



Borrowing from Your 401(k)/457(b) Plan Accounts

Loan Fact Sheet

Phone: (855) 616-4776 • savingsplusnow.com

Savings Plus allows you to take a participant loan from your account(s), based on the loan information and loan eligibility outlined below, provided you agree to repay the outstanding loan balance including accrued interest within the specified period of time. Since you are borrowing from your account, your loan will not affect your credit rating. You may model and initiate a general purpose loan or model a primary residence loan online at savingsplusnow.com or call the Savings Plus Service Center. You may want to consult with a tax advisor and carefully examine all of your options prior to initiating a loan.

All of your pre-tax and Roth accounts, by plan, will be utilized in determining the maximum loan amount per plan but the funding of the loan will be restricted to the pre-tax accounts only. In addition, if you have a Personal Choice Retirement Account (PCRA), the self-directed brokerage account Savings Plus offers through Charles Schwab, the amount in your PCRA will be included when calculating your maximum available loan amount. However, you may be required to transfer some or all of your PCRA balance to your main plan account before the loan is funded and you will be required to retain the lesser of \$2,500 or 50% of your main plan core balance.

1. Loan Information

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|--------------------------------|---|
| Types of Loans Allowed | General Purpose and Purchase of Primary Residence |
| Maximum Loan Period | General Purpose: 5 years Primary Residence: 15 years |
| Minimum Plan Balance | \$10,000.00 |
| Minimum Loan Amount | \$5,000.00 |
| Maximum Number of Loans | One outstanding loan per plan, not to exceed two outstanding loans across both 401(k) and 457(b) plans |
| Maximum Loan Amount | The lesser of: 50% of your plan account balance, by plan, minus your outstanding loan balances from all state-sponsored plans on the date of your loan; or \$50,000.00 minus your highest outstanding loan balances from all state-sponsored plans within the last 12 months. |
| Fees | We will deduct a one-time nonrefundable fee of \$50.00 from your account upon loan initiation to cover the cost to process and handle your transaction. If you elect to have a check mailed to you, a \$2.00 fee will be assessed. If you elect to have your loan check mailed via overnight mail, we will deduct an additional \$25.00 from your account. |
| Interest Rate | The interest rate will be the prime rate plus 1%. The prime rate used will be based upon the rate published in the Wall Street Journal two weeks prior to the end of the most current calendar quarter. The rate will be effective on the first day of the next calendar quarter. To learn more about the interest rate, visit your online account and select "Loans" or call the Savings Plus Service Center. |

2. Loan Eligibility

You qualify for a loan in your 401(k) or 457(b) main plan account if you:

- Are a current State of California employee
- Have a balance of at least \$10,000.00 in the plan account in which the loan is being requested
- Do not request more than the Maximum Loan Amount as listed above
- Do not currently have a defaulted loan
- Are not a rehired annuitant or a beneficiary or obtained your account through a Qualified Domestic Relations Order

3. Loan Repayment

- Debit ACH Repayment** Loan repayments are automatically deducted from the savings or checking account you designate with after-tax dollars and invested according to your current investment allocation. Loan repayments will start approximately 30 days from the date of the loan initiation and will continue on or around that date on a monthly basis. These transactions will show up as "Nationwide (Payments)" on your bank statement. If a payment is unable to be processed on the due date because of insufficient funds in your bank account or due to inaccurate banking information, Nationwide will assess a \$50.00 fee from your Savings Plus account and will send you written notification. If a monthly ACH loan repayment is missed, the past due payment(s) plus the regularly scheduled repayment will be pulled the following month to bring the loan current.
- Loan Payoff** To obtain the loan payoff amount, visit your online account and select "Loans" or call the Savings Plus Service Center.
- Direct Payments** You may make a direct loan repayment if you are going to pay off your loan in full. Please remit the exact loan repayment. Obtain a certified bank check made payable to:
Nationwide Retirement Solutions
Savings Plus, Your Name, Account Number or SSN, Plan Type (401(k) or 457(b))
Mail to the applicable address:
- | | |
|--|--|
| Standard Address | Overnight Address |
| Nationwide Retirement Solutions PO Box 182797 Columbus OH 43218-2797 | Nationwide Retirement Solutions 3400 Southpark Place Suite A DSPF-F2 Grove City OH 43123-4856 |
- Military Leave** If you are on military leave, you will be eligible to suspend your loan repayments. Call the Savings Plus Service Center for more information.
- Non-Military Leave** If you are on an approved non-military leave of absence without pay, you may be eligible to suspend your loan repayments for up to 12 months while on leave. Call the Savings Plus Service Center for more information.

4. Transferring/Rolling Over loans between plans

You cannot transfer or rollover your Savings Plus loan to another plan and you cannot transfer or rollover a loan from another plan to Savings Plus.

5. Deemed distribution of loan balances

If you miss any loan repayments, you will have until the end of the calendar quarter following the calendar quarter in which they were missed to make them up in order to avoid default and a subsequent deemed distribution. If the missed quarterly payments are not made by the end of this period, the outstanding loan balance, including accrued interest, will be considered in default and treated as a taxable deemed distribution. A Form 1099-R will be issued by January 31 of the following year. Once a deemed distribution occurs, you will no longer be able to take another loan in either plan until the existing loan is paid in full. The loan balance will continue to accrue interest until the loan is paid in full or is offset when you separate from service. If the loan is from your 401(k) Plan account, the deemed distribution may be considered an early withdrawal and may be subject to an additional 10% tax. There is no additional 10% early withdrawal tax if the deemed distribution is from your 457(b) Plan account.

6. Contact Information

If you have any questions or need additional information, contact our service center.

Voice Response System: (855) 616-4776, 24 hours a day, 7 days a week

Savings Plus Service Center: (855) 616-4776, 5:00 a.m. – 8:00 p.m. (PT), Monday–Friday
To speak with a customer service representative, press *0.

Walk-In Center: Open 8:00 a.m. – 5:00 p.m. (PT), Monday–Friday
1810 16th Street
North Building
Sacramento, CA 95811

TTY: (800) 848-0833

Website: savingsplusnow.com