

Nearing Retirement

Position yourself for the retirement you want. Let us help.



Our objectives today

Through this workshop, we will help you:

- See how well prepared for retirement you are
- Learn how to identify an income gap
- Identify your options for getting better prepared
- Understand how your employer's retirement savings plan can benefit you through retirement



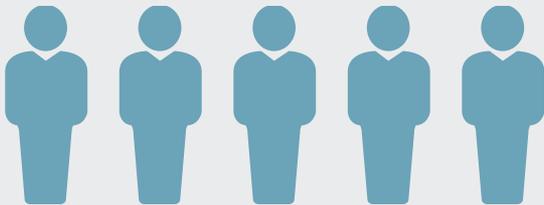
Investing involves market risk, including possible loss of principal. There is no guarantee that fund, investment option or portfolio objectives will be met nor that any investment strategy, including asset allocation and diversification, will generate a profit or avoid losses, especially in a down market. Actual investment results will vary, depending on your investment and market experience.

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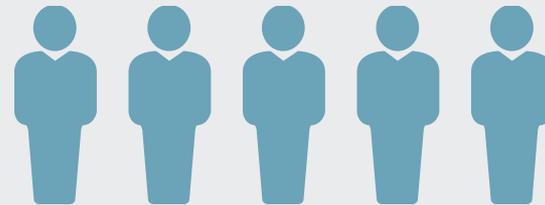
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Not confident about how prepared you are?

You are not alone.



64% of U.S. workers
say they're behind
on retirement
savings



52% say they
haven't tried to
figure what they
need

How do you plan to enjoy your retirement?

Your income needs may be affected by:



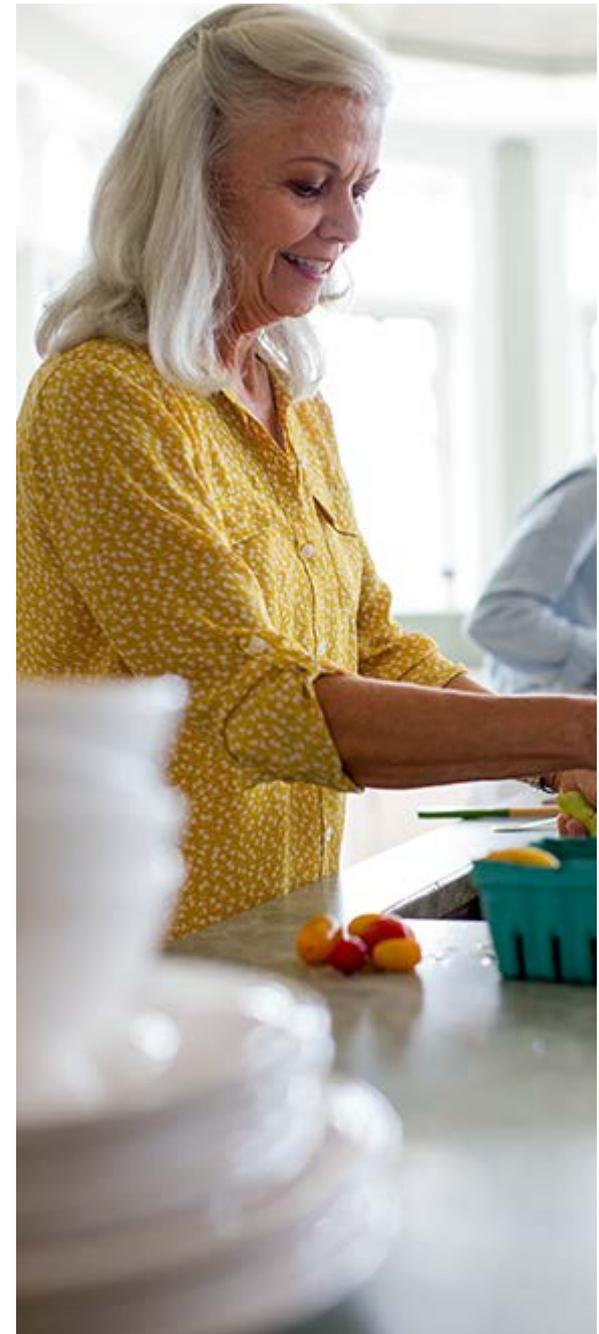
Where you live



Leisure activities



Family support

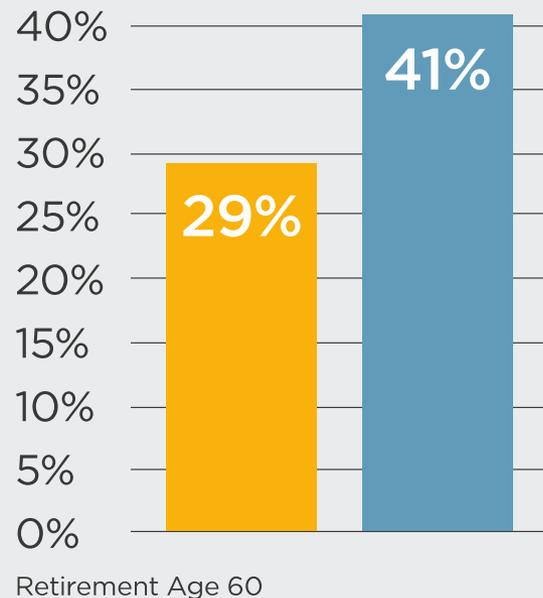


Longevity

Risks to your retirement comfort

You could outlive your financial resources.

Chances of living past age 90



Source: Society of Actuaries Annuity 2006 Tables with Projection Scale G to 2002



Retirement risks?

LONGEVITY - You could outlive your financial resources.

INFLATION - Your income needs to increase over time to stay even with the costs of goods and services they need to purchase.

HEALTHCARE - A 65-year-old couple retiring today can expect to spend about \$220,000 over the next 20 years on out-of-pocket health care expenses.

How much income will you need?



Income gap

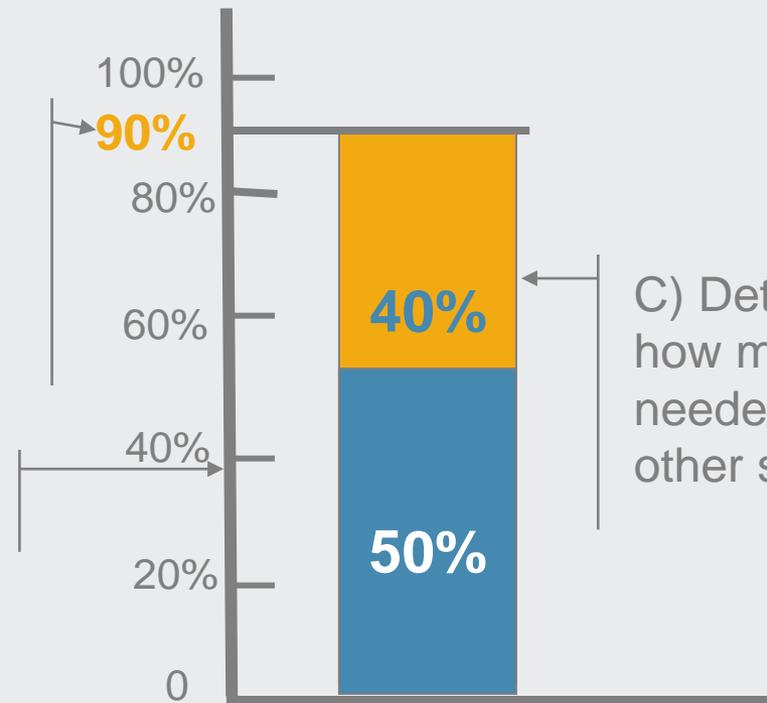
Risks to your retirement comfort

Example: 90% retirement goal

A) Determine percentage of income you will need in retirement

B) Get estimated pension amount

C) Determine how much is needed from other sources



-  Savings and other sources
-  Pension

How much income can you expect?

CalPERS

- “Calculate My Retirement Estimate”
at www.calpers.ca.gov
- Attend a CalPERS retirement
planning workshop
- 1-888-225-7377

How much income can you expect?

Social Security

- “Retirement Estimator” at www.SSA.gov
- 1-800-772-1213

Previous employers

- Gather information on previous 401(k)/457/403b plans
- Evaluate pension choices (if any)

Where can you find additional income for retirement?



Work longer

Work in retirement

Increase savings

How can you save more through your plan?

- Maximize your 457(b) and 401(k) savings
- Take advantage of catch-up opportunities
- Transfer unused leave time at separation
- Combine outside assets – IRAs, 401(k), 403(b) – with your employer plan



Save as much as you can

Plan type	Normal Contribution Maximum	Age-Based 50+ Contribution	Total Contribution Allowable
457	\$18,000	\$6,000	\$24,000
401(k)	\$18,000	\$6,000	\$24,000
Total	\$36,000	\$12,000	\$48,000

Assumes includible compensation exceeds contribution limits.

Source: *IRS Announces 2015 Pension Plan Limitations* (October 2014)

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Catch up as much as you can

Plan type	Normal Contribution Maximum	Age-Based 50+ Contribution	457 Traditional Catch-up	Total Contribution Allowable
457	\$18,000	N/A	\$18,000	\$36,000
401(k)	\$18,000	\$6,000	N/A	\$24,000
Total	\$36,000	\$6,000	\$18,000	\$60,000

Assumes includible compensation exceeds contribution limits.

Source: *IRS Announces 2015 Pension Plan Limitations* (October 2014)

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Contribute your lump-sum separation pay

The benefits could be substantial:

- Can boost the assets in your account
- Avoids immediate taxation (pre-tax contributions only)
- Allows assets to be taxed as ordinary income

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Rollover other assets* into your plan

- Personal help now and through retirement
- One investing strategy to manage
- One payout strategy to manage
- One set of fees

* Includes money held in 457(b), 401(k) and 403(b) plans not sponsored by Savings Plus and/or IRA assets

Assets rolled into the Savings Plus 457(b) account from outside retirement plans may be subject to an early withdrawal penalty if taken before age 59½. Investing involves market risk, including possible loss of principal. Actual results will vary, depending on your investment and market experience. Savings Plus Retirement Specialists cannot offer investment, tax or legal advice. You should consult your own counsel before making retirement plan decisions.



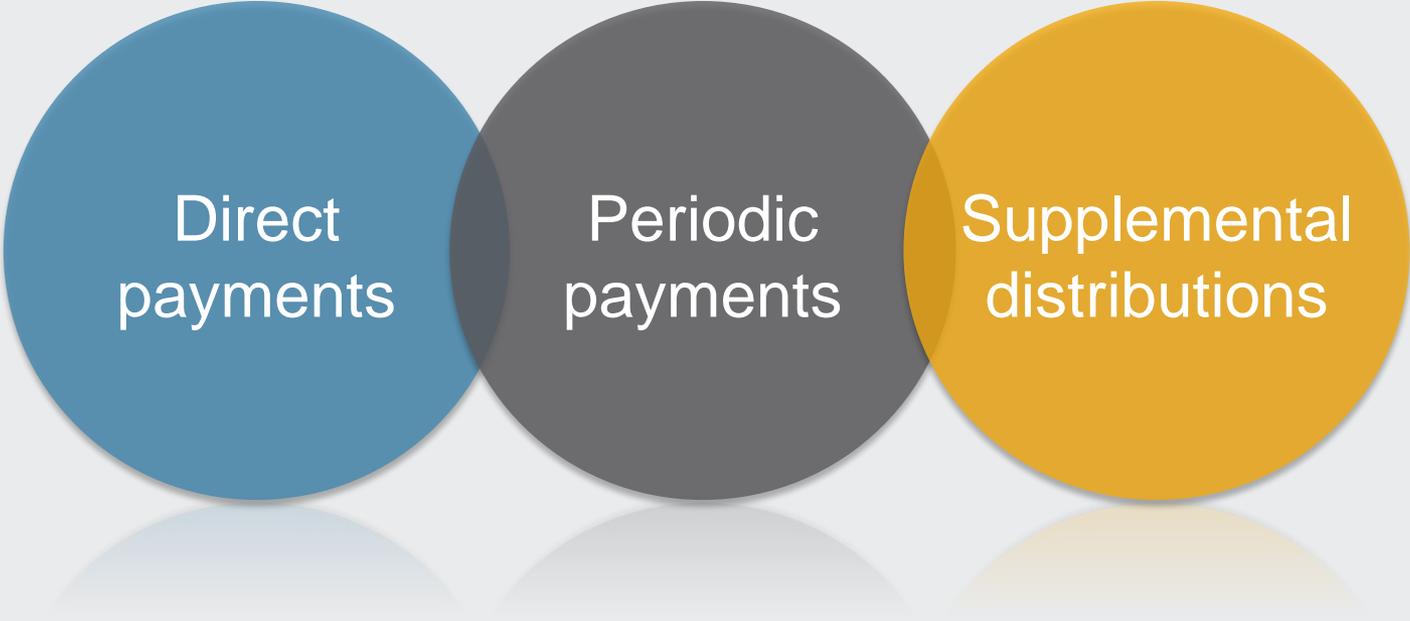
Stay in your employer's plan through retirement

- One program, many benefits
- Managed account service may be available
- Self-directed brokerage window may be available
- Personal Retirement Specialists

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Flexible payout options



Direct
payments

Periodic
payments

Supplemental
distributions

Direct payment: Full/partial withdrawal

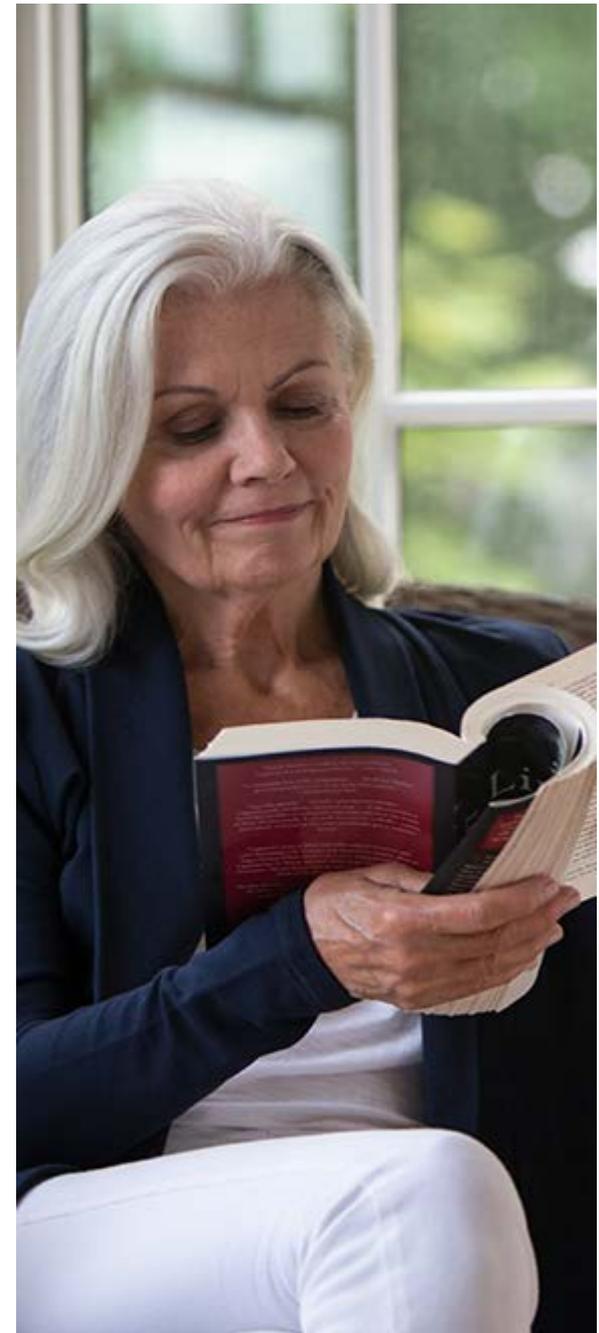
With a full withdrawal

- Your account is paid out in a lump sum
- You will no longer be a participant in the Plan

With a partial withdrawal

- The remaining balance may be taken at a later time
- Your remaining balance remains invested
- You maintain your participation benefits

Withdrawals are taxed as ordinary income. Savings Plus Retirement Specialists cannot offer investment, tax or legal advice. You should consult your own counsel before making retirement plan decisions.



Required minimum distributions



The IRS may require that you begin to take minimum distributions from your Savings Plus account by the *later* of:

- April 1 of the calendar year after the year you turn age 70½ **OR**
- April 1 of the calendar year after termination
(if over 70½)

Withdrawals are taxed as ordinary income. Savings Plus Retirement Specialists cannot offer investment, tax or legal advice. You should consult your own counsel before making retirement plan decisions.



When you can take payouts without penalty

457(b)

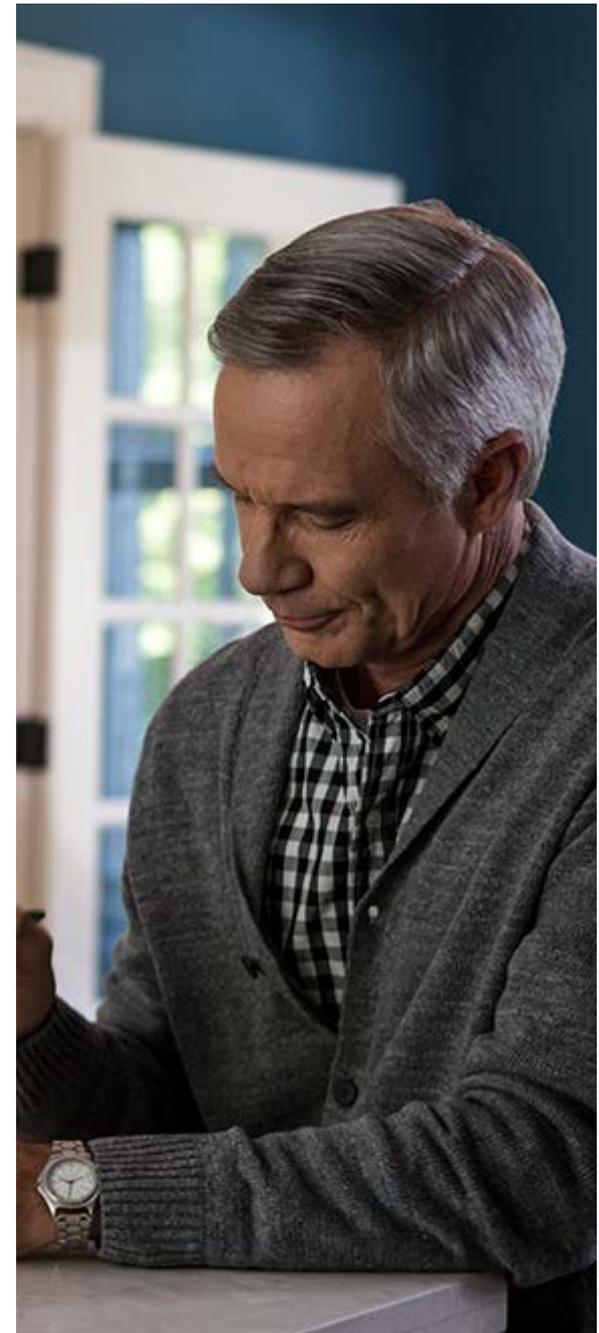
- Any age, upon “separation of service”*
- “Unforeseeable emergency”*

401(k)

- Age 55 and separated from service,
- Age 59½, regardless of employment status
- Qualified “hardship”*

* These terms are defined in the Plan Document. Please consult your plan before making any decisions.

Withdrawals are taxed as ordinary income. Savings Plus Retirement Specialists cannot offer investment, tax or legal advice. You should consult your own counsel before making retirement plan decisions.



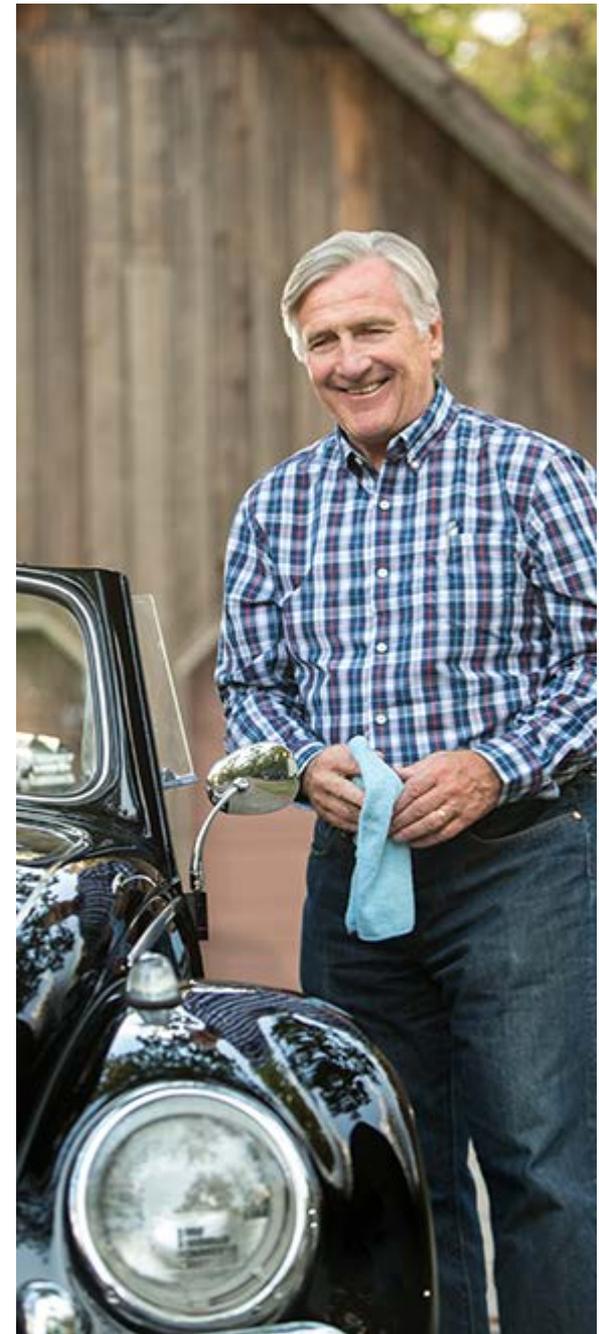
What are the payout withholdings?

The amount of federal income tax withheld depends on which payment option you select.

- 20% – full and partial withdrawals
- 20% – periodic payments expected to last less than 10 years
- 10% – RMD

State taxes withheld from most withdrawals.

Withdrawals are taxed as ordinary income. Savings Plus Retirement Specialists cannot offer investment, tax or legal advice. You should consult your own counsel before making retirement plan decisions.



What are the payout withholdings?

The amount of federal income tax withheld depends on which payment option you select.

- 10% – 401(k) Hardship and 457(b) Unforeseeable Emergency
- Periodic payments expected to last 10 years or more at discretion of participant

State taxes withheld from most withdrawals.

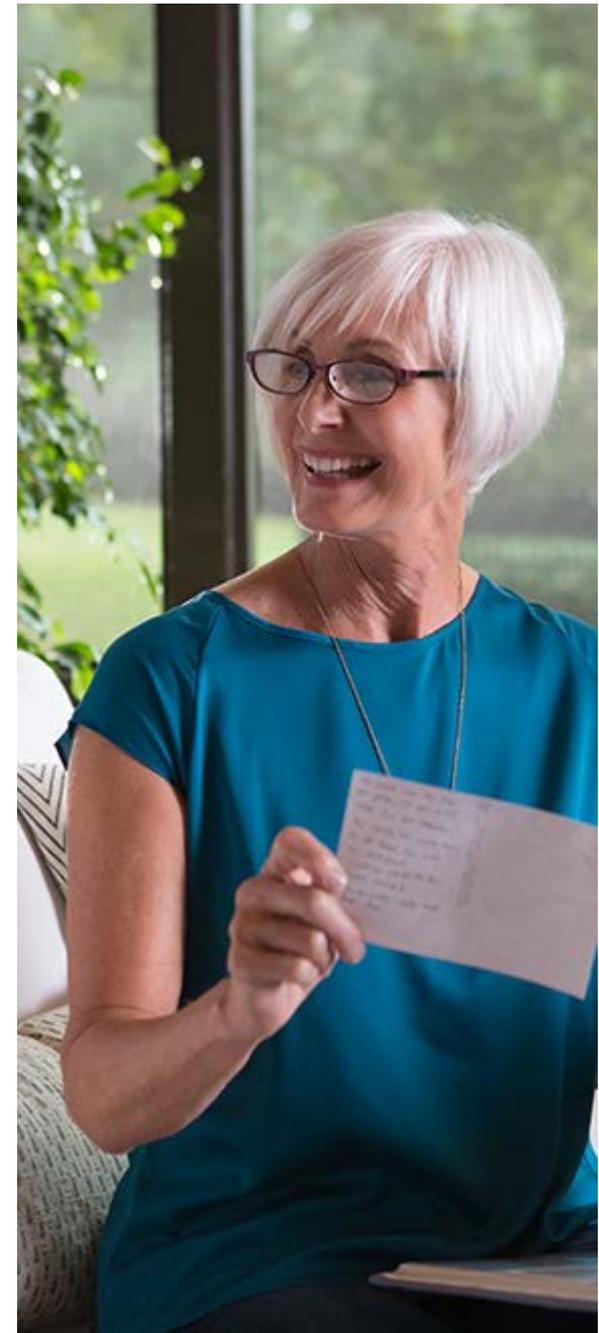
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What else should you consider?

Your During-Retirement Checklist

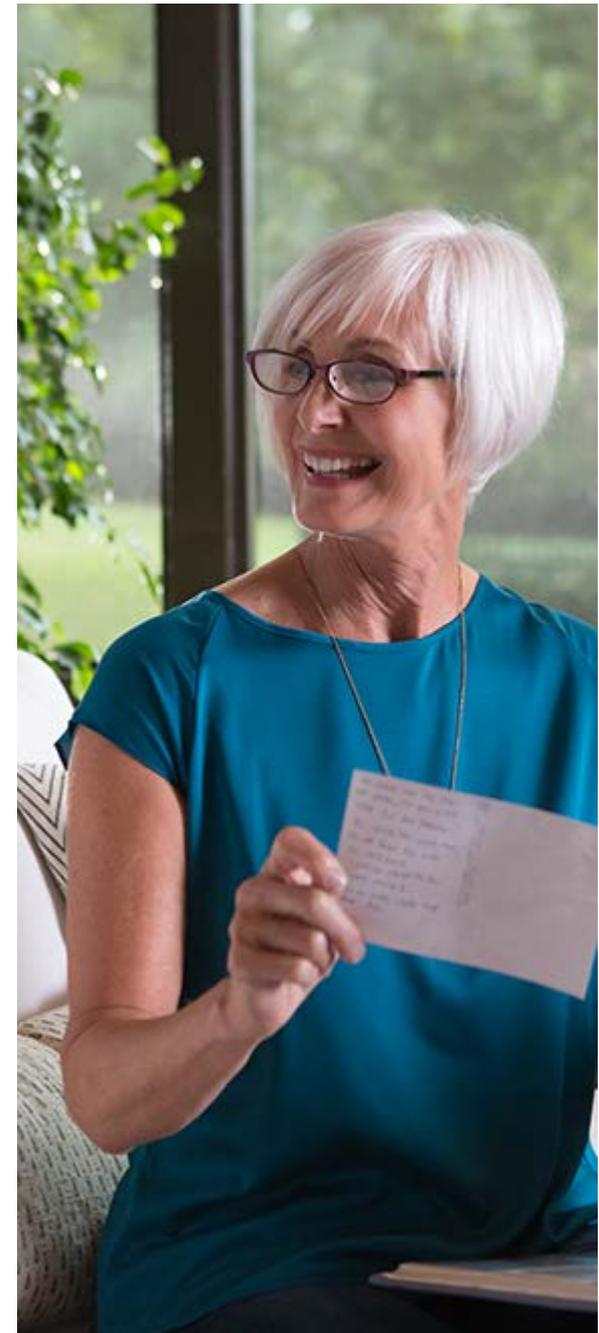
- Check your beneficiaries at least annually and update when appropriate
- Update your mailing address every time it changes



What else should you consider?

Your During-Retirement Checklist

- Read your retirement newsletters from plan provider
- Review your quarterly statements
- Monitor how your account compares to your Investor Profile

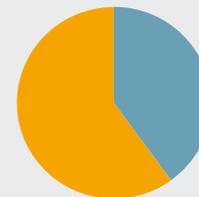


Review your investment elections



Conservative

85% fixed income
15% equities securities



Moderate Aggressive

40% fixed income
60% equities securities



Moderate Conservative

70% fixed income
30% equities securities



Aggressive

25% fixed income
75% equities securities



Moderate

55% fixed income
45% equities securities



Growth

10% fixed income
90% equities securities

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Investment selections for Savings Plus Model Portfolios are provided to Nationwide Investment Advisors, LLC (NIA) by Wilshire®.

Investors are responsible for deciding which portfolio may be most appropriate for them, and for implementing and maintaining the suggested allocations. Wilshire is a service mark of Wilshire Associates Incorporated, which is not an affiliate of NIA or Savings Plus.

Contact your plan

when you need help



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Logon to your account at
SavingsPlusNow.com (State employees)



Contact your employer plan

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