

## AUTOMATIC 401(k) ENROLLMENT – EMPLOYEE ACKNOWLEDGEMENT

This notice informs you about your automatic enrollment into the TexaSaver 401(k) Plan at a contribution rate of one percent and your ability to end participation.

As a state employee hired on or after January 1, 2008, you are automatically enrolled in the TexaSaver 401(k) Plan at one percent of your monthly compensation into a Lifepath® Portfolio Index Funds F selected for you based on your current age. This fund will invest your contributions in a mix of investments throughout your career.

Investing in a 401(k) account is an excellent way to grow personal savings. The money is invested on a tax-deferred basis, which means that your one percent contribution is not subject to tax withholding until it is withdrawn by the employee upon an eligible event. This allows you to invest more than if you were taking one percent of your salary and investing it in an after-tax savings account at your bank or credit union.

You are not required to continue enrollment, but you have a limited period to stop your one percent contribution. If you want to stop your deferral before it is invested, you must contact Empower Retirement, the third-party administrator for the TexaSaver Program, within the next 30 days. You may contact Empower Retirement at (800) 634-5091.

Once your one percent contribution has been invested, you have a short period to request a refund of your contributions if you decide not to participate. You must request a refund within 90 days from the date the first deduction is taken from your paycheck. To request a refund of your contributions, contact Empower Retirement at (800) 634-5091.

Contribution refunds requested that meet these deadlines will not be subject to special tax withholding penalties, but will include deductions for your normal tax withholding amounts. You will receive a tax reporting form from Empower Retirement that you will need to file your federal income taxes at the end of the year.

Your contributions may have earned or lost money during the period they were invested. If so, the amount of your refund will reflect any money that was earned or lost during the period your contributions were invested.

If you miss the 90-day window to request a refund, your one percent contributions are subject to Internal Revenue Service requirements that prevent you from refunding your account balance as long as you continue state employment.

You may increase the amount you contribute or change the investment product for your contribution at any time by contacting Empower Retirement. If you make a change, you will not be able to refund your contributions during the limited refund period.

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Employee Signature

Printed Name

Date signed