

STAY IN THE FAMILY

Make a family decision
– your distribution options



ERS[®]
EMPLOYERS' RETIREMENT
SYSTEM OF TEXAS

TEXA\$AVERSM

401(k) / 457 Program

Your family often guides you on life's important decisions – purchasing a home, choosing a college or even getting a new family pet. Just like your own family, your Texa\$averSM 401(k) / 457 Program family wants you to make decisions that are right for you. When it's time for you to retire, you have several options.

It's easy to stay in the family

Sometimes the easiest decision might turn out to be the right one. You can leave your money right where it is – in your Texa\$aver 401(k) or 457 account – and benefit from:

- **Discounted family fees** — With the Texa\$aver program you get competitive administrative and investment fees, and investment options with reimbursements that can offset some plan administrative expenses to participants invested in those funds.
- **Trusted, family guidance** — Enjoy continued access to Texa\$aver Education Counselors, online tools and/or the Texa\$aver Advisor Service. Online Advice and the Managed Account service are part of the Texa\$aver Advisor Service suite of services offered by Advised Assets Group, LLC, a registered investment adviser. *There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.*
- **Familiar account management** — Visit the website, call or email us just the same as you always have.¹

You don't need to do anything to keep your money in the Texa\$aver program, and you may do so for as long as you like, subject to federal required minimum distribution (RMD) rules that may take effect once you reach age 72 if you are no longer working for the state.² By staying in the family, you can authorize the Texa\$aver program to calculate your RMD and send you the required payment each year.



Keep your money working for you

Leaving your money in the Texa\$aver program starting at age 55 could mean more every month in retirement thanks to the potential for compound growth.

Age	Account balance at 6% annual growth	Potential monthly periodic payment
55	\$50,000	\$358
60	\$66,911	\$479
65	\$89,542	\$642

FOR ILLUSTRATIVE PURPOSES ONLY. The table above shows the potential growth that could be missed if a participant cashed out all of his or her retirement plan account balance at age 55. This illustration is hypothetical and does not represent the performance of any investment options. It assumes a 6% annual rate of return and reinvestment of earnings, with equal monthly payments beginning at the age specified and continuing for 20 years. Rates of return may vary. Taxes have not been calculated in this illustration. The illustration does not reflect any charges, expenses or fees that may be associated with your plan. The tax-deferred accumulations shown above would be reduced if these fees had been deducted.

Reunite with a rollover

Family reunions are a great way to see your long-lost relatives. So, why not reunite your 401(k) and 457 plan accounts from a prior employer with your Texa\$aver account by rolling them over? This allows you to manage your consolidated retirement accounts in one place and for one low fee.

Consider all your options and their features and fees before moving money between accounts.

Flexible payout options³

The Texa\$aver program family offers several payout options when it's time to withdraw your money. You have the flexibility to choose:

PERIODIC PAYMENTS

These are just like still having a paycheck in retirement. *(Monthly and quarterly options available.)*

PARTIAL LUMP-SUM DISTRIBUTION

Take partial withdrawals of only what you need, when you need it.



LUMP-SUM OR ROLLOVER DISTRIBUTION TO AN ELIGIBLE RETIREMENT PLAN

You may take a lump-sum distribution of your account balance as a payout or as a rollover distribution to an eligible retirement plan. But, before you decide to take a payout, look at how tax penalties may leave you with less of your money to keep.

The impact of taxes

Account balance	\$50,000
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Federal income tax

Mandatory withholding of 20%	(\$10,000)
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Due at tax time, additional 5%	(\$2,500)
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Potential total (less taxes)	\$37,500
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Family matters

You are part of the Texa\$aver family, and families take care of each other. Your Texa\$aver Education Counselor is here to help you understand your retirement income options throughout your retirement. Call or email us if you have questions or would like to set up a meeting.



DO YOU HAVE QUESTIONS OR
WANT MORE INFORMATION?

Visit: www.texasaver.com

Call: (800) 634-5091

Email: texasaver@empower-retirement.com

- 1 Transfer requests received on business days prior to close of the New York Stock Exchange (3 p.m. CT or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.
- 2 If you reached age 70½ on or before 12/31/2019, you must take Required Minimum Distributions beginning at age 70½. Contact a Texa\$aver Education Counselor if you have questions.
- 3 Withdrawals may be subject to ordinary income tax. A 10% early withdrawal penalty may apply to withdrawals made prior to age 59½. The 10% federal early withdrawal penalty does not apply to the 457 plan withdrawals except for withdrawals attributable to rollovers from another type of plan or account.

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