued over \$10 billion. Large-cap stock funds are subject to market risk. 	<ul style="list-style-type: none"> Vanguard Institutional Index Fund (Institutional Plus Shares) Vanguard Dividend Growth Fund
<p>Balanced</p> <ul style="list-style-type: none"> Typically invest in a mix of stock/stock funds and bond/bond funds or fixed income investments and are subject to the risks of these investments. 	<ul style="list-style-type: none"> Vanguard Balanced Index Fund (Institutional Plus Shares)
<p>Bond</p> <ul style="list-style-type: none"> Typically invest in bonds issued by corporations and government entities. Bond funds have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the fund. A bond fund's yield, share price and total return change daily and are based on changes in interest rates, market conditions, economic and political news, and the quality and maturity of its investments. In general, bond prices fall when interest rates rise and vice versa. 	<ul style="list-style-type: none"> Dodge & Cox Income Fund Vanguard Total Bond Market Index Fund (Institutional Plus Shares)
<p>Stable Value</p> <ul style="list-style-type: none"> Intended to deliver safety and stability by preserving principal while accumulating interest earnings. Similar to money market funds but tend to offer higher returns. While it's the largest conservative investment in defined contribution retirement plans, it is possible to lose money by investing in the fund. 	<ul style="list-style-type: none"> SIF Stable Value Fund
<p>Money Market</p> <ul style="list-style-type: none"> Typically subject to less volatility than any other investments. Depending on short-term interest rates, may not keep pace with inflation. 	<ul style="list-style-type: none"> SIF Money Market Fund

You could lose money by investing in the SIF Money Market Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other 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.

4

Enroll

in the MNDCP and make saving for your future a priority.

It's Simple to Enroll

Complete the *Participant Enrollment Agreement* located in the back of this brochure and submit to MSRS.

Need More Help?



Call 1-800-657-5757, option 3 to speak with an MSRS Representative

Once Enrolled...

- **Be Patient**

Try not to let short-term market swings deter you from your long-term investment strategy. Since no one can predict how the financial markets will move next year or even next week, consider keeping your savings invested – and try to avoid making emotion-driven changes to your strategy.

- **Stay Involved**

Make a commitment to read each of your MNDCP quarterly statements and newsletters. These communications provide valuable updates and resources to help you throughout the year.

- **Stay Informed**

Know what you're invested in. Periodically reassess your investment option selection to ensure it's still in line with your long-term investment strategy.

- **Bump It Up**

Consider boosting your contribution amount when you get a raise or your expenses decline (for example, when your kids move from day-care to kindergarten). Chances are you might not miss the money in the short term and you'll have the potential to benefit even more in the long term, thanks to the power of compounding.

Frequently Asked Questions



Who can enroll in the MNDCP?

Any full-time, part-time, or temporary Minnesota public employee (state, city, county, township, school district, etc.) may voluntarily participate in the MNDCP.

How do I enroll?

To enroll in the MNDCP, complete the *Participant Enrollment Agreement* in this brochure.

Am I vested?

The term “vested” refers to the portion of your account balance that you are entitled to. You are always fully and immediately vested in your entire MNDCP account balance.

Is my account protected?

All account assets are held in trust for you and your beneficiary’s exclusive benefit. This means that your account assets are not subject to the claims of your creditors. Account assets are also not subject to the claims of creditors in the event of the State or public employer’s bankruptcy.

This does not mean your investments are protected against loss of principal due to volatility in the stock and bond markets or interest rate fluctuations.

Should I contribute pre-tax or Roth after-tax?

You choose whether you want to save on a pre-tax basis, Roth after-tax basis, or both. There are different tax advantages of either option.

When you make pre-tax contributions you defer income taxes on contributions and earnings until you take withdrawals from your MNDCP account.

When you make Roth after-tax contributions you pay income taxes on contributions but any withdrawals are tax-free.



To learn more, visit:

www.msrs.state.mn.us/pretax-aftertax-mndcp

How much can I contribute?

Through automatic payroll deduction, you can contribute as little as \$10 per pay period.

You can contribute up to the yearly maximum contribution limits set by the IRS or 100% of your includible compensation, whichever is less. If you are under age 50, the maximum contribution limit is \$18,000. If you are age 50 or over, the maximum contribution limit is \$24,000.

Both pre-tax and Roth after-tax contributions count toward the limits.



For current year contribution limits, visit:

www.msrs.state.mn.us/contribution-rates-mndcp

What is the Catch-Up contribution provision?

If you are within three years of your normal retirement age (the age at which you are eligible for an unreduced pension benefit), the Catch-Up provision may allow you to contribute up to twice the maximum contribution limit. You must apply and be approved for the Catch-Up provision.

Is there a tax incentive for low-income savers?

Yes. You may be eligible for an income tax credit of up to \$1,000 just by contributing to your MNDCP account. It’s called the Saver’s Tax Credit.



To learn more, visit:

www.msrs.state.mn.us/tax-incentive

What fees does MNDCP charge?

No surprises. All fees are fully disclosed. MNDCP is proud to offer a low-cost Plan. Here’s how we keep fees low:

Economy of scale – The sheer size of the MNDCP helps keep fees low.

Publicly administered – The administrators of the MNDCP are public employees, just like you. They do not receive any financial incentives such as commissions or sales charges.



For a full detailed disclosure of MNDCP fees visit: www.msrs.state.mn.us/fee-disclosure

When can I withdraw money from my MNDCP account?


You are eligible to withdraw money from your MNDCP account at any age once you leave employment (whether by retirement, resignation, permanent disability, or termination). Withdrawals can begin 30 days after your termination date.

Can I request a withdrawal from my MNDCP account while still employed?

Generally, you can only access money in your account when you leave employment; however, under certain circumstances you may request a withdrawal while still employed.

- If you suffer an unforeseen emergency resulting in a severe financial hardship.
- To purchase or reinstate service credit to your governmental pension plan.
- If you rolled money into your MNDCP account from another retirement plan or IRA, you may request a withdrawal of these funds while still employed.

Money from other types of plans or accounts that are rolled into the MNDCP may still be subject to the 10% IRS early withdrawal penalty prior to age 59 ½ upon distribution from the MNDCP account.

 **To learn more about in-service withdrawals, visit:**
www.msrs.state.mn.us/in-service-withdrawals

Can I take a loan from my MNDCP account?

No. The MNDCP does not have a loan provision.

Can I roll money from other savings plan accounts to my MNDCP account?

A rollover allows you to consolidate your accounts to make it easier to monitor and manage your investments.

You may roll over assets into your MNDCP account from a Traditional IRA or an employer-sponsored account such as a 401(k), 403(b), or 401(a). Federal regulations do not permit rollovers from a Roth IRA.

Follow these easy steps to complete a rollover into your MNDCP account.

- Contact your prior plan provider to request a rollover distribution. Inquire if you will incur any fees or charges.
- Complete an *Incoming Direct Rollover* form


 **To obtain a rollover form visit:**
www.msrs.state.mn.us/mndcp-forms-docs

You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitation of investment options.

How do I monitor and access my account?

- **Statements** - You will receive quarterly statements that will summarize your account information.
- **Internet 24/7 Access** – You can manage your MNDCP account, track your savings progress and keep moving toward your goals right from your desktop. You will receive a password by mail after your first contribution to the plan or you can contact MSRS to request a password.

 **To manage your account online, visit:**
www.msrs.state.mn.us

 **To speak with an MSRS Representative any business day between 8:00 a.m. and 4:30 p.m. Central Time, call 1-800-657-5757, option 3**

How do I change my investment options?

You may request investment changes (transfers) or redirect future contributions among the available investment options at any time. Log into your MNDCP account online at www.msrs.state.mn.us or call the MSRS Service Center at **1-800-657-5757, option 3** to request a change.

Note: MNDCP does not charge a fee for transfers among investment options; however, certain funds may impose fees or restrictions.



Contact Us – We're Here To Help

If you have questions about your MNDCP account or to schedule an appointment, contact an MSRS Representative.

In Person:

St. Paul Office

60 Empire Drive, Suite 300
St. Paul, MN 55103

Hours: Monday – Friday, 8:00 a.m. - 4:30 p.m.

Duluth Office

Medical Arts Building
324 West Superior Street, Suite 530
Duluth, MN 55802

Hours: Tuesday-Friday, 8:00 a.m. – 4:30 p.m.
Appointments preferred

Detroit Lakes Office

714 Lake Avenue, Suite 102
Detroit Lakes, MN 56501

Hours: Tuesday-Friday, 8:00 a.m. – 4:30 p.m.
Appointments preferred

Mankato Office

Former Bretts Building
11 Civic Center Plaza, Suite 150
Mankato, MN 56001

Hours: Tuesday-Friday, 8:00 a.m. – 4:30 p.m.
Appointments preferred



Phone:

Toll-Free: **1-800-657-5757, option 3**

Local: **651-296-2761, option 3**



Email:

info@msrs.us



Online:

www.msrs.state.mn.us/mndcp



Onsite Visit:

Ask your employer to schedule an onsite visit with an MSRS Representative.



The Minnesota State Retirement System (MSRS) administers the MNDCP.

MSRS also administers the Health Care Savings Plan (HCSP) – a tax-free medical expenses savings plan – and various pension plans for state employees.

This material has been prepared for informational and educational purposes only. It is not intended to provide, and should not be relied upon for investment, accounting, legal or tax advice.

Investing involves risk, including possible loss of principal. Representatives of GWFS Equities, Inc. cannot offer investment, fiduciary, financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker-dealers.

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60 Empire Drive, Suite 300, Saint Paul, MN 55103-3000
651-296-2761 | Toll-free: 1-800-657-5757 | Fax: 651-297-5238
www.msrs.state.mn.us



1. Information about you

Social security number	Date of birth (month/day/year)	Home phone	Work phone
Last name		First name	MI
Mailing address - number and street			
City		State	Zip code

2. Payroll information and contribution amount

Employer name	Employee ID (state employees only)	Division number (to be completed by MSRS)
Annual salary *	Date of hire (month/day/year)	

* Salary data may be used for personalized services offered through the Plan. Information provided is confidential.

I authorize my Employer to deduct the following contribution amount (minimum \$10) from my gross wages and deposit it to my MNDCP account.

Not all employers allow Roth contributions or percentage (%) contributions. Please check with your employer.

I wish to contribute per paycheck on a: a) Pre-tax basis \$. or . %
 b) Roth (after-tax) basis \$. or . %

Check this box if enrollment is for an incoming rollover/transfer of funds. (You must also complete a MNDCP *Incoming Direct Rollover* form.) **Note:** The contribution amount indicated can be zero (\$0) if you are only rolling funds from another retirement account into the MNDCP and are not making any other contributions to the Plan at this time.

3. Investment option selection

Please select from one of the following two investment option paths.

ELECTION A - SIMPLIFY INVESTING WITH A TARGET RETIREMENT FUND

If you don't have the time or experience to manage your own investment strategy, Target Retirement Funds are designed to simplify investing. By selecting a Target Retirement Fund, you are designating 100 percent of your contributions to that particular fund.

I elect the following Target Retirement Fund	If you plan to retire in the years below...	the Target Retirement Fund below may be right for you
<input type="checkbox"/>	Immediately	MN Target Retirement Income Fund
<input type="checkbox"/>	2016 - 2020	MN Target Retirement 2020 Fund
<input type="checkbox"/>	2021 - 2025	MN Target Retirement 2025 Fund
<input type="checkbox"/>	2026 - 2030	MN Target Retirement 2030 Fund
<input type="checkbox"/>	2031 - 2035	MN Target Retirement 2035 Fund
<input type="checkbox"/>	2036 - 2040	MN Target Retirement 2040 Fund
<input type="checkbox"/>	2041 - 2045	MN Target Retirement 2045 Fund
<input type="checkbox"/>	2046 - 2050	MN Target Retirement 2050 Fund
<input type="checkbox"/>	2051 - 2055	MN Target Retirement 2055 Fund
<input type="checkbox"/>	2056 or later	MN Target Retirement 2060 Fund

- OR -

ELECTION B - CHOOSE YOUR OWN INVESTMENT MIX

If you wish to design your own investment portfolio, simply choose from the available investment options.

Investment Option Name
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . <input type="text" value="0"/> % T. Rowe Price Small-Cap Stock Fund
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . <input type="text" value="0"/> % Fidelity Diversified International Comingled Pool
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . <input type="text" value="0"/> % Vanguard Total International Stock Index Fund
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . <input type="text" value="0"/> % Vanguard Mid Cap Index Fund
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . <input type="text" value="0"/> % Vanguard Institutional Index Fund
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . <input type="text" value="0"/> % Vanguard Dividend Growth Fund
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . <input type="text" value="0"/> % Vanguard Balanced Index Fund
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . <input type="text" value="0"/> % Dodge & Cox Income Fund
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . <input type="text" value="0"/> % Vanguard Total Bond Market Index Fund
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . <input type="text" value="0"/> % SIF Stable Value Fund
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . <input type="text" value="0"/> % SIF Money Market Fund

Must equal 100%

Please refer to the *Plan Now* brochure for more information regarding each investment option including potential redemption fees and restrictions.

If Investment Options are not selected, the **default** investment option is a Target Retirement Fund based on your date of birth and your retirement year at age 65.

4. Beneficiary election

Primary Beneficiary

I hereby designate the following person(s) as primary beneficiary(ies) of my account under the Plan if I should die prior to the liquidation of my account.

Name of primary beneficiary	Relationship	Date of birth	Address	Percentage

Must equal 100%
whole numbers only

Contingent Beneficiary

A contingent beneficiary is the person who would receive your Plan benefits if your primary beneficiaries predecease you. In the event there is no primary beneficiary(ies) at my death, I hereby designate the following person(s) as contingent beneficiary of my account.

Name of contingent beneficiary	Relationship	Date of birth	Address	Percentage

Must equal 100%
whole numbers only

5. Required authorization (please sign below)

My signature acknowledges that I have received, read, understand and agree to all pages of the *Participant Enrollment Agreement* and affirms that all information I have provided is true and correct. I have also received all informational material detailing the general Plan features, the investment options offered and any and all administrative charges and fees which may be deducted from the account(s) maintained on my behalf. I understand that my rights under the Plan shall be governed by the terms and conditions of the Plan Document pursuant to Minnesota Statute §352.965, the Code, and all applicable federal laws, rules and regulations.

Data collected on this form will be used by MSRS staff for identification and documentation. The individual's Social Security number, birth date and address are classified as private and will not be shared with an unauthorized person without written consent.

Participant Signature _____ Date _____
Month / Day / Year

Password Information

Upon MSRS' receipt of this *Participant Enrollment Agreement*, a password will be mailed to you. Once you receive your password call 1-800-657-5757 to access the Automated Voice Response (AVR) System or visit ww.msrs.state.mn.us to access your account online.

Mail or fax the completed form to:

Minnesota State Retirement System
60 Empire Drive, Suite 300
St. Paul, MN 55103-3000
Toll-free: 1-800-657-5757
Fax: 1-888-529-1832

Participant Enrollment Acknowledgement & Agreement

A. Investment Election Information

I understand that if I fail to complete the *Investment Option Selection* section on page two, MSRS will allocate any contribution I defer to the default investment option selected by the Plan until such time that I request a future allocation change. I understand the Plan has established the Target Retirement Fund that uses my date of birth and the assumption that I will retire at age 65 to determine my appropriate Target Retirement Fund.

I certify that I have made all decisions pertaining to the investment options of my own free will. Representatives of MSRS, the Plan's Third Party Administrator, Empower™ or the MSRS Board made no efforts to influence my decisions.

I agree to hold harmless the State, Plan and MSRS Board from and against any and all liability for my selection of investment options in the Plan and performance of the investment options in the Plan. The provisions of this paragraph shall remain in full force and effect notwithstanding the closure of my account in the Plan.

I understand and acknowledge that account values, when based on the experience of the investment options, may not be guaranteed and may fluctuate. Upon redemption, shares may be worth more or less than their original cost. I understand that the funds may impose redemption fees or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents.

B. Beneficiary Information

I understand that unless I designate otherwise, my MNDCP beneficiary will be my surviving spouse, or if none, my estate.

Beneficiary must be a natural person or qualifying trust.

Beneficiaries will share equally if percentages are not provided.

I may designate more than one person or entity (attach an additional sheet of paper if there is not enough space for your designating primary or contingent beneficiaries).

C. Account Corrections

I understand that it is my obligation to review all confirmations and quarterly statements for discrepancies or errors. Corrections will be made only for errors which I communicate to MSRS within 60 calendar days of the last calendar quarter end. After this 60 days, account information shall be deemed accurate and acceptable to me. If I notify MSRS of an error after this 60 days, the correction will only be processed from the date of notification forward and not on a retroactive basis.



Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Teletypewriter users and telecommunications-device-for-the-deaf (TDD) users should call the Minnesota Relay Service at 1-800-627-3529 and ask to be connected to MSRS at 651-296-2761.

D. Payroll Election and Limits

I authorize my employer to deduct the contribution amount specified in this form from my gross wages, and invest it into my account in the investment options I have selected on this form.

I understand I cannot elect to contribute on a Roth after-tax basis unless my employer has adopted the MNDCP Roth 457.

I understand that this agreement shall be effective not earlier than the first pay period following receipt of this completed application and shall continue in effect until modified or terminated in accordance with the MNDCP rules.

I understand that the maximum combined pre-tax and Roth after-tax deferral amount per calendar year, including the catch-up provision, shall be the limits established under section 457 of the Internal Revenue Code ("Code"). This maximum amount shall be reduced by any matching dollars contributed by my employer or bargaining unit or any contribution to another plan under section 457 of the Code. I understand the catch-up provision allowing for the additional deferral of compensation and the limits established under section 457 of the Code, beginning the last three (3) taxable years prior to reaching normal retirement age as defined by my pension 401(a) plan.

E. Distribution and Taxation

I understand that I may not take distributions from the Plan prior to my separation from service, except for the occurrence of an unforeseeable emergency as determined by the Board, qualification under the De Minimus account provision, or for the purchase of service credits in a governmental defined benefit Plan.

I am aware that all pre-tax payments will be subject to taxation as ordinary income in the year received and those payments are subject to applicable federal and state tax withholding requirements.

I am aware that a Roth after-tax distribution taken before the end of the required 5-year holding period and prior to age 59½ is considered a "non-qualified" distribution. The contribution portion of the distribution is tax-free since taxes were already paid; however, any earnings are taxed as ordinary income.

F. OFAC

I understand that MSRS is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of Treasury (OFAC). As a result, MSRS cannot conduct business with persons in a blocked country or any person designated by OFAC as a specially designated national or blocked person. For more information, please visit the OFAC website at www.ustrea.gov/offices/eotffc.ofac.