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**Union City BOE 403(b) Plan  
AXA Equitable  
FAQ**

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**Do you offer multiple products?**

In addition to the EQUI-VEST EDC product, we offer the EQUI-VEST TSA, which is currently being utilized by participants of Union City BOE. Furthermore, we can also offer participants an open architecture mutual fund platform available through PenServ Plan Services, Inc.

**What internal rules (pertaining to each vendor: minimum investments, holding periods for the accounts, restrictions, etc.) apply to each product you will offer?**

**Minimum Contribution**

EQUI-VEST EDC does not require a minimum contribution.

**Market Timing**

The EQUI-VEST annuity contracts are not designed for professional “market timing” organizations, or other organizations or individuals engaging in a market timing strategy, making programmed transfers, frequent transfers or transfers that are large in relation to the total assets of the underlying portfolio. These kinds of strategies and transfer activities are disruptive to the underlying portfolios in which the variable investment options invest. As a result, you may refer to page 26 of the Prospectus for procedures to discourage disruptive transfer activity.

### **Transferring Restrictions**

An attractive feature of the EQUI-VEST contracts is the ability to transfer assets for one investment option to another without charge. Transfers may be made to and from any of the variable investment options, and from any of the variable investment options to the Guaranteed Interest Option, in any frequency without restrictions, allowing your employees to tailor the product, as the financial needs change. However, certain restrictions on transfers may apply to prevent disruptive transfer activity.

**The Degree of flexibility available to participants depends on which of the following options is selected:**

#### **Maximum Flexibility Option**

This option allows participants to allocate contributions to any investment option listed in Category A as shown in Appendix A. Participants may transfer assets among all these options as their needs change.

#### **Maximum Choice Option**

This option allows participants to allocate contributions to all investment options in Categories A and B as shown in Appendix A. With the Maximum Choice option, there is a limitation on the maximum amount that a participant may transfer in any contract year from the GIO to any other investment option. This is limited to the greatest of 25% of the amount in the GIO on the last day of the prior contract year, or the total of all participants' amounts transferred from the GIO to any other investment option in the prior year.

Presently, if the Maximum Flexibility option is elected, the participant can use the EQUI-VEST EDC Category B options. If the Maximum Choice option is elected, transfers out of the GIO are currently not subject to restrictions on the amount that may be transferred as a result of a temporary waiver in place.

Participants will be notified at least 45 days in advance when transfer restrictions will again apply. At that time, the limit on transfers out of the GIO will again apply for clients who have chosen the Maximum Choice option; Category B variable investment options will no longer be available to accept transfers or investments of new contributions. However, any amounts already invested in these options may remain in the account.

#### **Are there any back load fees, front load fees, etc.?**

There are no front end load fees in the EQUI-VEST EDC plan. Back end load fees, such as surrender charges, are described fully in the following question.

**Are there any surrender charges?**

Yes, withdrawals taken from the EQUI-VEST EDC plan are subject to surrender fees.

Subject to the terms of your plan and federal income tax rules, EQUI-VEST<sup>®</sup> EDC offers participants, with the employer's consent, the ability to withdraw funds. Withdrawals are made using a First In, First Out (FIFO) methodology (contributions that have been invested the longest are withdrawn first). For distributions that are in excess of the 10% Free Corridor Amount, or where waivers do not apply, the withdrawal of any contribution made within the current and previous five contract years, measured from the date of the withdrawal, will be subject to a charge of 5%. Please see Question #7 for waivers.

Withdrawals are generally taxable to the participant at his or her income tax rate.

**What are the distribution fees (regular distribution, hardship, rollover, transfer)?**

**Regular Distribution** - Withdrawals taken from the EQUI-VEST<sup>®</sup> EDC plan are subject to surrender fees. As described in the previous question, distributions that are in excess of the 10% Free Corridor Amount, or where waivers do not apply, the withdrawal of any contribution made within the current and previous five contract years, measured from the date of the withdrawal, will be subject to a charge of 5%.

**Hardship Distribution** - There are no additional fees assessed by AXA Equitable for a distribution for an unforeseeable emergency.

**Rollover Distribution** - There are no additional fees assessed by AXA Equitable in for a rollover distribution.

**Transfer Distribution** - EQUI-VEST<sup>®</sup> EDC charges \$25 per distribution when transferring to another eligible retirement plan or arrangement with another carrier.

**Are there any penalties involved in taking a distribution (regular distribution, hardship, rollover, transfer)?**

There are no penalties in taking an unforeseeable emergency withdrawal or rollover.

Internal Revenue Code Section 457 places restrictions on certain withdrawals from 457(b) plans. Contributions to a 457(b) plan (including through an EQUI-VEST<sup>®</sup> EDC contract) and earnings may not be withdrawn unless the participant separates from service, attains age 70½, is faced with an unforeseeable emergency (hardship), or dies.

The premature distribution penalty that generally applies to qualified retirement plans does not apply to IRC Section 457 plans except to the extent that the distribution is attributable to rollovers from a 403(b) or other qualified plan.

**When can participants take distributions (regular distribution, hardship, rollover, transfer) without penalties?**

Participants are able to take distributions without penalties under the following circumstances:

**Regular Distributions**

- Completion of at least five contract years, attainment of age 55 and separation from service with the employer;
- Attainment of age 59 ½ by the participant and completion of five contract years;
- Withdrawal qualifies as an unforeseen emergency;
- Withdrawal is made through our required minimum distribution automatic withdrawal option to satisfy the minimum distribution requirements;
- Refund of excess contributions within one month of the date on which the contribution is made;
- The participant has qualified to receive Social Security disability benefits (as certified by the Social Security Administration) or the participant is totally disabled. Total disability is the incapacity of the participant, resulting from injury or disease, to engage in any occupation for remuneration or profit. Such total disability must be certified as having been continuous for a period of at least six months prior to notice of claim, and the participant must continue to be deemed totally disabled;
- AXA Equitable received proof satisfactory to us that the participant's life expectancy is six months or less;
- The participant has been confined to a nursing home for more than 90 days;
- Death benefit claim by a beneficiary following the participant's death;
- Completion of three contract years, and the amount withdrawn is applied to purchase from AXA Equitable a Period Certain Annuity for a term of at least 10 years that allows no prepayment;
- Attainment of age 55 by the participant, completion of five contract years and application of the amount withdrawn to purchase from AXA Equitable a Period Certain Annuity that extends beyond age 59½ and allows no prepayment;
- The amount withdrawn is applied to the election of a period certain annuity of at least 15 years, but not in excess of the annuitant's life expectancy, that allows no prepayment;
- Amount withdrawn is applied to purchase from AXA Equitable an annuity with life contingencies.

Withdrawals are made using a First In, First Out (FIFO) methodology (contributions that have been invested the longest are withdrawn first). For distributions that are in excess of the 10% Free Corridor Amount, or where the above waivers do not apply, the

withdrawal of any contribution made within the current and previous five contract years, measured from the date of the withdrawal, will be subject to a charge of 5%.

### **Hardship Distributions**

Unforeseeable emergency withdrawals may also be permitted under the 457(b) plan. Generally, unforeseen emergency withdrawals are only allowed in the event of extraordinary and unforeseeable circumstances beyond the control of the participant. For example, sending a child to college or buying a home does not count as an unforeseen emergency.

### **One-Time Distribution**

Your 457(b) plan may also allow a one-time in-service distribution. Small amounts (up to \$5,000) may be taken out by the plan participant, or forced out by the plan under certain circumstances, even though the plan participant may still be working and amounts would not otherwise be made available. Such a mandatory forced-out distribution is an eligible rollover distribution.

### **Rollover & Transfer Distributions**

There are no penalties associated with rollovers or transfers under the EQUI-VEST<sup>®</sup> EDC plan.

### **What happens if the account owner passes away?**

If the account owner passes away, a minimum death benefit is provided to the beneficiary under the EQUI-VEST<sup>®</sup> EDC contract. The death benefit is the greater of the contract's annuity account value or the minimum death benefit. The minimum death benefit equals total contributions to the contract less an adjustment for any withdrawals, outstanding loans or taxes. Depending upon the contract series and the state where the contract is issued, each withdrawal reduces the amount of the current minimum death benefit on a pro rata basis.

If no benefit option is in effect upon the participant's death, the beneficiary can select a lump-sum payment or one of the annuity benefit options offered. If a lump sum is selected, it is generally paid through AXA Equitable's **Access Account**<sup>™</sup>, an interest-bearing account with check writing privileges. A beneficiary has immediate access to the proceeds by writing a check for all or a part of the amount of the death benefit proceeds. We pay interest from the date the lump sum is deposited into the **Access Account** until the date the **Access Account** is closed.

### **Beneficiary Continuation Option**

Upon your death under the EQUI-VEST<sup>®</sup> contract, your beneficiary may generally elect to keep the contract with your name on it and receive distributions under the contract

instead of receiving the death benefit in a single sum. In lieu of a lump-sum payment a natural person beneficiary may elect the Beneficiary Continuation Option ("BCO") available under the EQUI-VEST<sup>®</sup> EDC contract. Under this feature, an eligible beneficiary of an EQUI-VEST<sup>®</sup> EDC contract can continue the original contract and take annual required minimum distribution payments over the beneficiary's life expectancy or make withdrawals over a five-year period from the EQUI-VEST<sup>®</sup> EDC contract. A minimum account value of \$5,000 is required in order to elect the BCO.

**What is the proper process to take a distribution (phone numbers, required forms, etc.)?**

A participant must first request and complete a distribution request form from a Customer Service Representative or their financial professional. AXA Equitable will first verify the validity of the distribution (separation from service, attainment of age 59½, or death or disability) by contacting either the employer or the TPA of your choice via telephone. Upon confirmation of the qualifying event, we will process the distribution request. To process the distribution, a participant must complete all the required paperwork and submit it to our Processing Office. Properly completed distribution requests are processed on the same day if received no later than 4:00 p.m. EST. A check is normally mailed within 2-3 days of receipt of the request.