



AMERICAN UNITED LIFE
INSURANCE COMPANY®
a ONEAMERICA® company
One American Square, P.O. Box 368
Indianapolis, IN 46206-0368

Phone (317) 285-1877

February 28, 2022

CITY OF AUBURN
PO BOX 506
AUBURN, IN 46706

G74874

We value your business and the trust you have placed in OneAmerica® over the years. Your participants have enjoyed the benefits of the American United Life Insurance Company® (AUL) Fixed Interest Account in your group annuity contract for many years. In addition to guaranteed principal, they have received a guaranteed interest rate that is above current market interest rates.

Since we issued your group annuity contract, interest rates have materially declined and recently reached historic lows. As a result, we will stop accepting new contributions and transfers into the AUL Fixed Interest Account as permitted by your group annuity contract. The enclosed materials include information about the steps you must take to make corresponding changes to your plan.

Next Steps

As a plan sponsor, you have a responsibility to make decisions on behalf of the plan regarding products and features available to your participants. Because new contributions and transfers to the AUL Fixed Interest Account will not be permitted, you must provide us with directions regarding the investment options available to your plan participants as described on the following Explanation of Options. Please complete and submit the enclosed Option Election Form to provide us with your directions by May 31, 2022.

If you do not complete and submit the Option Elections Form within ninety (90) days, we will stop accepting all new contributions to your group annuity contract as permitted by your group annuity contract. Contributions include, but are not limited to, payroll contributions, rollovers and transfers.

Please refer to the Additional Information enclosed at the end of this packet for more information. If you have additional questions, please contact any member of your OneAmerica service team.

Thank you for the opportunity to serve you and your participants. We look forward to our continued relationship for many years to come.

Sincerely,

A handwritten signature in black ink that reads "Sandy McCarthy". The signature is fluid and cursive.

Sandy McCarthy
President, Retirement Services
Companies of OneAmerica

Explanation of Options

Please review and consider the following options and make your selection on the enclosed Option Election Form.

Option 1: Stop all contributions and investment transfers to the AUL Fixed Interest Account and redirect future investment elections to another investment option available under your group annuity contract

You agree to amend your group annuity contract to incorporate the following changes:

- All existing participant account balances invested in the AUL Fixed Interest Account will remain invested in the AUL Fixed Interest Account at the current guaranteed interest rate; however, balances thereafter transferred from the AUL Fixed Interest Account to another investment option may not be re-directed to AUL Fixed Interest Account.
- All future contributions and transfers that would have previously been directed to the AUL Fixed Interest Account will be directed to another investment option. Other available investment options include:
 - The AUL Stable Value Account
 - Your plan will receive a minimum credited interest rate lock on the AUL Stable Value Account following the below schedule.

2022	2023+
1.50%	SVA Market Rate ¹

- Your plan’s Qualified Default Investment Account (QDIA)
 - Another investment option available under your group annuity contract
 - Please work directly with your relationship manager to discuss other available investment options.
- Add the AUL Stable Value Account to your plan as the investment option used for forfeitures, loans, contributions returned and annuity valuation to prepare for purchasing a repetitive payment annuity product.
- Amend the Table of Immediate Annuities.

Option 2: Liquidate the AUL Fixed Interest Account and transfer participant account balances invested in the AUL Fixed Interest Account to the AUL Stable Value Account

You agree to amend your group annuity contract to incorporate the following changes:

- Add the AUL Stable Value Account to your plan as an investment option.
- All existing participant account balances invested in the AUL Fixed Interest Account will transfer to the AUL Stable Value Account.
- All future contributions and transfers that would have previously been directed to the AUL Fixed Interest Account will be directed to the AUL Stable Value Account. The AUL Stable Value Account will be the investment option used for forfeitures, loans, contributions returned and annuity valuation to prepare for purchasing a repetitive payment annuity product.
- The AUL Stable Value Account will have a minimum interest rate glidepath following the below schedule. Years five (5) and beyond will earn the AUL Stable Value Account market rate then in effect.
- Amend the Table of Immediate Annuities.

2022	2023	2024	2025+
2.5%	2.25%	2.0%	SVA Market Rate ¹

Note: If you select Option 1 or Option 2, the AUL Stable Value Account will be added to your plan’s investment options. If you select Option 1 or 2, we will send a notice to your participants at least 30 days prior to the changes taking effect, prompting them to adjust their allocations if they do not wish to have future contributions directed to the investment option you selected.

1. The Stable Value Market Rate is set annually based on current market conditions.

Option 3: Decline Options 1 and 2 and terminate your group annuity contract

If you do not wish to select either option described above, then you may notify AUL of your decision to terminate your group annuity contract using the Option Election Form we have provided. If you do so, AUL will pay out the balance of the AUL Fixed Interest Account in a single lump sum as soon as practicable and will not apply any market value adjustment to the detriment of your plan.

If you do not complete and submit this Option Elections Form within ninety (90) days, AUL will stop accepting all new contributions to your group annuity contract as permitted by your group annuity contract. Contributions include, but are not limited to, payroll contributions, rollovers and transfers.

Please refer to the Additional Information document for information about how your directions will be implemented.

Option Election Form

Plan Name: CITY OF AUBURN

Contract Number: G74874

Please indicate your direction below and electronically sign this form by May 31, 2022. Select the "Review Document" button within this email to begin the electronic signature process. Review the documents carefully before finalizing your electronic signature.

☒ **Option 1: Stop all contributions and investment transfers to the AUL Fixed Interest Account and redirect future investment elections to another investment option available under your group annuity contract as described in the Explanation of Options.**

All future contributions and transfers that would have previously been directed to the AUL Fixed Interest Account will be directed to:

- ☒ a. The AUL Stable Value Account
☐ b. Your Plan's Qualified Default Investment Account (QDIA)
☐ c. Another Investment Option. I will contact my Relationship Manager.

☐ **Option 2: Liquidate the AUL Fixed Interest Account and transfer participant account balances invested in the AUL Fixed Interest Account to the AUL Stable Value Account as described in the Explanation of Options.**

☐ **Option 3: Terminate your group annuity contract as described in the Explanation of Options**

Plan Sponsor/ Contractholder/Trustee Signature
Plan Name: CITY OF AUBURN

DocuSigned by:

Patricia Miller

057A7A0E1AD3492...

Date 3/30/2022 | 7:01 AM EDT

By signing above, I certify that I have the authority to act on behalf of the Plan and that I have fully reviewed the information provided to me.

If you do not complete and submit this Option Elections Form within ninety (90) days, AUL will stop accepting all new contributions to your group annuity contract as permitted by your group annuity contract. Contributions include, but are not limited to, payroll contributions, rollovers and transfers.

Additional Information

What action do I need to take now?

You have received a DocuSign packet. It includes the Explanation of Options, an Option Election Form and other materials. You must provide us with directions regarding the investment options available to your plan participants as described on the Explanation of Options. Please complete and submit the Option Election Form to provide us with your directions by 5/31/2022.

After doing so, and unless you choose to terminate your group annuity contract, you will receive a second DocuSign packet. It will include the AUL Stable Value Election Form and a group annuity contract amendment to effect the option you selected. The AUL Stable Value Election Form will be populated based on your selection.

Please carefully read and then electronically sign the AUL Stable Value Election Form and group annuity contract amendment. Upon receiving the signed AUL Stable Value Election Form and group annuity contract amendment, we will send a letter to your participants explaining what is changing. If they choose, participants will have 30 days to change their investment option elections prior to us implementing your selection.

What actions do my employees/participants need to take now?

No action is required on the part of individuals participating in your plan. Participants will receive a 30-day notice explaining that the AUL Stable Value Account or the investment option you selected will replace the AUL Fixed Interest Account for current and future allocations if no action is taken. As with any investment option change, participants may redirect their existing or future allocations at any time.

When will this change occur?

The AUL Stable Value Account is made available as a future investment option effective 45 days after you sign and return the contract amendment.

What differences should my employees/participants expect to see?

The AUL Stable Value Account will appear as an investment option on the Account Services website and on participant statements, alongside the other investment options available in the plan. As with any investment option change, participants will continue to have access to historical activity, as well as access to all the same tools and resources.

Does this change my Default Investment Option?

If the AUL Fixed Interest Account is currently your default investment option, then you must choose a new default investment option. You may choose the AUL Stable Value Account or another investment option as the default investment option. You always have the choice to elect a different default investment option.

Please note neither the AUL Stable Value Account nor the AUL Fixed Interest Account is a Qualified Default Investment Account (QDIA) under ERISA.

If I chose Option 1 and directed future contributions to an investment option other than the AUL Stable Value Account, why am I amending my group annuity contract to add the AUL Stable Value Account as an investment option?

AUL's recordkeeping system requires that either the AUL Fixed Interest Account or the AUL Stable Value Account be used as the investment option for forfeitures, participant loans, contributions returned and annuity valuation to prepare for purchasing a repetitive payment annuity product. Prior to your contract amendment, the AUL Fixed Interest Account was used for these purposes. Upon amendment, the AUL Stable Value Account will be used for them.

What are the differences between the AUL Fixed Interest Account and the AUL Stable Value Account?

Both the AUL Fixed Interest Account and AUL Stable Value Account are fixed rate investment options. Both accounts guarantee preservation of principal and invested monies will never go down in value.

The AUL Fixed Interest Account credits different interest rates based on when the money is allocated to the account. The AUL Stable Value Account credits a single interest rate, reset annually, for all monies allocated to the account.

In the event of contract termination, the AUL Fixed Interest Account pays out in installments over a five-year period or less a market value adjustment (if applicable); however, if you choose to terminate your group annuity contract on the Option Election Form, AUL will pay out the balance of the AUL Fixed Interest Account in a single lump sum as soon as practicable and will not apply any market value adjustment to the detriment of your plan. The AUL Stable Value Account pays out within a one-year period with no market value adjustment.

The AUL Fixed Interest Account permits competing investments with either a 90-day equity wash or a 20 percent transfer restriction (refer to your contract for the specific language applicable to you). The AUL Stable Value Account permits competing investments with a 90-day equity wash.

The AUL Fixed Interest Account has a minimum guaranteed interest rate that will never be less than the percent stated in your contract. The AUL Stable Value Account has a minimum guaranteed interest rate that will never be less than 0 percent with no upper limit.

My company has other plan contracts with AUL. Is that plan affected?

If your other plan contracts contain the AUL Fixed Interest Account, you will receive information on them separately.

How will I know what the crediting rate on this investment is?

The AUL Stable Value Account crediting rate is established annually in advance of January 1. Plan specific crediting rates are included in Explanation of Options and in the future can be requested from your OneAmerica representative.

Will the crediting change every quarter like the AUL Fixed Interest Account does?

No, the AUL Stable Value Account crediting rate is established annually and is guaranteed for that year.

What if my plan has competing investments?

There is a transfer restriction related to the AUL Stable Value Account. A participant may transfer up to 100 percent of the Stable Value Account balance at any time; however, that amount may not be transferred to a competing investment option. After a transfer from the Stable Value Account to a non-competing investment option, a participant must wait 90 days before he/she may transfer any money to the Stable Value Account or a competing investment option.

Examples of competing investment options include a money market investment account, an investment account with an average effective duration of three years or less, a stable value investment option that is not the AUL Stable Value Account, or any other investment option deemed competing by American United Life Insurance Company®, a OneAmerica company.

How will this be communicated to my participants?

We will send a written notice to all participants informing them of the changes based on the option you selected at least 30 days prior to the change.

For more information, please contact a member of your OneAmerica service team.

Note: Group annuity contracts are issued by American United Life Insurance Company® (AUL) and registered variable annuity products are distributed by OneAmerica Securities, Inc., a Registered Investment Advisor, Member, FINRA, SIPC, One American Square, Indianapolis, IN 46282, 1-877-285-3863. Provided content is for overview and informational purposes only and is not intended and should not be relied upon as individualized tax, legal, fiduciary, or investment advice. Investing involves risk including potential loss of principal. The AUL Stable Value Account (SVA) is a group fixed annuity, issued by American United Life Insurance Company® (AUL), One American Square, P.O. Box 368, Indianapolis, IN 46206-0368, 1-800-249-6269. The Stable Value Account is provided through an AUL Group Annuity Contract and is supported by the general account of AUL. It is not a separate account, and plan participants do not own units, any portion of, or any entitlement to the AUL general account.