Your guide to the
Montgomery County Deferred Compensation Plan

Brighten Your Outlook®

Welcome to the Montgomery County Deferred Compensation Plan. Montgomery County has partnered with Transamerica who has more than 75 years of experience in retirement services, and is dedicated to helping you from the day you start saving to the day you retire—*and* every day after that. This guide provides tools and information to develop your retirement savings strategy quickly and easily.

What you should know

You have a valuable benefit. Retirement might seem like a subject for another day, but your company provided retirement plan is an important benefit you shouldn't overlook. Your plan offers a powerful way to enhance your long-term financial well-being —by investing in yourself. It helps you brighten *Your Retirement Outlook®* (our barometer of your progress toward retirement readiness) to handle what could be the biggest expense of your life.

You'll get some powerful planning tools. On your **plan website, transamerica.com/portal/home**, you'll find what you need to make smart decisions, from our interactive tools to our automated investment services. The Transamerica app lets you put your plan in your pocket. And no matter how you access your account, you'll always know Your Retirement Outlook with a personalized "weather icon" (rainy, cloudy, partly sunny, or sunny) that makes it easy to see if your strategy has you on course toward your retirement income goal—or if you need to take action.

We're here to help. From easy-to-understand education to customer service, we'll be with you every step of the way to and throughout retirement. Go to your plan website or call our toll-free number for personalized account assistance, investment guidance, and retirement planning support.

What you should do

Join the plan! Once you're eligible and start saving for your future, the easier it will be to ensure a comfortable life during retirement. Complete and submit the enclosed enrollment form.

Set up your online access. Follow the instructions to create a username and password, then choose investments, and more, or **call our toll-free number** (follow the prompts to access and secure your account using your voice).

Determine your Defer Comp contribution rate. Experts agree that most people will need to contribute at *least* 10% of pay to meet their income needs throughout retirement. The tools on your plan website can help you decide how much to save.

Make sure you're saving enough. If your target seems out of reach, get there gradually by raising your contribution rate 1% or 2% a year, say, on your birthday.

If you are at least age 50 or will be during the calendar year, you may consider making extra "catch-up" contributions above the IRS limit $6,500.

Determine your investing style. Your plan enables you to diversify and rebalance your investments by making a single decision—or you can build your own portfolio by choosing among a wide range of carefully screened investment options.

Complete your retirement profile in our ***OnTrack®*** tool for a comprehensive view of *Your Retirement Outlook®* and specific ways you may be able to improve it. To get started, sign in to your account and click "Update" on your Account Overview page or "OnTrack" in the Resource Center menu.

Name your beneficiaries. This simple but important step ensures your account assets will go where you choose in the event of your death. Complete and submit the enclosed Beneficiary Designation form.

You've been automatically set up to receive e-documents. To help you save time, reduce clutter, and go green, you'll receive automatic email alerts when your account-related materials are available online.

Consider consolidating. If you have retirement accounts with other financial providers or in IRAs, you may **roll over**, or transfer, any portion of your balances to your plan account at any time. This could make planning easier, simplify your finances, and offer other benefits. Just make sure to review transfer fees other providers may impose, and consider whether a move would change features or benefits that may be important to you. For step-by-step guidance, email us at **consolidate@transamerica.com** or call **800-275-8714**.

Employer-sponsored retirement plans may have features that you may find beneficial such as access to institutional funds, fiduciary selected investments, and other ERISA protections not afforded other investors. In deciding whether to do a rollover from a retirement plan, be sure to consider whether the asset transfer changes any features or benefits that may be important to you. Review the fees and expenses you pay, including any charges associated with transferring your account, to see if rolling over into an IRA or consolidating your accounts could help reduce your costs.

The material in this retirement plan guide was prepared for general distribution. It is being provided for informational purposes only and should not be viewed as an investment recommendation. If you need advice regarding your particular investment needs, contact your financial professional.

Plan highlights for the Montgomery County Deferred Compensation Plan

These highlights represent only an overview of plan provisions. For full details, including any conditions or restrictions, please refer to the plan document or contact your benefits office.

Your contributions

Defer Comp

Eligibility

Newly hired eligible employees may enroll the first of the month following their waiting period. Subsequent enrollment periods for eligible employees are January 1st and July 1st of any given year. Salary deferrals will take effect during the first payroll period in that enrollment month but forms for new enrollments or changes must be submitted no later than: December 31st for January 1st or June 30 for July 1st.

Contribution limits

Your plan and the IRS limit how much may be contributed to your account each year. This limit applies to all employee and employer contributions (IRS limits may be increased for inflation each year.) Contributions to the plan will be reported annually on your Form W-2, but are not included in the income subject to taxation. The IRS limits how much you can contribute each year; the current IRS annual limit is $19,500. If you are at *least* age 50 or will be during the calendar year, you can make extra "catch-up" contributions of up to $6,500. If you are within three years of "normal" retirement age (as defined in the plan), and you have not contributed the maximum allowed in any previous year(s), you can make up the difference with contributions of up to twice the regular limit ($39,000 in 2021). However, note that you may not take advantage of both catch-up limits in the same year. If you are within three years of normal retirement age, the higher limit will apply.

You can contribute from 0% up to 100% of your pay, subject to the maximum amount permitted by law.

- You may choose to decrease or stop your contribution during any payroll period effective in the following month. You may only increase your contributions on January 1st or July 1st.

Vesting

Vesting refers to your "ownership" of your account—the portion to which you are entitled to. You are always 100% vested in your own contributions plus any earnings on them (including any rollover or transfer contributions you have made).

Additional plan details

Note: The following group(s) may *not* participate in the plan:

- Part time employees
- Seasonal employees
- Temporary employees

PLAN HIGHLIGHTS

Investment choices

You decide how your account will be invested among the available choices.

For detailed, up-to-date information on the investment options in your plan, including possible trading restrictions, please visit **transamerica.com/portal/home.**

Unless you choose otherwise, your account will be invested in the plan's default investment option, Transamerica Government Money Market R2.

The way contributions are invested in your account is referred to as your "investment allocation." You may change your allocation at any time.

In addition, you may transfer existing balances among your investment choices at any time (transfers may be subject to certain restrictions).

Withdrawals and distributions

In service

You may withdraw your vested balance while employed if you:

- Have certain contributions which allow in-service withdrawals at any time
- Face an unforeseeable emergency (as defined by the IRS or your plan).

After service

You may take distributions of vested funds from your account if you:

- Are at least age 70.5
- Separate from service
- Become disabled

In addition, upon your death, your designated beneficiaries will receive any vested amount remaining in your account.

If you were born before July 1, 1949, generally you must take a required minimum distribution (RMD) from the plan by April 1 of the year following the year you become age 70.5. If you were born after June 30, 1949, generally you must take a required minimum distribution (RMD) from the plan by April 1 of the year following the year you become age 72.

Expenses and fees

Your costs to participate in the plan may include:

- General plan administrative fees for ongoing services such as recordkeeping, website management, and communication services.
- Investment expenses for operating and management expenses charged by the investment providers.
- Service fees on individual transactions initiated by you such as certain withdrawals, overnight payments, etc.
- Also, in some cases your account may receive plan service credits if revenue we receive from fund companies toward plan administration is greater than the annual administrative fee.

For details on administrative fees and credits (if applicable), please see "Fund and Fee Information" in the Review menu of your plan website. Except for investment expenses, which are deducted from the investments you hold and reflected in your investment returns, actual fees and credits will appear on your quarterly account statements.

Important: The projections or other information generated by the engine regarding the likelihood of various investment outcomes are hypothetical, do not reflect actual investment results, and are not guarantees of future results. Results derived from the tool may vary with each use and over time. Please visit **transamerica.com/portal/home** for details on the criteria and methodology used, the tool's limitations and key assumptions, and other important information.

Descriptions of plan features and benefits are subject to the plan document, which will govern in the event of any inconsistencies.

Securities offered by Transamerica Investors Securities Corporation (TISC), 440 Mamaroneck Avenue, Harrison, NY 10528. Montgomery County has selected Transamerica Retirement Solutions as your retirement plan provider, but there are no other affiliations between Montgomery County and Transamerica or its affiliate, TISC.

Your income goal

Most of your retirement income will come from you. Social Security covers only about 33%* of the average retiree's income. For 2019, the typical Social Security benefit was around $1,470 a month, or slightly over $17,600 a year. And while some people will receive pension benefits from current or former employer(s), most of your retirement income will likely come from your own savings and investments. This makes it critical that you do as much as you can now to save for your future.

** "Social Security Fact Sheet," Social Security Administration, 2019*

How much is enough?

A common rule of thumb is that you'll need to replace 80% of your final working salary to maintain your living standard in retirement—though you could need more or may be able to get by on less. To get there, many financial experts recommend that you steer 10% to 15% of your pay toward retirement. However, everyone's situation is different. The **Retirement Outlook Estimator**SM tool (in the Resource Center of your plan website) can help you personalize your goal.

Getting your contribution rate to where it should be can seem like a difficult leap from where you stand. So, consider raising your plan contributions gradually — once a year by an amount that's easy to handle, on a date that's easy to remember (say, 2% on your birthday). Thanks to compounding (the earnings on your earnings), even small, regular increases can make a big difference over time. In fact, the sooner you start saving, the less you may have to save to reach your goal.

Your investment strategy

Asset allocation and diversification

Spreading your risk among different types of investment options is important for building a nest egg that will meet your needs throughout retirement. This way, temporary downturns in one type of investment may not affect your whole retirement savings account. To do so, you should familiarize yourself with two key concepts:

- **Asset allocation**, an overall strategy for dividing your investments across the major asset classes (stocks/equities, bonds/fixed income, and cash equivalents); and
- **Diversification**, or dividing your investments within those classes (for example, among domestic and foreign stocks, shares of large and small companies, bonds of different qualities and terms).

Asset allocation and diversification do not assure or guarantee better performance, cannot eliminate the risk of investment losses, and do not protect against an overall declining market.

Your strategy should depend upon two factors:

- Your **time horizon** (how long you have until you'll need the money); and
- Your **risk tolerance** (how well you tend to handle the market's ups and downs).

In general, the longer your time horizon and higher your risk tolerance, the more you may want to focus on stocks, which have outperformed other types of investments over time periods of 20 years or more.

Your plan offers two ways to diversify your investments:

1) Make a single decision

Asset allocation funds

Asset allocation funds offer a range of diversified investment mixes, and which to choose depends on your comfort with risk and how long you have until you retire. The funds range from short-term options that invest more of their assets in bonds and other conservative investments to long-term options that hold mostly stocks and other aggressive investments. These funds do not change their asset allocations to become more conservative over time.

2) Build your own portfolio

You can build your own portfolio by choosing among the "core" funds in your plan. Your plan offers a wide range of choices that enable you to diversify among various asset classes and investment styles. (Full fund profiles are available on your plan website.)

Once you determine the investment mix that is right for you, your plan's auto-rebalance service can help you maintain your mix automatically (sign up on your plan website). To create your portfolio, go to the Manage menu in your online account to update "Future Allocations" (where to invest new contributions) as well as "Current Allocations" (transfer/exchange existing balances).

Asset Class	Investment Option	Ticker	Investment Style & Risk
Bonds			
Short Bonds/Stable/MMkt	Transamerica Government Money Market R2	TGRXX	Cash Equivalent/Money Market
	TFLIC Managed Stability - Stable 5	N/A	Stable Value
	Transamerica High Quality Bond R	TBDRX	Short-Term Bonds
Interm./Long-Term Bonds	Transamerica Intermediate Bond R	TMBRX	Intermediate-Term Bonds
	Transamerica Inflation-Protected Securities R	TPRRX	Government Bonds
Aggressive Bonds	Transamerica High Yield Bond R	TAHRX	High-Yield Bonds
Stocks			
Large-Cap Stocks	Transamerica Large Value Opportunities R	TLORX	Large-Cap Value Stocks
	Transamerica Large Core R	TLARX	Large-Cap Blend Stocks
	Transamerica Large Growth R	TGWRX	Large-Cap Growth Stocks
International Stocks	Transamerica International Equity R	TRWRX	World/Foreign Stocks
Multi-Asset/Other			
Multi-Asset/Other	Transamerica Balanced II R	TBLRX	Balanced
	Transamerica Asset Allocation Short Horizon R	TSHRX	Asset Allocation

Asset Class	Investment Option	Ticker	Investment Style & Risk
	Transamerica Asset Allocation Intermed Horizon R	TAARX	Asset Allocation
	Transamerica Asset Allocation Long Horizon R	TALRX	Asset Allocation

For more information on any registered fund, please call 800-755-5801 for a free summary prospectus (if available) and/or prospectus. You should consider the objectives, risks, charges, and expenses of an investment carefully before investing. The summary prospectus and prospectus contain this and other information. Read them carefully before you invest.

Please see important disclosures to the investment options that follow.

DIVERSIFY

Important Disclosures

Cash Equivalent/Money Market: *An investment that is generally very short term and highly liquid, and has high credit quality. An investment in a cash equivalent or money market investment choice is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the investment seeks to preserve the value of your principal, it is possible to lose money by investing in this investment. Depending on the investment, not all money market investment choices will seek to maintain a $1.00 net asset value per share.*

Stable Value: *An investment that seeks to preserve principal, and provide consistent returns and liquidity. Stable value investment choices seek capital preservation, but they do carry potential risks. Stable value investment choices may be comprised of or may invest in annuity or investment contracts issued by life insurance companies, banks, and other financial institutions. Stable value investment choices are subject to the risk that the insurance company or other financial institution will fail to meet its commitments, and are also subject to general bond market risks, including interest rate risk and credit risk.*

Short-Term Bonds: *Debt securities issued by governments, corporations, and others, typically with durations of 1 to 3.5 years. The value of bonds changes in response to changes in economic conditions, interest rates, and the creditworthiness of individual issuers. Bonds can lose value as interest rates rise, and an investor can lose principal.*

Intermediate-Term Bonds: *Debt securities issued by governments, corporations, and others, typically with durations of 3.5 to 6 years. The value of bonds changes in response to changes in economic conditions, interest rates, and the creditworthiness of individual issuers. Bonds can lose value as interest rates rise, and an investor can lose principal.*

Government Bonds: *Debt securities issued by governments or their agencies (e.g., U.S. Treasury Bills). The value of bonds changes in response to changes in economic conditions, interest rates, and the creditworthiness of individual issuers. Bonds can lose value as interest rates rise, and an investor can lose principal. Any U.S. government guarantees of the securities pertain only to those securities and not to portfolios that invest in them.*

High-Yield Bonds: *Lower-rated debt securities (commonly referred to as junk bonds). These securities involve additional risks because of the lower credit quality of the securities. The investor should be aware of the possible higher level of volatility and increased risk of default.*

Balanced: *Asset allocation investments may be subject to all of the risks of the asset classes in which they invest, which may include stocks and bonds as well as other types of investments. The higher the investment's allocation to stocks, the greater the risk. Asset allocation and diversification do not assure or guarantee better performance, cannot eliminate the risk of investment losses, and do not protect against an overall declining market.*

Large-Cap Value Stocks: *An investment category that mostly comprises stocks of large companies that are believed to be priced below what they are really worth. Stocks have historically offered the potential for greater long-term returns, but also entail greater short-term risks than other investments. Value stocks may be subject to special risks that have caused the stocks to be out of favor and undervalued in the opinion of the portfolio managers who invest in them.*

Large-Cap Blend Stocks: *An investment category that mostly comprises both value and growth stocks of large companies. Stocks have historically offered the potential for greater long-term returns, but also entail greater short-term risks than other investments. Blend strategies are subject to both growth and value risks.*

Large-Cap Growth Stocks: *An investment category that mostly comprises stocks of large companies whose earnings are expected to grow more quickly than the market average. Stocks have historically offered the potential for greater long-term returns, but also entail greater short-term risks than other investments. Most growth investments offer higher potential capital appreciation but usually at above-average risk. Growth stocks can perform differently than other types of stocks and the market as a whole and can be more volatile than other types of stocks.*

World/Foreign Stocks: *This investment category focuses on stocks of companies primarily (world, a.k.a. global) or exclusively (foreign, a.k.a. international) outside the United States and involves special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging, or developing, markets may accentuate these risks.*

Asset Allocation: *Asset allocation investments may be subject to all of the risks of the asset classes in which they invest, which may include stocks and bonds as well as other types of investments. The higher the investment's allocation to stocks, the greater the risk. Asset allocation and diversification do not assure or guarantee better performance, cannot eliminate the risk of investment losses, and do not protect against an overall declining market.*

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