

Automatic Contribution Arrangement Participant Notice

CITY OF CENTENNIAL
13133 E ARAPAHOE RD
CENTENNIAL, CO 80112-3960
(303) 325-8000
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You are eligible to participate in the CITY OF CENTENNIAL 457(B) PLAN which includes an Automatic Contribution Arrangement (ACA) for the 2016 plan year. This notice provides you with information to consider before deciding to take no action or to start, continue or change your salary deferral rate.

Eligibility and Entry Requirements

You are immediately eligible to participate in the plan.

Salary Deferral Contribution Plan Provision

You may elect to defer a percentage of your pay each pay period. Your current taxable income is reduced by the amount you contribute through pre-tax salary deferral. This lets you reduce your current federal and most state income taxes. This plan allows you to defer 100% of your pay.

- You may also elect to defer a percentage of your pay each pay period as Roth deferrals, which are after-tax contributions.

Automatic Contribution Arrangement

Effective January 1, 2016, this retirement plan contains an automatic contribution arrangement that applies to:

New participants or re-hired participants as they enter the plan, and
Current employees that are deferring less than 3% (including 0%).

If you are a new participant or a current employee that is deferring less than 3% (including 0%), you will be automatically enrolled in the retirement plan, meaning 3% of your pay will be deducted from paychecks and contributed to the retirement plan on your behalf unless you elect a different salary deferral percentage. If you are an employee that does not meet one of the categories discussed above, then you will maintain your current salary deferral amount unless you elect a different deferral percentage.

If you do not wish to be automatically enrolled, you may elect not to defer or to defer another percentage. You can enter into an agreement to change your salary deferral contribution on any date. You will need to complete and sign the salary deferral agreement or complete an election online, if applicable, before the date on which it is effective. Once an agreement (affirmative or automatic) is in effect, salary deferrals will be payroll deducted from your future paychecks. You can terminate your agreement at any time.

If you affirmatively elect to make salary deferral contributions or if you are automatically enrolled and you do not provide direction as to how contributions made on your behalf should be directed, then the contributions will be directed to RetireView® Asset Allocation Moderate Model. (The model is populated by investment options available under the plan that were selected by an appropriate plan fiduciary and not by Principal Life Insurance Company (Principal Life) or an affiliate.)

Internal Revenue Service (IRS) regulations or the retirement plan may limit the annual amount of your salary deferral contributions. Please see below for the annual IRS salary deferral limits. If you meet a salary deferral contribution limit, you may continue to defer up to the catch-up contribution limit if you are eligible to defer catch-up contributions.

Salary Deferral Limits

Internal Revenue Service (IRS) regulations or the retirement plan may limit the annual amount of your salary deferral contributions. If you want to contribute more to your account than would be provided automatically, there are limits on the maximum amount. The IRS and plan limits are described in the Plan's Summary Plan Description (SPD) or can be obtained from your employer.

Additional Information

For additional information about the retirement plan, please contact:

DAWN PRIDAY, CFO
13133 E ARAPAHOE RD
CENTENNIAL, CO 80112-3960
(303)325-8000
DPRIDAY@CENTENNIALCOLORADO.COM

An additional copy of the Summary Plan Description can also be obtained from the above stated contact.

This notice includes a brief description of your employer's retirement plan features. While this notice outlines many of the major provisions of your employer's retirement plan, the notice does not provide you with every plan detail. The legal plan document, which governs this plan, provides full details. If there are any discrepancies between this notice and the legal plan document, the legal plan document will govern.

From time to time, your employer may elect to amend the retirement plan provisions. This notice may be updated to reflect proposed amendments to the plan document provisions. Until a plan amendment is adopted, however, the legal plan document will govern. Contact your plan sponsor if you would like more details regarding applicable retirement plan provisions.