Deferred Compensation – Members Nearing Retirement

Understanding Your Plan into Retirement and Beyond
Today’s Objectives

Through this workshop, we will help you:

• See how well prepared you are for retirement

• Learn how to identify your income gap

• Identify your options for getting better prepared

• Understand how continuing in your 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.

Savings Plus Retirement Specialists are registered representatives of Nationwide Investment Services Corporation, member FINRA. Neither Nationwide nor any of its representatives give investment, legal or tax advice. Please consult your own counsel before making decisions about retirement plan participation.

Target date funds are managed to become more conservative as the year in the fund’s name approaches. There is no guarantee that lifestyle or target date fund objectives will be met or provide enough income at or through retirement. These funds invest in other funds; therefore, in addition to the fund’s charges and expenses, an investor indirectly pays a proportionate share of the underlying funds’ charges and expenses.

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How Do You Plan To Enjoy Your Retirement?

Your income needs may be affected by:

- Where you live
- Leisure activities
- Family support
Why start now?

LONGEVITY - You could outlive your financial resources.

INFLATION - Your income needs will 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 In Retirement?

Retirement income
75-90%

This percentage may be higher depending on your lifestyle.
Income Gap

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

- 90% retirement goal
- 40% to 50% from savings and other sources
- 40% from pension

Income Gap Chart:

- 90% Retirement Goal
- 40% to 50% from savings and other sources
- 40% from pension
How Much Income Can You Expect?

CalPERS

- Calculate my retirement estimate at www.calpers.ca.gov
- Attend a CalPERS Planning Your Retirement class
- Call at (888)225-7377
How Much Income Can You Expect?

Social Security

• Retirement Estimator at [www.ssa.gov](http://www.ssa.gov)
• Call at (800) 772-1213

Previous Employers

• Gather information on previous 401(k), 457(b) and 403(b) plans
• Evaluate pension choices (if any)
Introduce yourself to
My Interactive Retirement Planner℠

My Interactive Retirement Planner is a service mark of Nationwide Mutual Insurance Company.
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 deferred compensation contributions
- Take advantage of catch-up opportunities
- Transfer unused leave time at separation
- Combine outside assets – IRAs, 401(k), 403(b), and 457(b) – with your current employer
Save As Much As You Can Through Your Plan

Current 401(k) and 457(b) plan contribution limits

<table>
<thead>
<tr>
<th>This year, if you are…</th>
<th>Maximum contribution limit</th>
<th>Contribution limit plus Age-Based Catch-Up</th>
<th>Traditional 457(b) Catch-Up Contribution limit¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>…less than age 50</td>
<td>$19,000</td>
<td>$25,000</td>
<td>$25,000 (use Age-Based Catch-Up)</td>
</tr>
<tr>
<td>401(k) Pre-tax/401(k)Roth</td>
<td>$19,000</td>
<td>$25,000</td>
<td>$25,000 (use Age-Based Catch-Up)</td>
</tr>
<tr>
<td>457(b) Pre-tax/457 (b) Roth</td>
<td>$19,000</td>
<td>$25,000</td>
<td>$38,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$38,000</td>
<td>$50,000</td>
<td>$63,000</td>
</tr>
</tbody>
</table>

Note: The combined 401(k) and 403(b) contributions can not exceed 19,000 and 25,000 respectively.

Source: IRS.gov

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.
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
Rollover Other Assets *

- Personal help now and through retirement
- Professionals research and monitor funds
- One investing strategy to manage
- One payout strategy to manage
- Once 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 Plan – Possible Benefits

- Fund selection is monitored
- Managed account service
- Self-directed brokerage window
- Personal Retirement Specialists
- No commissions
- Lower fees

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Flexible Payout Options

Direct payments

Periodic payments

Supplemental distributions

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When You Can Take Payouts Without Penalty

457(b)

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

401(k) or 403(b)

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

* These terms are defined in the Plan Document. Please consult Savings Plus 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.
The IRS may require that you begin to take minimum distributions from your deferred compensation 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.
What Are The Payout Withholdings?

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

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

• Review your quarterly statements

• Monitor how your account compares to your **Investor Profile**
Investing involves market risk, including possible loss of principal. There is no guarantee that fund, investment option or portfolio objectives will be met. Actual results will vary, depending on your investment and market experience.

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 Us

Contact us when you need help.

📞 Call Savings Plus at (855) 616-4776

💻 Log in to your account at savingsplusnow.com

🔍 Contact your plan provider or personnel office for more information about your non-state plan

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