

Colorado PERA 457 Plan Loan Highlights

These highlights are intended to answer frequently asked questions regarding Colorado PERA 457 Plan loans. If you have further questions, please contact your Great-West Retirement Services® representative.

May I take a loan from my Colorado PERA 457 Plan?

Yes, you may borrow from your Colorado PERA 457 account. This is an account reduction loan, which means you are borrowing assets held in your account. **Please note: You must be currently employed and have a minimum account balance of \$2,000 in order to request a loan from your Colorado PERA 457 account.**

How much can I borrow?

You may borrow up to 50 percent of your total account balance. The minimum loan is \$1,000 and the maximum is \$50,000. Other limits may apply under the Internal Revenue Code.

How is the loan request taken from my account?

Amounts borrowed will be prorated against all of your investment options for the amount borrowed.

What is the interest rate I must pay back?

The interest rate is the Prime Lending Rate declared in *The Wall Street Journal* on the first business day of the month in which the loan is processed, plus one percent. This amount is fixed for the life of the loan.

Will all of the interest be paid back into my account?

Yes. All interest payments will be paid directly to your account and invested in your deferral allocation at the time of repayment.

What are the fees for the loan?

There are two fees:

1. A one-time \$50 loan origination fee that is charged for each new loan.
2. A quarterly \$6.25 maintenance fee that is charged for each outstanding loan.

Fees will be deducted from your account.

How many outstanding loans may I have at any point in time?

You may have only one outstanding loan at any point in time.

How are loan payments made?

Loan payments are made through payroll as after-tax deductions. These deductions are in addition to any current contributions you may be making.

May I pay by personal check?

No. Scheduled payments must be made by payroll deduction or in special circumstances, such as early loan payoff, by cashier's check or money order.

What happens if I sever employment?

Upon severance of employment, you can:

1. Pay off the entire amount owed on the loan.
2. Treat any outstanding balance as a taxable distribution.¹

How do I apply for a loan?

There are two ways to apply for a loan:

1. Call KeyTalk® at 1-800-838-0457.²
2. Visit www.colorado457.com.²

You will need your Personal Identification Number³ (PIN) to apply.

How do the deductions get processed?

Your payroll department is notified to begin the deductions from your pay. **Please note: It is your responsibility to verify that the loan deductions begin in order to avoid default.**

How long will the loan processing take?

Once you apply online or through KeyTalk, checks are generally mailed within seven to 10 days.

Have Questions? Need Information?

Visit the Web site at www.colorado457.com or call KeyTalk at 1-800-838-0457, option 2.²

Visit the Deferred Compensation Plan Service Center: 1775 Sherman Street, Suite 2040, Denver, CO 80203

Hours: 8:00 a.m.–4:30 p.m. Mountain time, Monday through Friday

¹ The 10% early withdrawal penalty does not apply to 457 plan withdrawals.

² Access to KeyTalk and the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance, or other reasons.

³ The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.

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