

# Guaranteed Interest Account

## **Asset Class (Product Type):**

Stable Value (Guaranteed accumulation and payout annuity)

## **Product Objective:**

The Guaranteed Interest Account's (GIA) objective is to credit interest on contributions at competitive rates that generally exceed the returns available from money market instruments. The GIA simultaneously minimizes the volatility of returns, provides safety of principal and allows for a level of liquidity.

## **Risk / Return Profile:**

Safety of principal contributed and accumulated interest backed by the strength of The Prudential Insurance Company of America (PICA), makes the GIA a relatively less risky product for accumulating and protecting retirement assets than funds that invest in bonds or common stocks.

## **Interest Crediting Structure:**

The GIA's annual effective interest crediting rates are announced in advance, are guaranteed for at least one year and can never be less than the minimum rate specified in the group annuity contract funding the GIA.

## **Interest Crediting Rates:**

When establishing interest crediting rates, Prudential considers many factors, including current economic and market conditions, the general interest rate

## **Interest Crediting Rates (continued):**

environment and both the expected and actual experience of a segment within its PICA general account. Interest crediting rates are established without the use of a specific formula.

## **The PICA General Account:**

There is a segment of assets within the PICA General Account that is managed to support both the GIA's guarantees and its liability dynamics. The bulk of the segment is invested in investment grade fixed-income securities having short to intermediate-term maturities. The majority of these investments are made in private placement bonds, mortgage loans, and publicly traded securities such as U.S. Treasury bonds, mortgage-backed securities and corporate bonds.

## **Product Management:**

The GIA's liabilities are managed by the Prudential Retirement business unit.

## **Transaction Restrictions:**

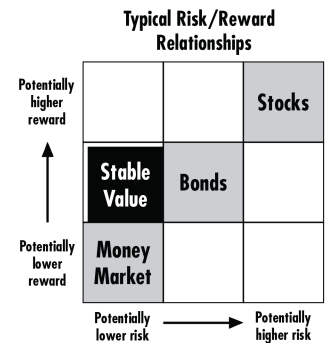
Generally, plan participants may withdraw all or a portion of their GIA balance without any fees or restrictions for "benefit responsive events" (e.g., termination of employment, retirement, disability, death, etc.). Participant directed transactions which are not the result of "benefit responsive events" may be subject to restrictions and/or charges as provided for in the GIA contract. Please contact Prudential or your Plan Administrator for details regarding transaction restrictions.

## **Quarterly Guaranteed Rate For New Contributions:**

A New Money Rate is declared at the start of each calendar quarter. Contributions made during the quarter are credited with interest daily at the New Money Rate in effect for that quarter. This rate continues to be applied to all contributions made during that quarter until the end of the following calendar year. New Money Rates for any quarter can be higher or lower than New Money Rates for any previous quarter. Upon expiration of each New Money Rate and at the start of each calendar year thereafter, Renewal Rates are declared and credited to those contributions. The accompanying table shows New Money Rates in effect during recent quarters and their date of expiration. Renewal Rates in effect during a calendar year are shown on your statement.

## **Recent Quarterly New Money Rates:**

Quarter	New Money Rate	Rate Expiration Date
1Q 2018	3.00%	12/31/2019
4Q 2017	3.00%	12/31/2018
3Q 2017	3.00%	12/31/2018
2Q 2017	3.00%	12/31/2018
1Q 2017	3.00%	12/31/2018



The Guaranteed Interest Account (GIA) is a group annuity product issued by The Prudential Insurance Company of America (PICA), Newark, NJ 07102. Amounts contributed to the contract are deposited in PICA's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PICA. PICA periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. This product is neither a mutual fund nor a bank product. The obligations of PICA are not insured by the FDIC or any other federal governmental agency. Contract form # DC-401-95 or state variation thereof.

Prudential Retirement is compensated in connection with this product when general account investment returns exceed the interest credited on contract balances. Other than such compensation, there are no additional charges imposed that reduce the interest rate credited. Due to the absence of additional charges, there is not an expense ratio associated with this product. For some plans, Prudential Retirement uses a portion of its aggregate compensation to satisfy the plan's request for allowances and for payments to defray plan expenses. If Prudential Retirement's aggregate compensation from this product and from other plan investment products exceeds the costs of servicing your plan, Prudential Retirement earns a profit; otherwise we incur a loss.

Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.

**For informational or educational purposes only. This material is not intended as advice or recommendation about investing or managing your retirement savings. By sharing it, Prudential Retirement is not acting as your fiduciary as defined by the Department of Labor's Fiduciary rule or otherwise. If you need investment advice, please consult with a qualified professional.**

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