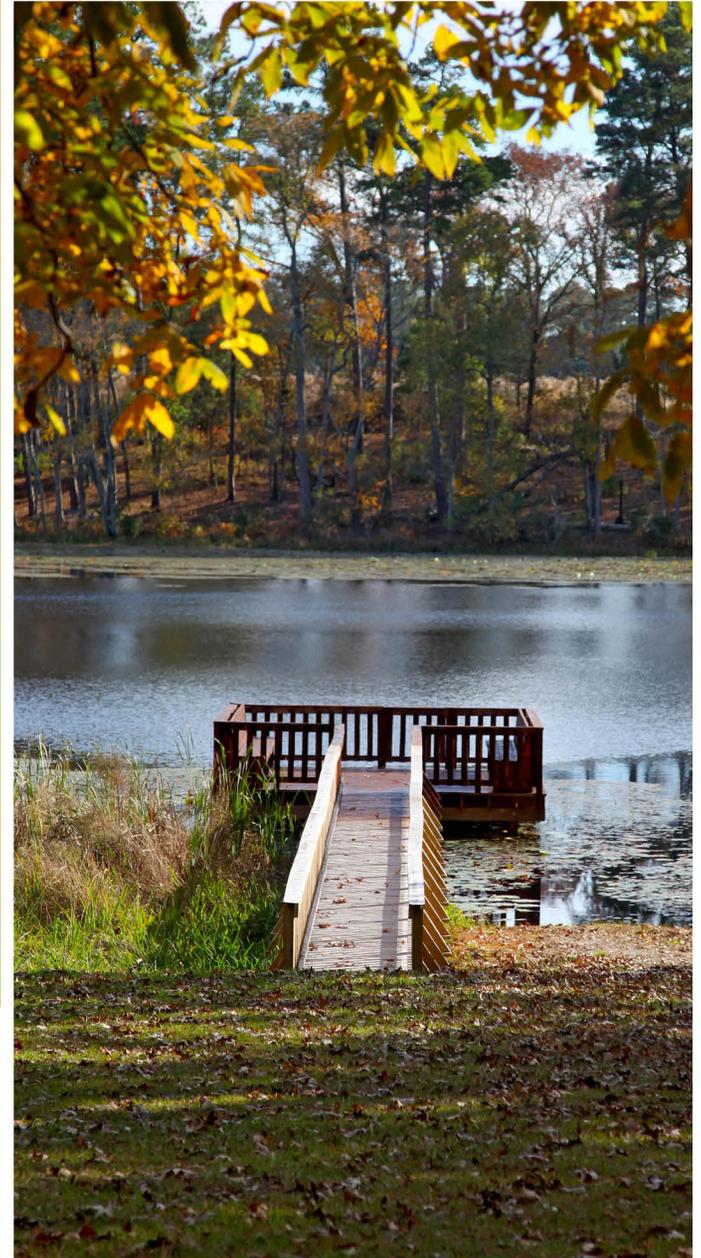


# Approaching Retirement

Creating Your Retirement Plan  
and Strategy

Administered by:



# Empower Retirement

- Represents more than 9.4 million retirement participants as of December 31, 2019.<sup>1</sup>
- Chosen by the South Carolina Public Employee Benefit Authority (PEBA) to provide administrative, education and communication services.
- Fully staffed local office and advisors for Deferred Comp.

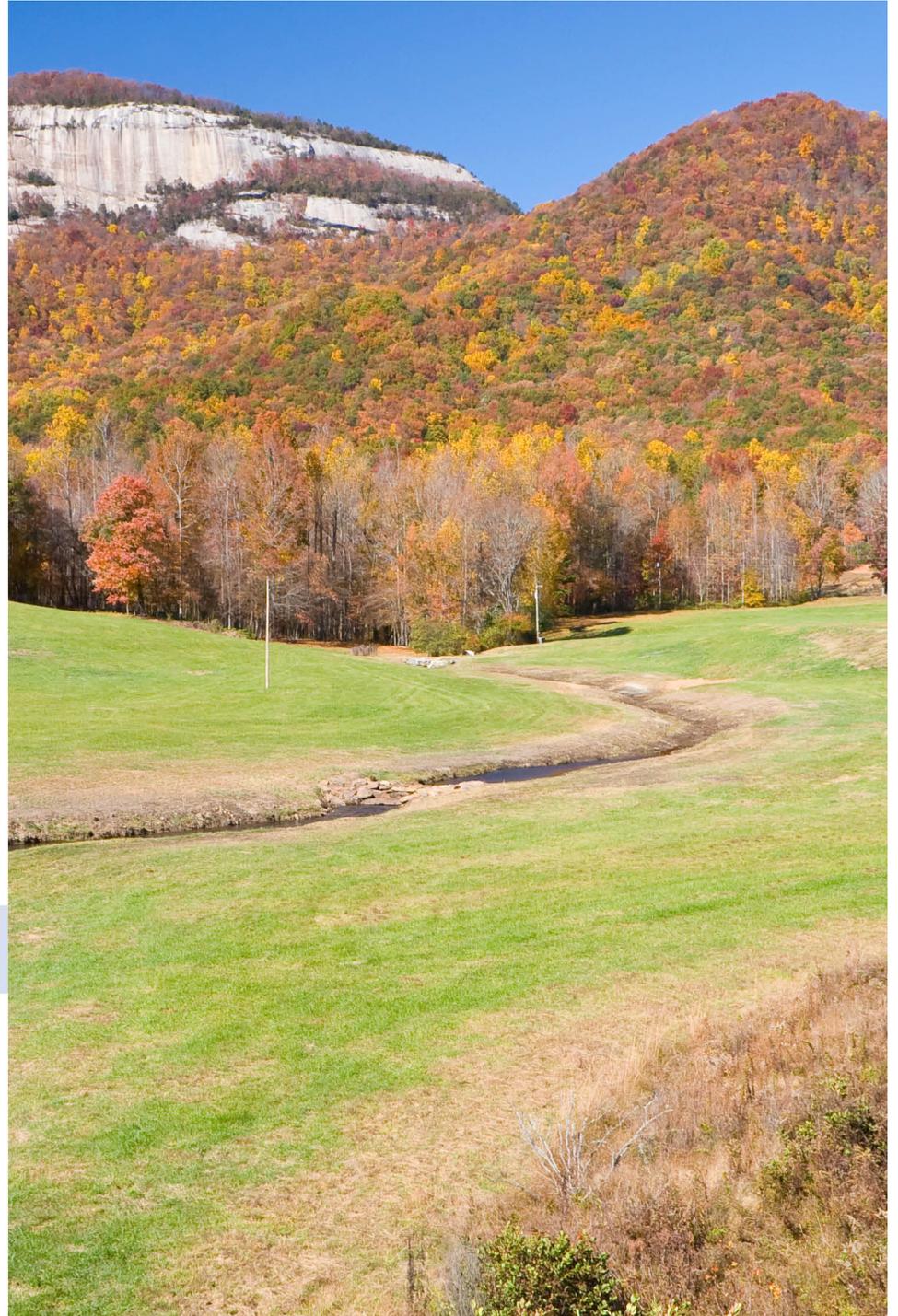
<sup>1</sup> Information refers to all retirement business of Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates.

# Topics for today

- Deferred Comp review.
- Preretirement planning strategy.
- Useful tools.
- Empower Retirement Advisory Services.<sup>1</sup>
- Distributions.
- Protecting your retirement savings.

<sup>1</sup> Online Advice and My Total Retirement™ are part of the Empower Retirement Advisory Services suite of services offered by Advised Assets Group, LLC, a registered investment adviser.

# Deferred Comp review



# Deferred Comp features

- A supplemental retirement savings program that includes a tax-deferred 401(k) plan and 457(b) plan.
  - Roth options available for both plans.
- Convenient payroll deduction.
- Maximum contribution of \$19,500 for each plan or 100 percent of your includible compensation in 2020.
  - Catch-up contributions are available.
- Wide array of investment options.
- Empower Retirement Advisory Services.

# Annual leave options

- Lump-sum payment for unused annual leave at time of termination of service may be granted.
- May contribute to either the 401(k) or 457 plan within the annual contribution limits for that year.
- Check with your employer to see if annual leave payments are allowed.

# Preretirement planning strategy

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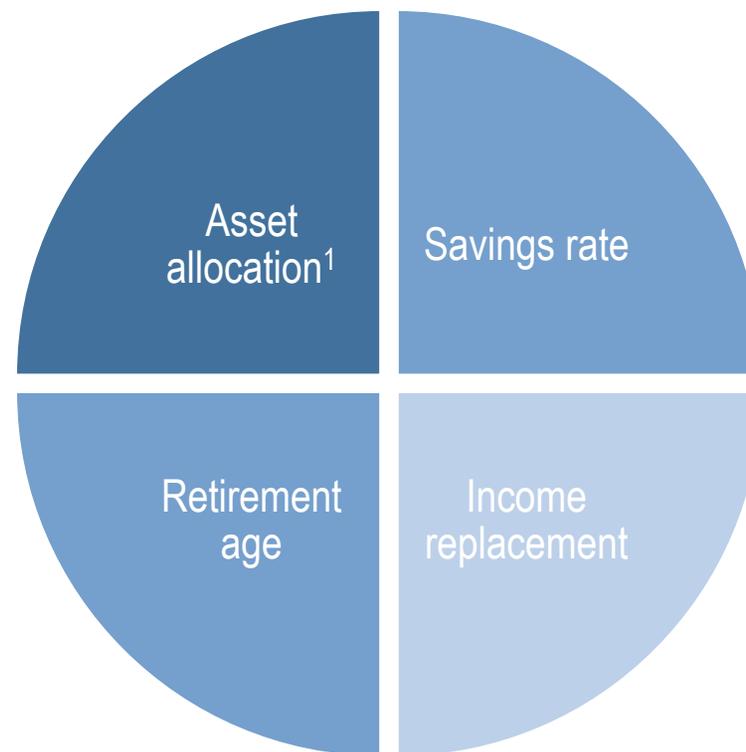
# The challenge of retirement awareness

- Top participant concerns: uncertainty.
- Retirement age: When can I retire? Will I have enough?
- Retirement income: How much money do I need to have saved?
- Savings rate: How much should I be saving?
- Asset allocation:<sup>1</sup> How should I invest? What options should I choose?
- Spend-down: How much can I withdraw each year in retirement? From which accounts should I take that money?

<sup>1</sup> Asset allocation, diversification, dollar-cost averaging and/or rebalancing do not ensure a profit or protect against loss.

# Retirement awareness: defining goals and improving outcomes

- Retirement awareness is a participant's knowledge of the factors needed to retire with an adequate amount of sustainable income for life, depending on the participant's specific situation.



<sup>1</sup> Asset allocation, diversification, dollar-cost averaging and/or rebalancing do not ensure a profit or protect against loss.

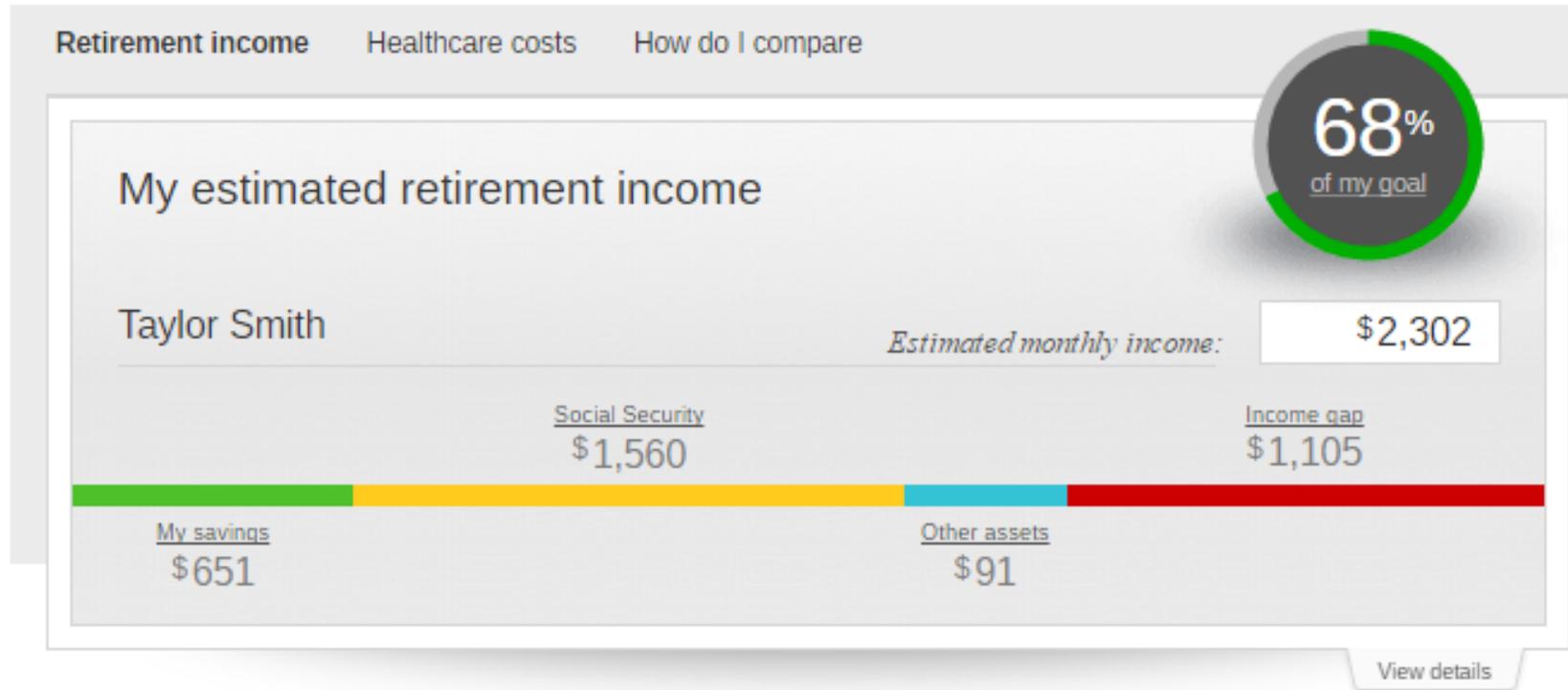
# Useful tools



# Your estimated retirement income



[Home](#) [My Accounts](#) [Me & My Money](#) [Guidance](#)



FOR ILLUSTRATIVE PURPOSES ONLY.

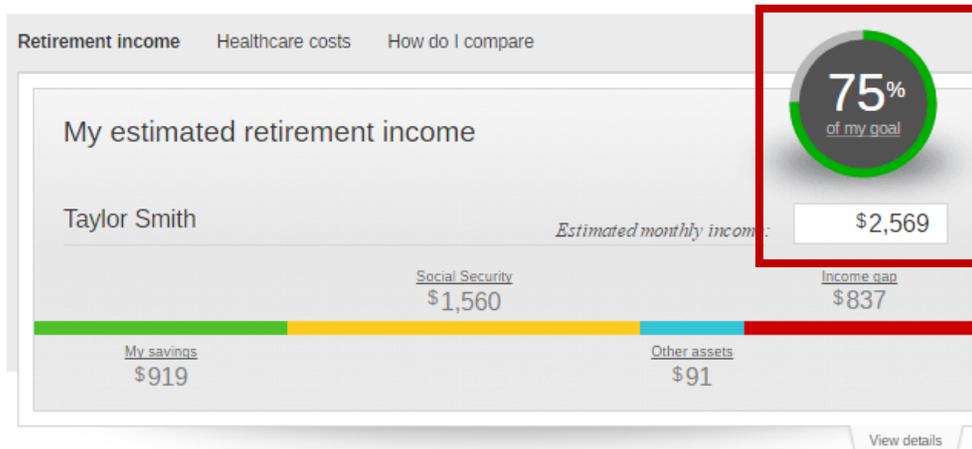
# Personalizing your estimated income

The image shows a retirement planning tool interface. On the left, a summary bar displays 'Social Security \$1,949' and 'My savings \$474'. Below this, there are sections for 'Plan savings', 'Social Security', and 'Income gap'. A specific plan is identified as 'City of Austin 457(b) Deferred Compensation Plan' with 'ALL CONTRIBUTIONS: 6%'. A slider for 'RETIREMENT AGE' is set to 65. There are buttons for 'Edit', 'Help me do it', and 'Do it myself'. An 'INVESTMENT MIX: 100/0' is also shown. At the bottom, a 'CONFIDENCE LEVEL' is set to 90%.

The main part of the image is a modal window titled 'Retirement income' with a sub-header 'How do I compare'. It displays 'My estimated monthly retirement income' for 'BENJAMIN' as '\$2,423'. A large green circular gauge shows '53% of my goal'. The modal's primary goal is 'My goal for monthly retirement income is \$4,542.59'. A note states: 'Your goal is set to the industry standard of replacing 75% of your current before-tax salary. You can modify your goal below.' The form includes fields for 'Current salary: \$72,681.44', 'Date of birth: 06/09/1974', and 'Percentage of my current salary I will need in retirement: 75'. There are 'View' options for 'Monthly' (selected) and 'Yearly', and 'Cancel' and 'Save' buttons.

- FOR ILLUSTRATIVE PURPOSES ONLY.

# Personalizing your estimated income



Interactive goal tracker lets you view how your contribution changes may affect your estimated retirement income.

Plan savings    Social Security    Other assets    Income gap

ALL CONTRIBUTIONS: 7%    [+ Add a new contribution]

Collapse

BEFORE TAX CONTRIBUTION RATE: 7%

ROTH CONTRIBUTION RATE: 0%

AFTER TAX CONTRIBUTION RATE: 0%

RETIREMENT AGE: 65

This change could result in:

**Future:**  
+ \$267.89 / month more in retirement income

**Today:**  
- \$136.25 / month less of your before-tax pay

[Reset](#)    [Review change\(s\)](#)

FOR ILLUSTRATIVE PURPOSES ONLY.

# **Empower Retirement Advisory Services**

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# Empower Retirement Advisory Services

- Provides investment assistance, including accumulation and spend-down advice.
- Tools and advisory services help you:
  - Understand how much money you may need during retirement; and
  - Design a retirement plan strategy to help meet that goal.
- Based on investment goals, time horizon, investor profile and tolerance for risk.
- Choose the level of help that you want.
  - Online Advice.
  - My Total Retirement™.

# Advisory Services annual fees

<b>Online Advice</b>	No additional cost	
<b>My Total Retirement™</b>	Up to \$100,000	0.45%
	\$100,000.01 - \$250,000	0.35%
	\$250,000.01 - \$400,000	0.25%
	More than \$400,000	0.15%

## Examples:

### \$10,000 account balance

- Online Advice: none
- My Total Retirement: \$45 per year (\$11.25 per quarter)

### \$20,000 account balance

- Online Advice: none
- My Total Retirement: \$90 per year (\$22.50 per quarter)

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

# Distributions

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# Distribution options<sup>1</sup>

- Leave your money in your Deferred Comp account until a future date.
- Installment payments:
  - Fixed period of time;
  - Fixed dollar amount; or
  - Payment throughout life expectancy.
- Partial distribution.
- Lump-sum distribution.
- Rollover to an IRA.
  - Consider all your options, and their features and fees, before moving money between accounts.

<sup>1</sup> Withdrawals may be subject to ordinary income tax. Withdrawals made prior to the investor reaching age 59½ may incur a 10 percent early withdrawal penalty. The 10 percent federal early withdrawal penalty does not apply to 457 plan withdrawals, except for withdrawals attributable to rollovers from another type of plan or account.

# Required minimum distributions (RMD)

- RMD required beginning in the year in which you turn age 72.<sup>1</sup>
  - Unless actively employed by a covered employer.
- Plan will force out an RMD payment if no action taken.
  - Letters are mailed to impacted participants in September of each year.
  - May opt out of the force out if you are still actively employed by a covered employer.

<sup>1</sup> Age 70½ if you reached that age prior to December 31, 2019.

# Protecting your retirement savings

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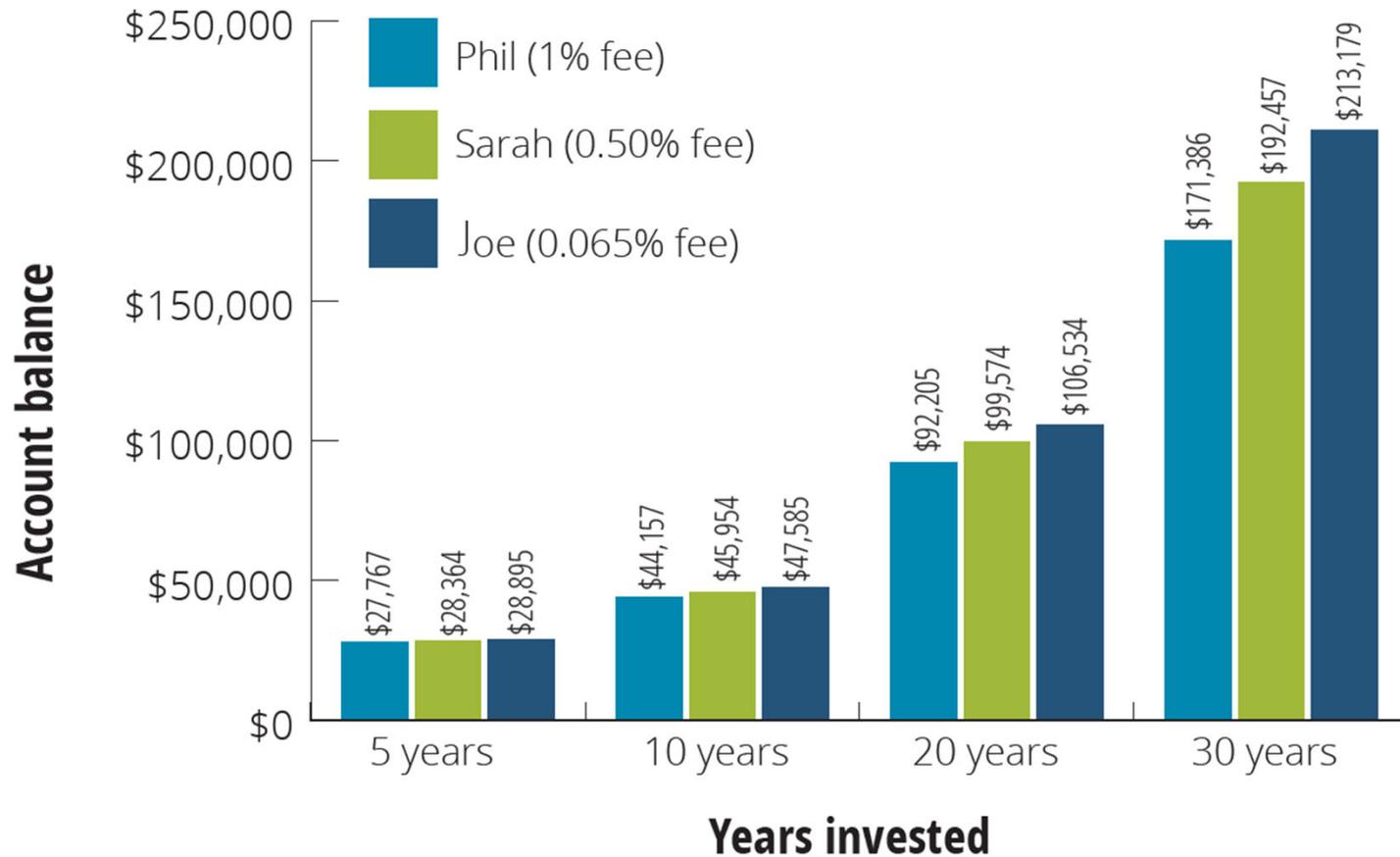
# Why are we here?

- Sometimes, employees and retirees are approached by brokers or financial planners offering to manage their investments post-retirement.
- Why?
  - Your Deferred Comp account balance may be an attractive target for brokers.
  - Brokers have tremendous incentive to move your retirement assets to their company.
  - The size of the broker's commission may be related to the size of your account.
  - Many brokers claim the change will not cost you anything.
  - Whose best interest does the broker have in mind?

# Has a broker/advisor shown interest?

- Consider these suggestions:
  - Proceed with caution.
  - Ask the tough questions.
- Consider asking these questions:
  - Why is a broker/advisor suddenly interested in me?
  - Who benefits when I make a change?
  - What happens when I make a withdrawal?
  - What is the impact on my beneficiaries?

# Fees: small differences can add up



FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It assumes a beginning balance of \$20,000, biweekly \$50 contributions, a 6% annual rate of return and reinvestment of earnings with no withdrawals. Rates of return may vary. The illustration does not reflect specific charges, expenses or fees that may be associated with your plan or investments. The tax-deferred accumulation shown may be reduced if these fees were deducted.

# Consider sticking with Deferred Comp

- Low administrative fee, which is currently 0.065 percent.<sup>1</sup>
- Variety of investment options, including a Stable Value Fund.
- Empower Retirement Advisory Services.
- Flexible distribution options.
- Automated required minimum distribution process.
- Access to a local retirement plan advisor.

<sup>1</sup> In addition, each investment option has its own operating expenses.

# Manage your account, monitor your progress

- Online at [www.southcarolinadcp.com](http://www.southcarolinadcp.com) or by phone at 877.457.6263.
- Dollar-cost averaging and rebalancer.<sup>1</sup>
- Quarterly electronic statements.
- Local retirement plan advisors.

<sup>1</sup> Asset allocation, diversification, dollar-cost averaging and/or rebalancing do not ensure a profit or protect against loss.

# Questions? Thank you!

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### **Important information regarding your meeting with representatives of Empower Retirement**

Your Empower Retirement representative is a retirement plan advisor (RPA) acting on behalf of Advised Assets Group, LLC (AAG) and GWFS Equities, Inc. (GWFS). AAG is a federally registered investment adviser that provides investment advisory services to retirement plan participants and IRA accountholders nationwide. AAG's goal, through the RPAs and otherwise, is for you to leverage AAG's investment expertise to make retirement planning smarter and more accessible than ever before. GWFS is a broker-dealer registered with FINRA and the U.S. Securities and Exchange Commission. GWFS primarily provides broker-dealer services to employer-sponsored retirement plans. Both AAG and GWFS are members of the Empower Retirement family of companies.

Your RPA is authorized to act as both an investment advisor representative of AAG and a registered representative of GWFS. Your RPA acts as an AAG investment advisor representative when providing investment counseling or recommendations and as a GWFS registered representative when executing securities transactions on your behalf.

Your RPA may conduct a Retirement Readiness Review with you and educate you about available investment options and products offered by AAG. During a Retirement Readiness Review, you will meet with a plan advisor to discuss your current and future goals. Your RPA will look at your full financial picture and provide tailored recommendations in order to help you achieve your personal retirement readiness. Your RPA will assist you with learning about (and, when appropriate, enrolling in) Empower managed accounts solutions, rollovers into plan options, optimized investment allocation and savings amounts, financial planning, general financial wellness, health savings accounts (HSAs), distribution options, and additional products/ solutions offered by your plan and aligned with your needs. While basic investment strategies consider only your age, the service of your RPA includes consideration of a wide range of factors to develop a more in-depth picture of who you are before creating a strategy that best fits your individual needs. Your RPA considers your individual financial situation and goals to create a plan designed to help you reach the future you want. Your RPA, acting on behalf of GWFS, can assist you with executing securities transactions related to the recommendations they provide. There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

By engaging in a dialogue with your RPA, you will receive ongoing direction and advice, including professional support through education when it comes to making important savings, investing and retirement income decisions. Although your RPA cannot provide you with advice on your tax situation, they will share information related to the potential tax implications of taking receipt of the proceeds from your retirement investments. If you feel that you need specific tax advice, please consult with your personal tax advisor.

To obtain the AAG and GWFS Form CRS, or for more information about Empower Retirement representatives, visit **[empower-retirement.com](https://empower-retirement.com)**

Online Advice and the managed account service are part of the Empower Retirement Advisory Services suite of services offered by Advised Assets Group, LLC, a registered investment adviser.

Empower Retirement family of companies refers to products and services offered through Empower Retirement, LLC; Great-West Life & Annuity Insurance Company; Great-West Life & Annuity Insurance Company of New York; Great-West Trust Company, LLC; and certain affiliates and subsidiaries.

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