



PEHP[®] Fact Sheet and Investment Options

PEHP® Fact Sheet and Investment Options

Type of plan	<ul style="list-style-type: none"> • Employee benefit plan • Health Reimbursement Arrangement (HRA) • Internal Revenue Code Section 501(c)(9)
Assets held	<ul style="list-style-type: none"> • PEHP is a tax-exempt Voluntary Employee's Beneficiary Association (VEBA) Trust, which provides employee benefits authorized by Internal Revenue Code Section 501(c)(9)
Tax advantages	<ul style="list-style-type: none"> • All Contributions, accumulations, and reimbursements are not subject to federal, state, FICA or Kansas City earnings tax. • Upon retirement, reimbursements from PEHP accounts are not subject to federal, state, FICA or Kansas City earnings tax.
Plan contributions	A set percentage of a retiring eligible employee's unused sick and or vacation time will fund the account tax-free. This premium reimbursement account can only be used for qualified health insurance premiums such as health, vision, dental, qualified long-term care, Medicare Part B and Medicare supplemental insurance premiums.
Plan benefits	<p>Tax-free accumulation and reimbursements for qualified post employment health insurance premiums as defined by the Internal Revenue Code Section 213(d). Examples include:</p> <ul style="list-style-type: none"> - Health insurance premiums - Medicare Part B premiums - Medicare supplemental insurance premiums - Qualified long-term care premiums - Vision premiums - Dental premiums
Benefit flexibility	Upon the employee retiring, requests may be made for the reimbursement of qualified health insurance premiums. Note: In order to receive reimbursement, you must attach evidence of qualified health insurance premiums paid.
Funding options	<ul style="list-style-type: none"> • Insurance Premium Reimbursement Account (106) <ul style="list-style-type: none"> - Can be funded solely with accrued sick and/or vacation leave (must be required by employer of all eligible plan participants). - Reimbursements may only be used for qualified health insurance premium expenses. Examples include: health insurance premiums, dental premiums, Medicare Part B premiums and Medicare supplemental insurance premiums.
Investment options	There are 24 investment options available for employees.
Plan fees	<ul style="list-style-type: none"> • Employee - Annual administration fee \$30.00 and 0.08% asset fee
Death of participant	Money is immediately made available to the surviving spouse and/or qualified dependents (as defined by IRC§152(a)) to use for health care premiums. If no surviving spouse or qualified dependents remain to request reimbursement, the account balance is reallocated to the accounts of the remaining members of that specific group for their qualified health insurance premiums.

Visit our website for videos, registration for workshops and educational material.

www.kcmodc.com

1-866-350-5266 or 1-800-891-4749

PEHP® Investment Options

PEHP Variable Annuity, A Group Variable Annuity Contract issued by Nationwide Life Insurance Company

Asset allocation		Category
The T. Rowe Price Target Date Retirement Funds are structured on a glidepath based on future retirement dates and provide asset allocation diversification across several types of investments and asset classes primarily by investing in underlying funds, which are periodically rebalanced. The Balanced Fund has the highest exposure to fixed income and the least exposure to equities, while the 2060 fund has highest exposure to equities and the least exposure to fixed income. The principal value of the funds is not guaranteed at any time.	T. Rowe Price Retirement Balanced Fund	Balanced
	T. Rowe Price Retirement 2010 Fund	Target Retirement Date 2010
	T. Rowe Price Retirement 2020 Fund	Target Retirement Date 2020
	T. Rowe Price Retirement 2030 Fund	Target Retirement Date 2030
	T. Rowe Price Retirement 2040 Fund	Target Retirement Date 2040
	T. Rowe Price Retirement 2050 Fund	Target Retirement Date 2050
	T. Rowe Price Retirement 2060 Fund	Target Retirement Date 2060
Large-cap stock funds		
Large-cap is an abbreviation of the term "large market capitalization" and that is a company whose market capitalization is very large. A large-cap stock fund is made up primarily of investments in companies that are considered large-cap, big corporations.	MFS Value Fund (Class R4)	Large-Cap Value
	The Growth Fund of America (Class R4)	Large-Cap Growth
	T. Rowe Price Growth Stock Fund (Advisor Class)	Large-Cap Growth
	Vanguard Institutional Index Fund (Institutional Shares)	Large-Cap Core
Mid-cap stock funds		
Mid-cap is an abbreviations of the term "middle market capitalization" and that is a company whose market capitalization is mid-range. A mid-cap stock fund is made up primarily of investments in companies that are considered mid-range or mid-size companies.	Carillon Eagle Mid-Cap Growth Fund (Class I)	Mid-Cap Growth
	Vanguard Mid-Cap Index Fund (Institutional Shares)	Mid-Cap Core
	Vanguard Selected Value Fund (Investor Shares)	Mid-Cap Value
Small-cap stock funds		
Small-cap is an abbreviation of the term "small market capitalization" and that is a company whose market capitalization is small. A small-cap stock fund is made up primarily of investments in companies that are considered small or newer companies. Small company funds involve increased risk and volatility.	Baron Small-Cap Fund	Small-Cap Growth
	Vanguard Small-Cap Index Fund (Institutional Shares)	Small-Cap Core
	William Blair Small-Cap Value Fund (Class I)	Small-Cap Value
International Stock funds		
A mutual fund that invests primarily in companies located anywhere outside of the U.S. International investing involves additional risks; including currency fluctuations, political instability, differences in accounting standards and foreign regulations.	Capital World Growth & Income Fund (Class R5)	Global
	EuroPacific Growth Fund (Class R4)	Intl Growth
	Harding Loevner Emerging Markets Portfolio (Class I Shares)	Emerging Markets
Bond funds		
A fund invested primarily in bonds, which could be a range of government, corporate, municipal or convertible bonds.	American Century Government Bond Fund (Investor Class)	Govt. Bond
	PIMCO Total Return Fund (Institutional Class)	Core Bond
Fixed Income/Cash		
Fixed income options are designed to protect principal and may not keep pace with inflation. They are designed to have lower risks than alternate options, but are not insured or guaranteed by the FDIC or any other government agency.	Kansas City Fixed Account	Fixed Account
Speciality		
A REIT is an actively managed real estate fund that looks to provide exposure to U.S. REIT's and real estate companies.	American Century Real Estate Fund (Investor Class)	REIT



The underlying fund prospectuses can be obtained by calling 1-877-677-3678. Before investing, carefully consider the fund's investment objectives, risks, and charges and expenses. The underlying fund prospectus contain this and other important information. Read the prospectuses carefully before investing.

Retirement Specialists are registered representatives of Nationwide Investment Services Corporation, Member FINRA.

Neither the Company nor its representatives give legal or tax advice. You should consult your attorney or tax advisor for answers to your specific questions.

Separate trusts are available for collectively-bargained employee groups and non-collectively bargained employee groups.

The PEHP unregistered group variable annuity is issued by Nationwide Life Insurance Company, contract number APO-3350.

This material is not a recommendation to buy, sell, hold or roll over any asset, adopt an investment strategy, retain a specific investment manager or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition or particular needs of any specific person. Investors should work with their financial professional to discuss their specific situation.

Nationwide® Retirement Specialists are registered representatives of Nationwide Investment Services Corporation, member FINRA. Nationwide, the Nationwide N and Eagle and Nationwide is on your side are service marks of Nationwide Mutual Insurance Company. © 2018 Nationwide

NRM-3322MO-KC.1 (10/18)