



The investment options available in Plan 3 are not offered by or through the ICMA Retirement Corporation, the VantageTrust Company or ICMA-RC Services, LLC.

This brochure is available in alternate formats. To request, call 1-888-711-8773 or TDD 1-800-669-7471.

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PERS PLAN 3 CONTRIBUTION RATE BROCHURE



When you must choose your contribution rate

If you are a new member who selected Plan 3, or if you are a Plan 3 member who is changing employers, you have up to 90 days from the date you begin working in an eligible position to select a contribution rate option. If you do not select a rate option within 90 days, the law requires that Option A (5 percent of pay at all ages) be assigned automatically. If you become a Plan 3 member by transferring from Plan 2, you must select your contribution rate at the time you transfer.

Your Plan 3 contributions

The defined contribution component of Plan 3 provides tax-deferred earnings on funds invested. You may access these funds any time after you separate from employment. Early withdrawal may have tax consequences. The amount of retirement income you generate from the defined contribution depends on how much you contribute and how well the investments you select do in the market.

Things to consider when selecting a contribution rate

- You need to contribute enough so you can adequately fund your retirement. It's important to decide how much you will need to contribute now so that you won't fall short in the future.
- The rate you choose is irrevocable. It cannot be changed unless you change employers.
- If you do not select a rate option within 90 days, you will automatically default into Option A (5 percent of pay at all ages).
- Selecting a contribution rate with a step-up provision, such as Option B or Option C, will allow you to make higher contributions at a later date.
- Expenses might rise (college tuition, mortgage balloon payments, etc.) so you might NOT be able to afford increases in your contribution rate.

How much you may contribute

Contributions to your retirement plan are mandatory. Once you select a contribution rate, you cannot change it unless you change employers. Currently, there are six contribution rate options:

Contribution rate options from which to choose			
	Base Rate	Additional Rate	Total Member Contribution Rate
Option A - All ages	5.0%	0.0%	5.0%
Option B -			
Up to age 35	5.0%	0.0%	5.0%
Age 35 to 44	5.0%	1.0%	6.0%
Age 45 and above	5.0%	2.5%	7.5%
Option C -			
Up to age 35	5.0%	1.0%	6.0%
Age 35 to 44	5.0%	2.5%	7.5%
Age 45 and above	5.0%	3.5%	8.5%
Option D - All ages	5.0%	2.0%	7.0%
Option E - All ages	5.0%	5.0%	10.0%
Option F - All ages	5.0%	10.0%	15.0%

Note: The Employee Retirement Benefits Board (ERBB) can add new contribution rates at any time in the future. If new rates are added, the restrictions on changing contribution rates still apply.

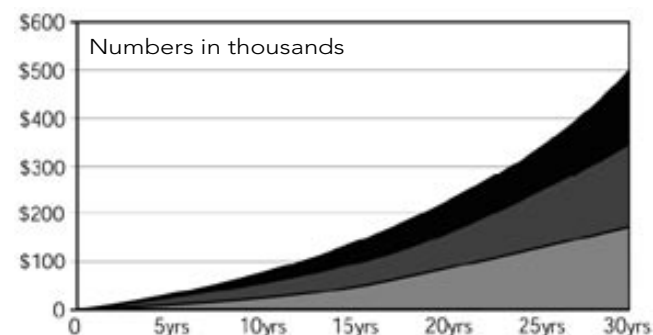
Limitations on annual contributions

Under Internal Revenue Code, Plan 3 is a qualified 401(a) program. If you are participating in tax-deferred plans in addition to Plan 3, be aware that your total tax-deferred contributions may be limited based on your annual taxable income and the 415 limitations set by the Internal Revenue Code. Consult the Internal Revenue Service (IRS) and/or a tax adviser for detailed information.

How contribution rates affect retirement savings

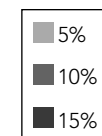
How much savings you have available from your Plan 3 defined contribution account depends on the amount you contribute and what you earn on your contributions. To see how the amount you contribute affects your account, let's assume a rate of return of 8 percent annually. For a member who earns \$30,000 a year, here is the estimated growth of the account at contribution rate A (5 percent), E (10 percent) and F (15 percent):

Contributing more makes a difference



Dow Jones Wilshire 5000 Composite Index

By saving more from your paycheck, your nest egg could be much larger at retirement. In this example, saving 5 percent with an 8 percent rate of return would grow to \$170,000, but saving 10 percent would yield approximately twice as much and saving 15 percent would yield approximately three times as much, assuming you continue to earn the same pay.



For more information

There are a number of helpful publications that provide more information about your retirement plan:

- Plan 3 Investment Guide — Formal fund descriptions including fees, processing rules and other important information.
- Plan 3 Investment Options — Simplified descriptions of Plan 3 investment options.
- Account Access/VantageLine Guide — Shows you how to check your balance, change your allocations, get a current statement of your account, get current fund performance and daily share prices or get literature about your plan using VantageLine phone service and/or the Account Access Internet service.

These publications are available from your employer or ICMA-RC at 1-888-711-8773. Or, you may get additional information from the Plan 3 Internet site at www.icmarc.org/plan3/pers.