

OKLAHOMA PATHFINDER

FEATURES & HIGHLIGHTS

Pathfinder is a defined contribution retirement savings program composed of a 401(a) Plan for mandatory contributions and a 457(b) Plan for additional voluntary contributions. Your mandatory 401(a) Plan contribution is **4.5%** of your annual salary, and your employer helps put you on a positive path to retirement by contributing an additional **6%**. In addition, you can receive another **1%** employer-matching contribution when you make a voluntary contribution of **2.5%** to the 457(b) Plan.

What is the 401(a) Plan?

The first component of the Pathfinder Plan is the 401(a) Plan. You will be enrolled in the 401(a) and have a mandatory contribution of **4.5%** of your pre-tax salary go into the Plan. Your employer also contributes **6%** of your pre-tax salary into the Plan. Contributions and any earnings can grow on a tax-deferred basis until money is withdrawn, usually during retirement.

What is the 457(b) Plan?

The second component of Pathfinder is the 457(b) Plan, through which you can elect to contribute more than the mandatory 401(a) contribution of **4.5%**. You have the option of making pre-tax contributions, after-tax/Roth contributions, or both.

Who are OPERS and Empower?

OPERS administers the Pathfinder Plan and is tasked with keeping it running smoothly by facilitating the transfer of money and data from employers to Empower. Empower provides recordkeeping and account management services. Empower ensures funds are invested as directed by the employee; maintains transaction and beneficiary records; and provides communication services, including the participant website – www.okpathfinder.com – and quarterly statements.

Why should I enroll for additional contributions?

Your employer also provides an additional employer contribution of 1% if you contribute at least 2.5% in voluntary contributions through the 457(b) component of Pathfinder. You may want to participate if you are interested in saving and investing additional money for retirement and/or reducing the amount of current state and federal income tax you pay each year.

How are Pathfinder's assets protected?

All Pathfinder assets are held in trust for the exclusive benefit of you and your beneficiaries.

Does participation in Pathfinder affect my Social Security benefits or reduce my other retirement benefits?

No. Pathfinder is a retirement program and does not replace or reduce any other retirement or Social Security benefits you are entitled to receive.

If I leave employment and come back later, will my account be affected?

Your employee contributions to Pathfinder are 100% vested from Day 1. However, you become progressively vested in the matching employer contributions according to a vesting schedule.

VESTING %	VESTING PERIOD*
20%	1 year
40%	2 years
60%	3 years
80%	4 years
100%	5 years

*The vesting period is measured in the days of participation following your date of hire (e.g., you become vested in the first 20% of the employer-matching funds if you participate for 365 days after your hire date). If you leave employment before you are 100% vested, you are only eligible to receive the percentage of the matching employer contributions listed above. Any non-vested employer-matching contributions are permanently forfeited to the retirement system after 90 days to offset Plan expenses. If you return to employment, your new vesting period picks up where you left off (e.g., if you left on day 275 of your fourth year, when you return you will begin your new vesting period on day 276 of year four on the vesting schedule).

FINDING YOUR WAY

with PATHFINDER

Getting Started

Who contributes to my retirement plan?

With each paycheck, you make a mandatory contribution of **4.5%** of your pre-tax compensation to the 401(a) Plan, and your employer makes a matching contribution of **6%** of your pre-tax compensation on your behalf.

What if I want to do more?

You can also make additional voluntary contributions to the 457(b) Plan. If you contribute an additional **2.5%** (for a total employee contribution of **7%**) of your compensation, your employer will make an additional matching contribution of **1%** (for a total employer match of **7%**). See chart below.

EMPLOYEE CONTRIBUTION	EMPLOYER MATCH
Minimum 4.5%	6.0%
Less than 7.0%	6.0%
7.0% or above	7.0%

Is there a limit to how much I can contribute to the 457(b) Plan?

You may contribute up to 100% of your includible compensation per year or the maximum shown below (whichever is less). If you reach age 50 during the calendar year, you can take advantage of the Age 50+ Catch-up provision and contribute an additional amount as shown below.

YEAR	REGULAR MAXIMUM CONTRIBUTION LIMIT		AGE 50+ CATCH-UP
2025	\$23,500	+	\$7,500

The total you can contribute using the Age 50+ Catch-up provision is \$31,000 in 2025. Important note: For employees aged 60, 61, 62 and 63, a higher catch-up contribution limit applies. For 2025, this higher catch-up contribution limit is \$11,250 instead of \$7,500. As long as you are actively making voluntary contributions of at least **2.5%** of your compensation to Pathfinder through the 457(b) Plan, your employer will contribute another **1%** on your behalf.

What are pre-tax contributions?

With pre-tax contributions, you do not pay income tax on the contribution amount or any earnings until you withdraw the money. One potential advantage of this approach is that the money that you would have paid in taxes may generate additional earnings during your working years. The Plan also reinvests any earnings in your account, where they may generate additional earnings. You then pay taxes when you make a withdrawal.

What are Roth contributions?

With Roth contributions, you contribute to your account after taxes have been deducted. In other words, you pay taxes on your Roth 457 contribution up front rather than deferring those taxes until you take a distribution.¹ Your Roth distributions are income tax-free if you withdraw your Roth contributions and any earnings after holding the account for at least five tax years and meeting one of the following criteria:

- You are at least age 59½.
- You become disabled.
- You die (after which your beneficiaries will take the withdrawal).

Can I make both pre-tax and Roth contributions?

Yes. You may also change from one type to the other. You may make a change once a month.

What are my investment option choices?

The default investment option upon enrollment is the Vanguard Balanced Fund.² You can choose to stay in the Balanced Fund or build your own portfolio from the wide array of investment options available to Pathfinder participants. Once your account is open, you can call or log in to your account and make investment option changes at any time. We have included information about the Pathfinder investment lineup in this packet.

You may also choose to use the self-directed brokerage account option. The Schwab Personal Choice Retirement Account® (PCRA), offered through Charles Schwab & Co., is for knowledgeable and experienced investors who acknowledge and understand the risks associated with many of the investment choices available through each PCRA.

Managing Your Account

How do I keep track of my account?

Empower, the recordkeeper for your Pathfinder account, will mail a combined quarterly account statement showing your account activity and balance. You can check your account balance and move money among investment options at any time.³ Access your Plan account(s) via the website at **www.okpathfinder.com** or through the toll-free voice response system at **(844)-4-OK-PATH** or **(844) 465-7284** 24 hours a day, seven days a week. The Empower app is available for Apple® and Android™ mobile devices.

If you invest in the PCRA, you will receive a separate statement from Schwab that will detail the investment holdings and activity within your PCRA, including any fees and charges imposed in connection with the PCRA.

How do I access my account online?

For first-time access:

- At **www.okpathfinder.com**, select *REGISTER*.
- Choose the *I do not have a PIN* tab.
- Follow the prompts to create your username and password.
- If we don't have your email or phone number on file from your employer, or if you have another account with Empower (with a former employer, for example), you will need to call to access your new account.

If you have already registered for the site but have forgotten your login information, click the *Login help?* link on the homepage and follow the instructions.

How do I make investment option changes?

Log in via the website at **www.okpathfinder.com** or the voice response system at **(844)-4-OK-PATH**.

You can then:

- Move all or a portion of your existing balance among investment options
- Change how your future contributions are invested

Transfers/Rollovers

May I roll over my account from my former employer's retirement plan into my Pathfinder account?

Yes. Approved pre-tax balances from other 401(k), 401(a) or 403(b) Plans or an IRA can be rolled into the 401(a) Plan. Approved pre-tax balances from other governmental 457 Plans can be rolled into the Pathfinder 457 Plan. Approved Roth balances from other Plans can be rolled into the Pathfinder 457 Plan. For more information, go to **www.okpathfinder.com** or call the voice response system at **(844)-4-OK-PATH**.

You are encouraged to discuss rolling money from one account to another with your financial advisor/planner and to consider any potential fees and/or limitations of available investment options.

Withdrawals

When can I withdraw from my account?⁴

For both Plans, you may withdraw only when you:

- Retire
- Reach age 70½ (457 Plan only)
- Sever employment with the state
- Die (your beneficiary receives your benefits)
- Suffer an unforeseeable emergency while participating in the 457(b) Plan

What are my distribution options?

Upon severance of employment or retirement, you may leave your balance in Pathfinder and continue to have full access to maintain your accounts. Plus, any pre-tax growth will continue on a tax-deferred basis. You are not required to take a distribution from Pathfinder until the later of April 1 of the year following the year in which you reach age 73 or terminate service.⁵ Required minimum distributions are not required on Roth funds.

You can begin withdrawing funds from your Pathfinder account as soon as 45 days after ending employment with the State of Oklahoma. When you do take a withdrawal from Pathfinder, you have great flexibility in how you structure the distribution payments to fit your retirement income needs. To receive distributions over time, you may change the amounts or the payment methods at any time. You may structure distributions as follows:

- Lump-sum or partial payment
- Periodic payments
- Pre-tax funds may roll over into a governmental 457, 401(k), 401(a) or 403(b) Plan or an IRA, and Roth funds may roll over into a governmental Roth 457, Roth 401(k), or Roth 403(b) Plan, or a Roth IRA.⁶

What happens to my money when I die?

If you die before you select a payment distribution method, your designated beneficiary(ies) will receive the full value of your account(s) at the time they elect a distribution. If you die after you have selected a payment distribution method, your beneficiary(ies) will receive the amount of your remaining account balance (if any) to which they are entitled. Your beneficiary will need to call the voice response system at **(844)-4-OK-PATH** to apply for a distribution.

Income Taxes⁷

Do I report any current earnings on my account to the IRS?

No. Do not report any current earnings from your 457 Plan or 401(a) Plan on either your federal or state income tax forms. Any current earnings on your contributions are tax-deferred until withdrawn.³

How much will my distribution be taxed?

Pre-tax: When you take a distribution at the occurrence of one of the qualifying events listed on the previous page, and such distribution is an eligible rollover distribution, a mandatory 20% of your distribution will be withheld for federal income tax. You may owe more or less than 20% depending on your specific tax situation. Applicable state taxes are also withheld. Your distribution is taxed based on your current tax rate at the time of distribution. For the 401(a) Plan, distributions made prior to you reaching age 59½ may be subject to an additional 10% federal tax penalty. **Roth:** If you take a distribution from your Roth 457 account before you reach age 59½ and it is not due to death or disability, or you have not reached the five-tax-year period beginning with your first Roth contribution, you will owe income tax on any earnings the Plan distributes. Otherwise, you do not owe income tax on the Roth contributions that the Plan distributes because you made these contributions with after-tax dollars.¹

Fees

What are the fees to participate in Pathfinder?

The administrative fee for Pathfinder is \$2.61 per month and will be deducted from your account.

Are there any fees for the investment options?

Each investment option has an investment management fee that varies by investment option. These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for trading individual securities in the underlying investment options and other management expenses.

Funds may impose redemption fees on certain transfers, redemptions or exchanges.

Asset allocation funds may be subject to a fund operating expense at the fund level as well as the prorated fund operating expenses of each underlying fund in which they invest. For more information, please refer to the fund prospectus.

There is an additional quarterly fee of \$15 and transaction fees to participate in the PCRA option.

Are there any distribution fees?

There are no distribution fees in Pathfinder.



¹ Earnings on Roth contributions will be taxed unless withdrawals are a qualified distribution as defined by the IRS.

² Asset allocation and balanced investment options and models are subject to the risks of the underlying investments, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.

³ Transaction requests received in good order after the close of the New York Stock Exchange will be processed the next business day.

⁴ Withdrawals may be subject to income tax and a 10% early withdrawal penalty if taken before age 59½. The 10% federal early withdrawal penalty does not apply to 457 plan withdrawals.

⁵ As of January 1, 2023, the IRS generally requires you to start taking required minimum distributions (RMDs) at age 73. As of January 1, 2024, the IRS no longer requires minimum distributions for Roth.

⁶ Funds rolled into a governmental 457 plan from another type of plan or account may still be subject to the 10% early withdrawal penalty if taken before age 59½.

⁷ The tax information provided is based on current laws, which are subject to change and interpretation.

Carefully consider the investment option's objectives, risks, fees, and expenses. Contact Empower for a prospectus, summary prospectus for SEC-registered products, or disclosure document for unregistered products, if available, containing this information. For prospectuses related to investments in your self-directed brokerage account (SDBA), contact your SDBA provider. Read them carefully before investing.

Investing involves risk, including possible loss of principal.

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