



PRESENT AND FUTURE BENEFITS

A Summary of Your Money
Purchase Retirement Plan





ICMA-RC understands your retirement needs and has the program to help you achieve your goals.

- For over 30 years, we have offered retirement plans exclusively for public sector employees.
- We offer a comprehensive selection of investment options.
- Fund-to-fund transfers among investment options may be made through VantageLine, our automated telephone service, or over the Internet, unless restricted by your employer. Transfers are allowed as frequently as desired, although transfers among competing funds are subject to restrictions.
- You can take your plan assets with you if you move to a new job.
- Our knowledgeable staff is ready to assist you.
- We provide you with comprehensive participant services, including quarterly plan statements and newsletters.
- We do not charge any hidden fees.
- We make available an individual retirement account (IRA) program, including Traditional IRAs and Roth IRAs.

Vantagepoint securities are distributed by ICMA-RC Services, LLC, a broker-dealer affiliate of the ICMA-RC, member NASD/SIPC. Please consult the current Vantagepoint Funds Prospectus carefully prior to investing any money. ICMA-RC Services, LLC, 777 North Capitol Street



The purpose of this brochure is to acquaint you with the benefits, features and services of our program and provide you with general plan information. If there is a conflict between the information in this brochure and either the plan document, **Making Sound Investment Decisions: A Retirement Investment Guide**, or the **Vantagepoint Funds Prospectus**, the plan document, **Investment Guide**, or **Prospectus** will be the controlling document. You will receive a copy of the **Investment Guide** or the **Prospectus**, and you may ask your employer for the opportunity to examine a copy of the plan document.

MONEY PURCHASE PLAN

As a qualified plan participant, you are not taxed on employer contributions nor upon earnings until they are withdrawn, usually at retirement

What is a Money Purchase Plan?

A Money Purchase Plan is a retirement plan that is “qualified” under Section 401(a) of the Internal Revenue Code. Each participant has a plan account to which contributions are

made. Plan benefits are based on the total amount of money in your account at retirement or other eligible event. As a qualified plan participant, you are not taxed on employer contributions nor upon earnings until they are withdrawn, usually at retirement when you may be in a lower tax bracket. Required employee contributions may also be made on a pre-tax basis at the employer’s election.

CONTRIBUTIONS

What types of contributions can be made to a Money Purchase Plan?

Your employer makes contributions to the plan on your behalf. In addition, the plan may require you to make contributions, permit you to make contributions matched by the employer, and/or allow you to contribute to your account on a voluntary, after-tax basis.

How are my employer contributions determined and treated for tax purposes?

Employer contributions are usually a fixed amount or a percentage of your pay. In some plans, however, the employer may make a matching contribution based on the amount that you contribute to the plan.

Contributions that your employer makes to your account are not taxed until you receive them, usually at retirement when you may be in a lower tax bracket. Earnings on employer contributions also grow on a “tax-deferred” basis.

Will I be required to contribute to the plan?

The terms of your plan are set by your employer. You may be required to contribute to the plan in order to receive employer contributions. The amount of these mandatory contributions is usually a percentage of your salary, and the contributions are designated by your employer as either pre-tax (picked-up) or after-tax contributions.

Your plan may allow you to make contributions that are matched by your employer. You may determine the percentage rate of your contributions, within a range established by your employer. These “matched” contributions are made with after-tax dollars.

Are my contributions subject to taxes?

The full amount of your pre-tax contributions is deducted from your income for tax purposes.

Pre-tax contributions are not subject to current federal and, in most cases, state income taxes. The full amount of your pre-tax contributions is deducted from your income for tax

purposes. This results in a decrease in your taxable income. In addition, your take-home pay will be greater than if you made contributions with after-tax dollars. After-tax contributions are subject to current federal and state taxes and withholding. The full amount of your contribution is deducted from your pay after all withholding is calculated.

All employee contributions are subject to Social Security taxes, where the employer is a participating member of the social security system.

May I make additional contributions?

If your employer’s plan permits, you may also make “voluntary” contributions of up to 25 percent of your salary (not to exceed the IRS limit on your total contributions). These voluntary contributions are made only with after-tax dollars. Earnings on your voluntary after-tax contributions are tax-deferred.

You may increase or decrease the amount of these voluntary contributions at any time, unless your employer chooses to restrict or limit the number of changes you may make each year. You may discontinue voluntary contributions at any time.

What is the maximum amount of my salary that may be contributed?

IRS regulations allow for maximum contributions into a Money Purchase Plan of up to 100 percent of your gross compensation (minus your picked-up contributions) or \$42,000 annually as of January 1, 2005 (indexed to rise with inflation), whichever is less. This maximum includes the total of all contributions—both employer and employee—to the plan. You will not be able to reach the IRS maximum if your employer's plan contains lower contribution limits.

May I stop contributing to the plan?

If your plan has mandatory employee contributions, you cannot stop contributing to the plan. The decision to participate is a one-time, irrevocable election.

Plans with matched employee contributions allow participants to choose to suspend employee contributions.

How quickly can my funds accumulate?

Over time, your retirement account will make a valuable contribution to your retirement security. The following chart illustrates how quickly funds can accumulate, based on annual investment earnings of 7 percent*, if contributions are made at the beginning of each year.

* For illustration purposes and is not intended to reflect an actual account. Past performance is not indicative of

IF YOU CONTRIBUTE \$1,000 A YEAR FOR:	YOUR ACCOUNT MAY HAVE AN ACCUMULATED VALUE OF:
5 YEARS	\$6,153
10 YEARS	\$14,784
15 YEARS	\$26,888
20 YEARS	\$43,865
25 YEARS	\$67,676
30 YEARS	\$101,173
35 YEARS	\$147,913

How is my account activity reported?

Within two weeks of the end of each quarter, we will send you a statement that summarizes all account activity. Your statement details all contributions, transfers, earnings, and disbursements that occur in your account during the quarter. The performance of the investment funds is also summarized and sent to you each quarter.

You can access your account balance on a daily basis by calling our 24-hour, toll-free VantageLine at 1-800-669-7400 or through the Internet at <http://www.icmarc.org>.

May I roll over money from another plan?

If you have an account in another eligible retirement plan and take a distribution that qualifies as an eligible rollover distribution according to IRS regulations, you are encouraged to consider the benefits of moving those assets to this account. For more information or assistance with your rollover, please contact our Investor Services representatives, toll-free at 1-800-669-7400.

May I also contribute to other tax-deferred retirement plans?

You may also contribute to a supplemental 457 deferred compensation plan if one is offered by your employer.

INVESTMENT OPTIONS AND FEES

What are my investment options?*

ICMA-RC offers a wide array of investment options. Investors may choose from our own Vantagepoint Funds or other popular funds offered in the VantageTrust Mutual Fund Series. Other funds may also be available in your plan.

* Please consult both the current Vantagepoint Funds Prospectus and Making Sound Investment Decisions: A Retirement Investment Guide carefully for a complete summary of all fees, expenses, charges, financial highlights and investment objectives, risks and performance information prior to investing any money. Vantagepoint securities are distributed by ICMA-RC Services LLC, a broker-dealer affiliate of

The Vantagepoint family of funds consists of registered mutual funds including Actively Managed Funds, Index Funds, and Model Portfolio Funds, sometimes referred to as lifestyle funds. Our funds are listed in most major newspapers.

Our Actively Managed Funds are based on a multi-management approach. Our team of investment analysts carefully select and monitor top investment managers, called subadvisers. By diversifying across styles, a multi-management approach is designed to continue historically competitive performance that has produced greater consistency, than a single-manager approach.

Our Index Funds provide alternative investment options for those investors who prefer funds that mirror some of the most popular benchmarks across the investment spectrum.

The Milestone Funds™ offer an all-in-one investment strategy that changes with you as you move through the significant milestones in your life. Each fund is professionally managed with a specific target retirement date in mind. These Funds invest in various Vantagepoint Funds.

Spanning time horizons and risk levels, the Vantagepoint Model Portfolio Funds provide pre-set diversification and periodic rebalancing for the most conservative to aggressive investor. These funds invest fixed allocations in various Vantagepoint Funds.

What are the fees, minimum investments, and/or restrictions?

ICMA-RC prides itself on its competitive fee structure and publishes all fees in the **Vantagepoint Funds Prospectus** and **Making Sound Investment Decisions: A Retirement Investment Guide**. All funds offered through ICMA-RC are no-load* and have no minimum investment required.

You may generally transfer your assets between funds without restriction. However, some funds may limit your ability to conduct frequent transfers to protect the interest of other investors.

VESTING

What is vesting?

Vesting means ownership of the assets in your plan. Vesting is based on your length of service and

**You are always
100 percent
vested in your
own contributions
and the earnings**

determines the percentage of the employer account to which you will be entitled when you leave employment.

* Other fees may apply, please consult the current prospectus. 1-800-6 69-

Do I own the contributions I make into my account?

You are always 100 percent vested in your own contributions and the earnings on those contributions.

How do I become fully vested in the contributions my employer makes to my account?

You gain ownership of your employer's contributions based on your years of service with your employer. Your employer has created a timetable, or vesting schedule, which determines the number of years of service required to become 100 percent vested in your employer account balance.

Are there any special circumstances concerning vesting?

If you attain normal retirement age, become disabled or die, while actively employed, your account becomes 100 percent vested, regardless of your term of employment.

When are assets in my account payable to me?

In general, you are eligible to withdraw vested assets from the plan upon separation from service (whether voluntary or otherwise), disability or retirement. Your beneficiary becomes eligible in the event of your death.

Your employer may also choose to offer plan participants the opportunity to take loans from their accounts, subject to IRS regulations and employer-adopted loan guidelines.

How do I withdraw my assets?

ICMA-RC's 401 Money Purchase Plan Benefit Withdrawal Packet fully details the information you will need. All necessary forms are provided in the packet. You may obtain a copy from your employer or through our Investor Services representatives at 1-800-669-7400.

Special Note: Depending on the type of withdrawal you request, your payment may be subject to 20 percent federal tax withholding if you elect to receive funds directly that are eligible for rollover to another employer plan or an IRA. Please consult the **Special Tax Notice Regarding Plan Payments** included in the Money Purchase Plan Benefit Withdrawal Packet.

Are there any taxes or penalties on funds withdrawn before retirement?

Pre-tax contributions and all earnings are subject to federal, state and local income taxes when withdrawn. Generally, taxable funds withdrawn before age 59-1/2 are also subject to an IRS tax penalty of 10 percent,¹ in addition to the income tax normally paid on the withdrawal. We do not withhold any portion of your payment to cover the IRS 10 percent penalty. You are responsible for calculating and paying the IRS penalty for early distribution when you file your annual tax return.

We provide the appropriate tax withholding forms and special instructions on taxes for all distributions.

We do not assess a penalty for any distribution for which you are eligible, regardless of your age or length of plan participation.

Are there any special payout regulations if I am married?

Your plan provides spouses with a 50 percent interest in the value of a married participant's account. If you are married, your benefit must be taken as a Qualified Joint and Survivor Annuity, which guarantees a benefit to you for life and 50 percent of that amount to your surviving spouse after your death, unless your spouse agrees to waive this right. The proper waiver forms are provided with the withdrawal forms packet.

How will my retirement benefit be paid to me?

We offer a variety of options to meet a participant's individual retirement needs. You may choose from the following:

- Periodic payments—we can make monthly, quarterly, semi-annual (at six-month intervals only) or annual payments until your assets are fully paid out.
- Rollover—to another employer plan (including a 457 deferred compensation plan) that accepts rollovers, or to a Traditional IRA.
- A lump sum—either partial or total distribution of your account balance.
- Annuities*—we can help you arrange the purchase of an annuity through a life insurance company.

* Annuities are insurance products available through companies not affiliated with the ICMA - RC. Please consult Income for Life Annuity Program: Immediate

What options are available if I change jobs and don't want to start receiving benefits?

You may leave your assets in the employer's plan if your vested balance exceeds a minimum amount (as defined in your employer's plan). You may also transfer all or part of an "eligible rollover distribution" to another employer's retirement plan (401 qualified plan, 457 deferred compensation plan, or 403(b) tax sheltered annuity plan) as long as that plan accepts rollovers, or to a Traditional IRA, such as ICMA-RC's Vantagepoint IRA.*

Eligible rollover distributions are generally all distributions unless they are: (1) regular, periodic payments over long periods, such as life expectancy or 10 years or more or (2) required minimum payments made to participants age 70-1/2 or older. Your employee after-tax contributions can also be rolled to another 401 qualified plan, or to a Traditional IRA. (These after-tax amounts may not be rolled over to a 457 deferred compensation or 403(b) tax sheltered annuity plan.)

~~* Please consult both the current~~
Vantagepoint Funds Prospectus and Making
Sound Investment Decisions: A Retirement
Investment Guide carefully for a
complete summary of all fees,
expenses, charges, financial
highlights and investment
objectives, risks and performance
information prior to investing any
money. Vantagepoint securities are
distributed by ICMA-RC Services
LLC, a broker-dealer affiliate of
ICMA-RC, member NASD/SIPC.

What if my vested balance is below the plan-required minimum?

If, when you leave employment, your total vested account balance is below the plan-required minimum, you will automatically be paid all the vested funds in your account

ICMA-RC offers the full-featured Vantagepoint IRA, including a brokerage option.* You may wish to consider consolidating your other IRA assets,

as soon as possible. You do not have the option of keeping your assets in your account and delaying payment, but you may choose to transfer the balance to your new employer's plan, including a 457 deferred compensation plan, or a Traditional IRA.

Does ICMA-RC offer an IRA?

Yes. ICMA-RC offers the full-featured Vantagepoint IRA, including a brokerage option.* You may wish to consider consolidating your other IRA assets, if any, in a Vantagepoint IRA.

*ICMA-RC provides plan administration and access to UVEST Investment Services. UVEST provides brokerage services. These two entities are not affiliated. Securities are offered by UVEST Investment Services, member

WITHDRAWING YOUR FUNDS: SPECIAL CIRCUMSTANCES

What if I am subject to a Qualified Domestic Relations Order (QDRO)?

A QDRO relates to the provision of child support, alimony payments, or marital property rights of a spouse. The QDRO recognizes an alternate payee's right to receive some or all of the plan benefits payable to you. [Colorado participants are cautioned that state law may have an impact on payment to former spouses under QDROs.] We strongly urge you to contact us when a QDRO is anticipated to avoid any foreseeable problems.

We will disburse the funds according to qualified orders only with employer approval.

What if I become disabled?

In the event of permanent and total disability prior to retirement age, you become 100 percent vested in your account balance and may withdraw your funds.

What happens in the event of my death prior to beginning distributions?

In the event of your death, your eligible beneficiary may receive your funds. If you are married, your spouse is automatically your beneficiary for at least one half of the funds in your account, unless you have executed a waiver of Qualified Preretirement Survivor Annuity (QPSA) and obtained your spouse's consent. The QPSA waiver is available from your employer or from our Investor Services representatives. Your spouse may also waive this right after your death.

THE ICMA-RC SYSTEM

What is the ICMA-RC System?

The ICMA-RC System – ICMA Retirement Corporation (ICMA-RC), VantageTrust Company, The Vantagepoint Funds, ICMA-RC Services, LLC, Vantagepoint Investment Advisers, LLC and Vantagepoint Transfer Agents, LLC – work to satisfy your retirement needs.

You benefit from independent accounting of plan assets, a wide array of investment options, ongoing fund analysis, and more. The ICMA-RC System is designed so the assets you put away today will be there for you tomorrow.

■ ICMA-RC

ICMA-RC is an independent corporation founded by public service employees in 1972 with the help of the International City/County Management Association and a grant from the Ford Foundation. ICMA-RC became the first organization to offer a nationally available deferred compensation retirement program for public sector employees.

ICMA-RC helps establish and maintain retirement plans exclusively for state and local government employees. ICMA-RC's principal lines of business are Section 457 deferred compensation plans and Section 401 defined contribution plans. ICMA-RC is an investment adviser registered with the Securities and Exchange Commission.

■ VantageTrust Company

The VantageTrust is a group trust that is legally separate from ICMA-RC. It provides for the commingled investment of assets of retirement plans administered by ICMA-RC. Trust assets are not subject to the claims of the creditors of ICMA-RC. The Trust, offered through VantageTrust Company, offers a range of investment funds and each fund has been designed for retirement plan investing.

ICMA-RC provides investment advisory services to the Trust.

■ The Vantagepoint Funds

The Vantagepoint Funds, which is sponsored by ICMA-RC, is an SEC-registered “series” investment company (mutual fund) offering distinct portfolios. Each portfolio has a different investment objective and strategy. The funds of the VantageTrust each invest solely in the shares of a corresponding Vantagepoint Fund, with the exception of the Stable Value PLUS Fund.

■ ICMA-RC Services, LLC

ICMA-RC Services, LLC (“RC Services”) is the broker-dealer through which Vantagepoint Securities are distributed. RC Services is a member of the NASD and SIPC and is an affiliate of ICMA-RC.

■ Vantagepoint Investment Advisers, LLC

Vantagepoint Investment Advisers, LLC (“VIA”) serves as an investment adviser to The Vantagepoint Funds. VIA is an affiliate of ICMA-RC.

■ Vantagepoint Transfer Agents, LLC

Vantagepoint Transfer Agents, LLC (“VTA”) serves as transfer agent for The Vantagepoint Funds. VTA is an affiliate of ICMA-RC.

This plan introduction is designed to provide you with general plan information. If there is a conflict between the information in this brochure and either the plan document, Making Sound Investment Decisions: A Retirement Investment Guide, or the Vantagepoint Funds Prospectus, the plan document, Investment Guide, or Prospectus will be the controlling document.

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Some of the products and services offered by ICMA-RC, and described within this publication, may not necessarily be offered by your employer.



ICMA RETIREMENT CORPORATION
777 NORTH CAPITOL STREET, NE
WASHINGTON, DC 20002-4240
1-800-669-7400

PARA ASISTENCIA EN ESPAÑOL LLAME AL
1-800-669-8216
WWW.ICMARC.ORG

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