



June 2023

RE: Important changes to your Arlington Public Schools 403(b) and 457(b) retirement plans

Dear plan participant:

Planning for your future financial security is important, and Arlington Public Schools is committed to providing you with access to retirement benefits and tools to help you with your goals. In our ongoing effort to offer you reasonably priced, high quality investment options, we are making a few changes to the Arlington Public Schools 403(b) and 457(b) Plans. The changes are as follows:

1. Stable Value fund:

We'll be changing the Stable Value Account available in the plans effective **July 1, 2023**. The new Stable Value Account features a Declared rate.

Investment options – Fixed return	Change from	Change to	
Rate type	Return		Term
Portfolio rate	1.75%	2.10%	Quarterly
Guaranteed minimum interest rate (GMIR)	1.75%	1.75%	1 – 99 years
Lincoln reserves the right to adjust the fixed rate of return prospectively during the term of the contract or agreement. The most current rate of return is available at 800-234-3500.			

2. Lower administrative cost and new participant distribution fees:

We are pleased to announce that effective **July 1, 2023**, the APS 403(b) and 457(b) plans' annual administration cost is being reduced from **0.28%** (applicable on all assets except the Stable Value fund) to **0.18%** annually (applicable on all assets).

Beginning **July 1, 2023**, Lincoln will deduct fees from your account for certain distribution types. This fee structure is consistent with actions of other retirement plan providers and allows Lincoln to continue to provide superior service and innovative technology for recordkeeping your retirement plan account. If any of the following distributable events occurs, a fee will be deducted from your account. The fee amount will appear on your quarterly participant statement under the Fee and Expense Summary section as a one-time distribution fee.

Distribution type	Full distribution	Partial distribution	Additional distribution
Severance of employment distribution	\$40	\$40	\$40
Age 59½ in-service or post age 59½ withdrawals	\$25	\$25	\$25
In-service withdrawal (before age 59½) – certain plan restrictions apply	\$25	\$25	\$25
After-tax or Rollover in-service withdrawal	\$25	\$25	\$25

The Qualified Domestic Relations Order (QDRO) fee will be \$500.

Lincoln will **not** charge fees for the following transactions:

- Required minimum distribution
- Installment payout
- Hardship or unforeseeable emergency withdrawal
- Beneficiary payment
- Total and permanent disability withdrawal
- Small account force-out

We're pleased to offer these modifications to the plans. We encourage you to review your portfolio and make any changes necessary to meet your retirement goals. If you have questions, please visit LincolnFinancial.com or call the Lincoln Customer Contact Center at 800-234-3500. You may also contact your Lincoln retirement consultant with questions, or to schedule an annual review.

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Sincerely,

Brianna Cobbins
Executive Director
Arlington Public Schools