SLAVIC401K

Financial Wellness Series

Saving for Retirement

Presenting Tonight

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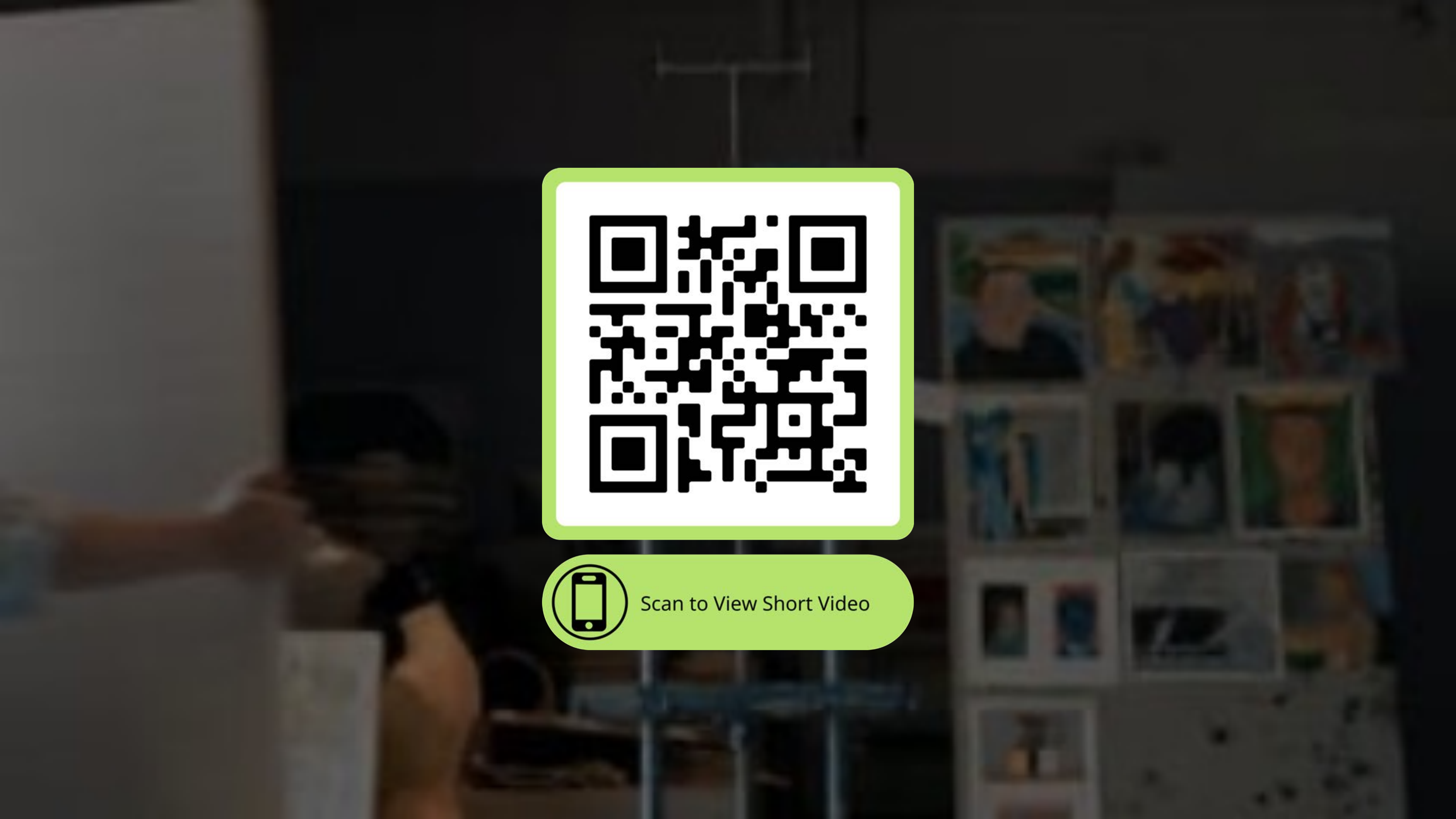
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So, you're starting to think about retirement

Your questions at this time in your life and our agenda today:

- How much will I need to fund with my personal savings?
- Is it too late to save?
- How could Social Security and health care costs impact my retirement plan?
- How can I try to protect what I've built?
- Do I need to change the way I invest?
- Can I really put a plan together?

Top retiree spending categories

HOUSING

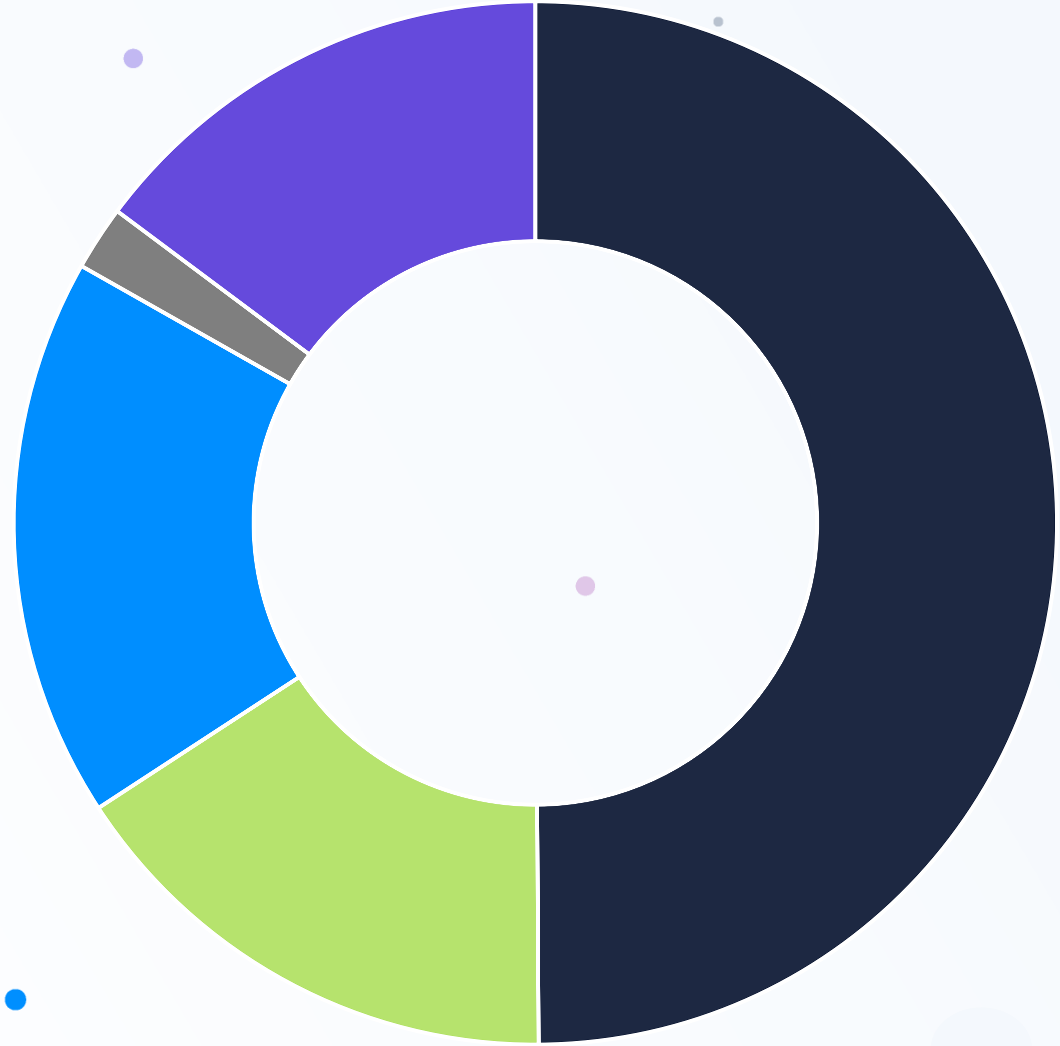
TRANSPORTATION

HEALTHCARE

FOOD

Source: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey

Sources of retirement income



Earned Income

Social Security

Pension

Investment Income

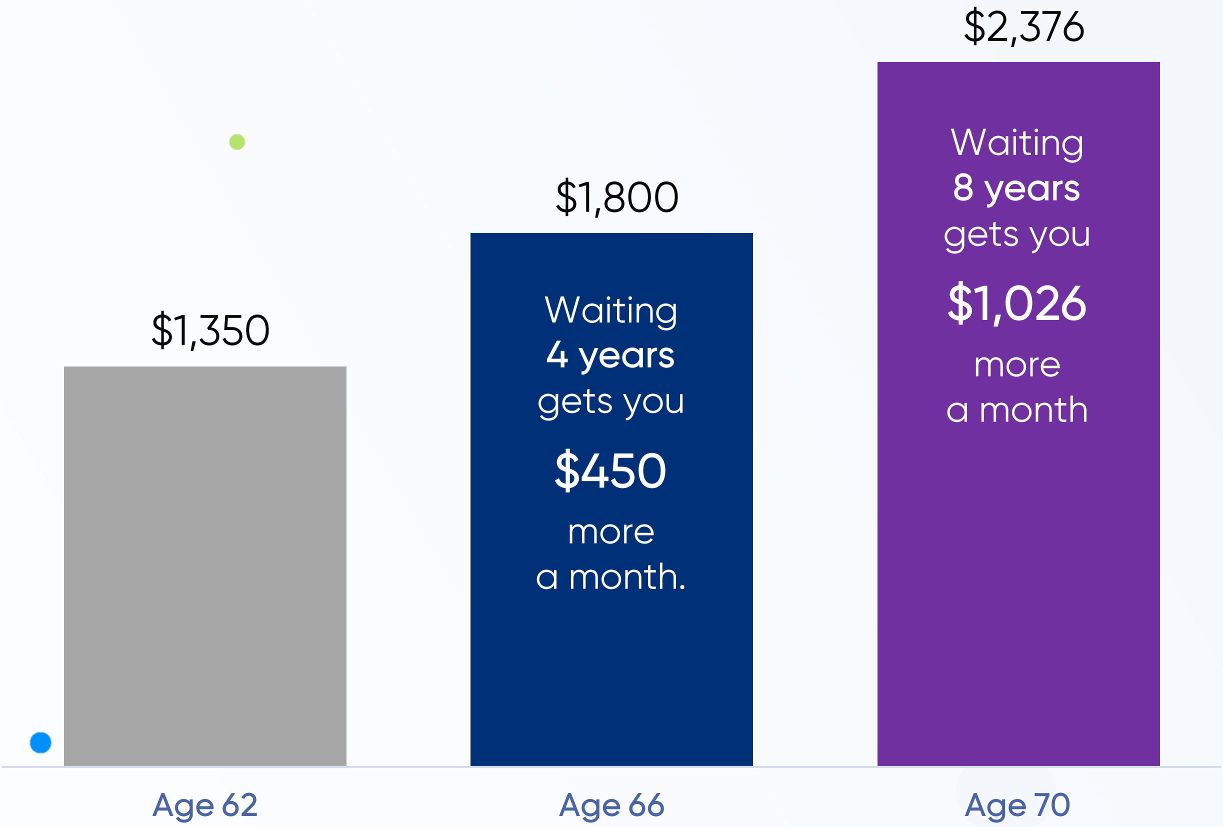
Other

When to start depends on many factors

- Key factors that affect your payment
  - Age and longevity
  - Planning with a spouse
- 3 payment strategies
  - Wait until retirement age
  - Bridge the gap until full retirement age
  - Start as soon as possible
- Delaying can increase your benefits

The impact of waiting

Delaying Can Increase Your Monthly Benefits



This is a hypothetical example of someone whose full retirement age is 66, and primary insurance amount is $1,800.

What to Do:

For more on how Social Security works or your specific benefits, visit www.ssa.gov or call 800.772.1213 to request an Earnings Benefit Estimate statement.

For illustrative purposes only.

40%

of an average worker's income may be replaced by Social Security in retirement.

The rest is up to you.

Source: Social Security Administration, Replacement rates for hypothetical retired workers, August 2021.

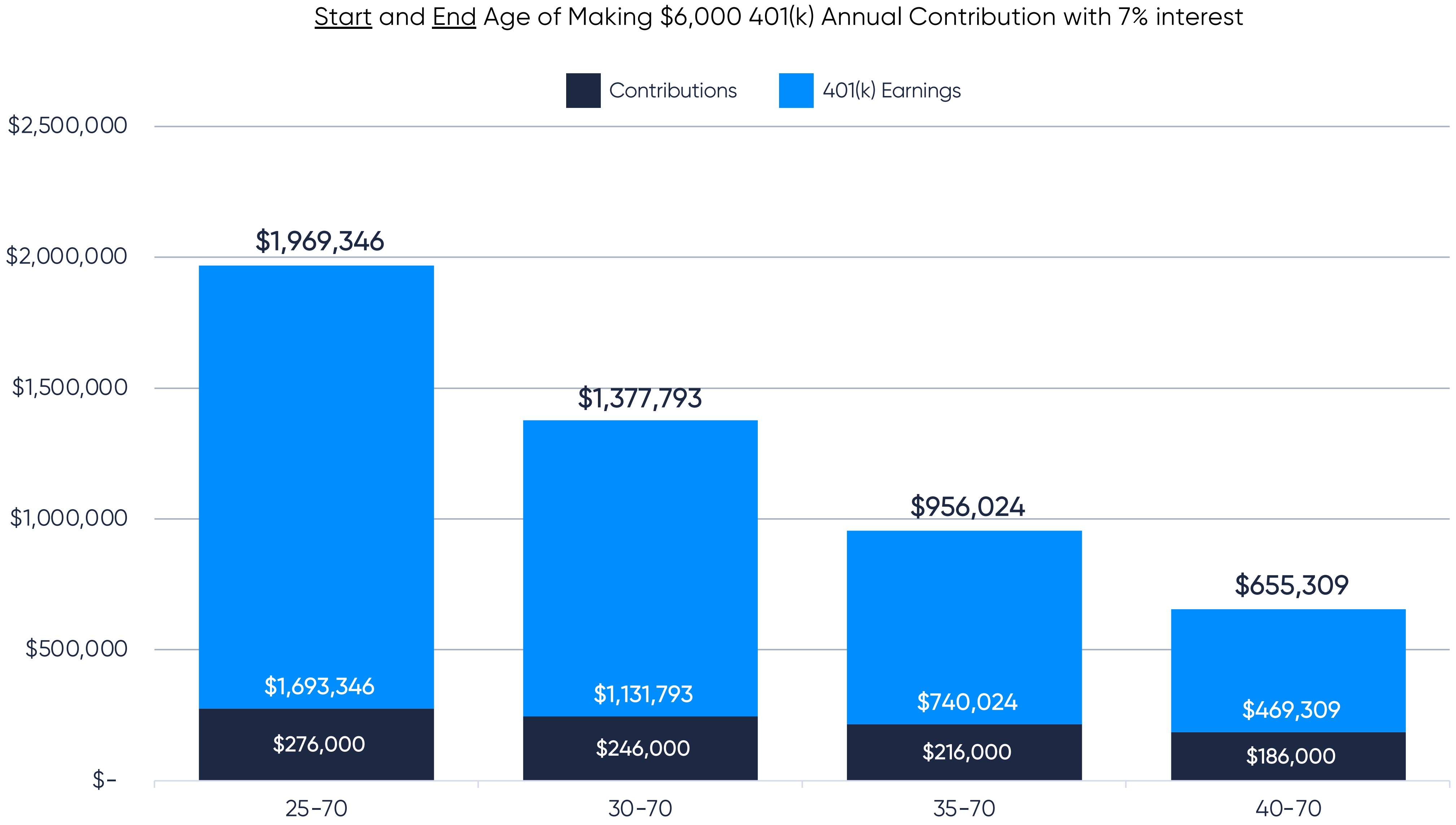
Three key questions

How much do I
need to save?

Where should I
invest?

How do I stay
the course?

The power of compounding interest



Start investing as soon as you can

Start now

Julie saves $200 per month for 40 years.

$2,343/month
Retirement withdrawals

Catch up later

Robert saves $400 per month for 30 years.

$2,000/month
Retirement withdrawals

By waiting just 10 years to start, even twice the monthly contribution isn't enough to catch up.

The hypothetical examples assume an 8% average annual return compounded monthly and a 4% annual withdrawal rate after the accumulation period. These are point-in-time views and as such do not take into account any growth or loss during retirement. Without investment growth/loss during retirement, a 4% annual withdrawal rate would deplete retirement savings in 25 years. Examples are for illustrative purposes only and do not reflect the results of any particular investment, which will fluctuate with market conditions, or taxes that may be owed on tax-deferred contributions, including the 10% penalty for withdrawals taken before age 59½. Regular investing does not ensure a profit or protect against loss in a declining market.

Maximize your retirement savings opportunities

Take steps to help boost your savings today

- Max out your workplace savings plan ($22,500 in 2023)
- Make catch-up contributions, if eligible ($7,500 in 2023)
- Fund a traditional or Roth IRA (up to $6,500 plus $1,000 catch-up in 2023)
- Take advantage of other tax-advantaged savings (like annuities)

Active management helps avoid threats to your retirement security

1. Outliving your savings
2. Falling short of inflation
3. Spending too much, too soon
4. Market risk and asset allocation
5. Not saving enough to cover healthcare

For illustrative purposes only.

Outliving your savings

Living Longer: You may need income for decades

Lifespan	65-Year-Old Man	65-Year-Old Woman	65-Year-Old Couple
50% Chance	85 yrs.	88 yrs.	92 yrs.
25% Chance	92 yrs.	94 yrs.	97 yrs.
			Lifespan for one survivor

What to Do: Take into account your personal health and family history, not just average life expectancy, when making your retirement calculations.

Annuity 2000 mortality table; Society of Actuaries. Figures assume a person in good health.

Falling short of inflation

The Danger of Inflation: Declining Purchasing Power

What to Do: Make sure you consider investments with the potential to outpace inflation.

All numbers were calculated based on hypothetical rates of inflation of 2%, 3% and 4% (historical average from 1926 to 2008 was 3% to allow the effects of inflation over time; actual inflation rates may be more or less and will vary.

Be proactive

Take control and take important steps in the planning process.

Evaluate your portfolio to minimize retirement risks

- Determine your priorities
- Assess what's essential to you
- Start thinking about strategies for making it a reality
- Revisit and update on a regular basis

Retirement Planning Calculators

Protect your retirement plans

- Pay down debt
- Check your emergency fund
- Verify your beneficiaries
- Review your estate documents (will, trusts, etc.)

Plan today for your future healthcare costs

Why budget for healthcare needs?

- Increasing costs
  - Today's estimates are ~$320,000 throughout retirement
- To ensure adequate coverage
  - Long-term care
  - Early retirement
- The effect on your cashflow

Help preserve your assets and control the distribution of your estate

- Wills
- Powers of attorney
- Healthcare proxies
- Trusts
- Beneficiary designation
- Gifting

Creating Your Plan

It’s a marathon, not a sprint.

Align your portfolio to what is important

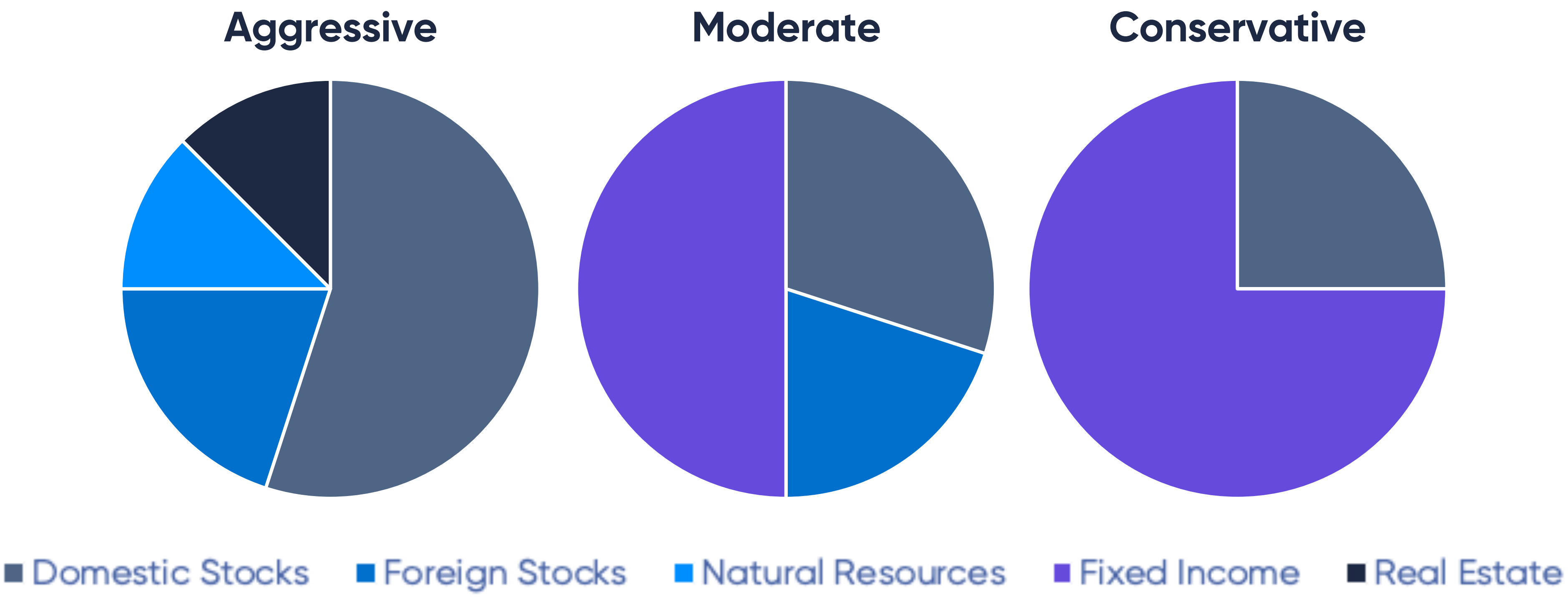
Growth-oriented investments have had higher risk and return potential.

Income-oriented investments have typically shown lower risk and return potential.

Cash equivalent investments aim to preserve your savings but have low return potential.

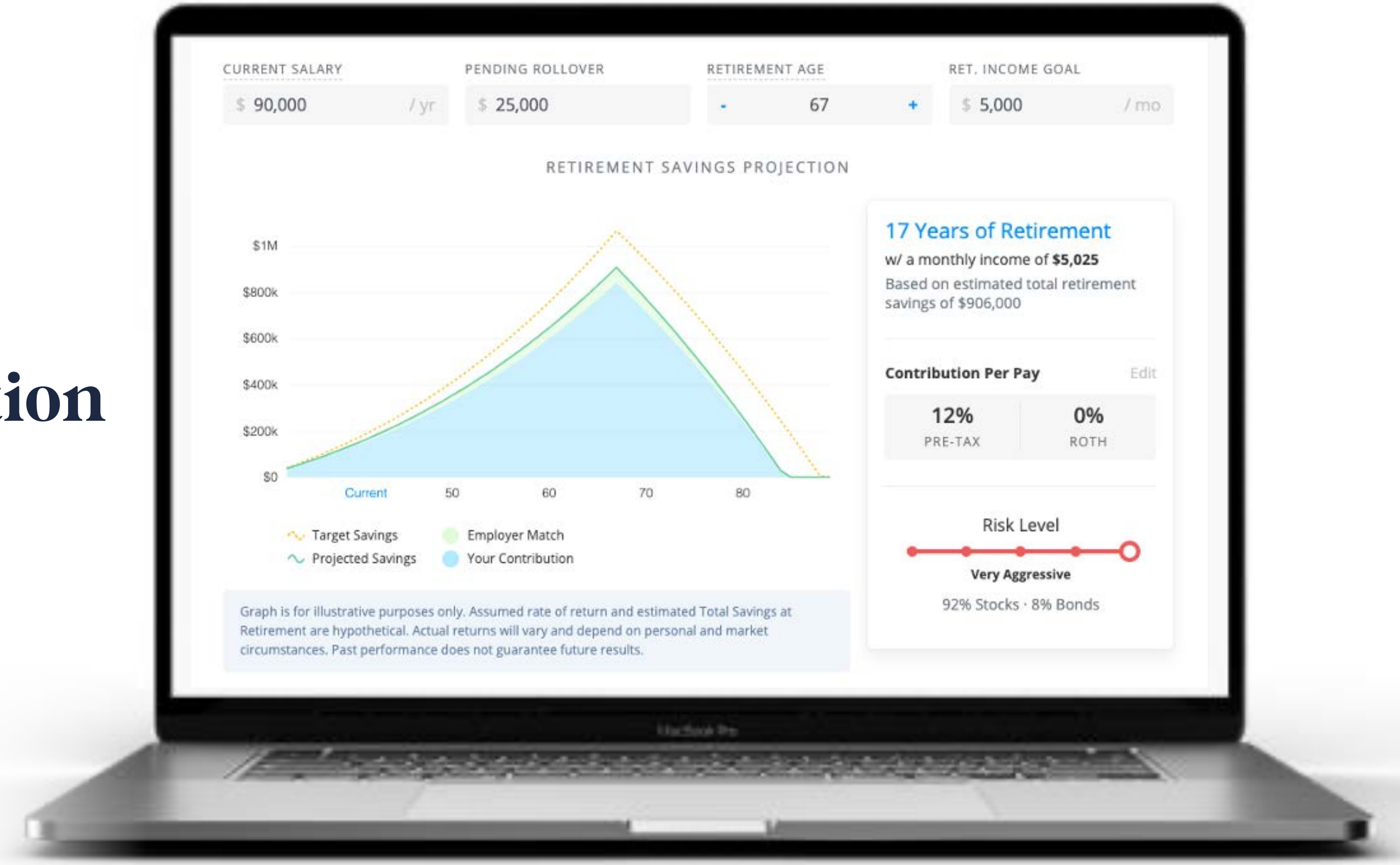
Pre-allocated portfolios make investing easy

Aggressive Portfolio: Retirement horizon 15 plus years (Under age 35)
Moderate Portfolio: Retirement horizon 5-15 years (Age 35-55)
Conservative Portfolio: Retirement horizon 5 years or less (Age 56 or older)



Bespoke
Managed Account Solution

Investment tool at your fingertips to take the guesswork out of managing your 401(k).



How do I stay the course?

Stay focused on your retirement plan.

Tune out the noise

The New York Times

Silicon Valley Bank Fails After Run on Deposits

The Federal Deposit Insurance Corporation took control of the bank's assets on Friday. The failure raised concerns that other banks could...

The New York Times

How First Republic and Other Bank Failures Could Impact the U.S. Economy

The recent fall of major banks — including First Republic Bank yesterday — has caused concerns that the U.S. is on the brink of a financial...

Reuters

Fed's Powell signals fresh US rate hikes ahead

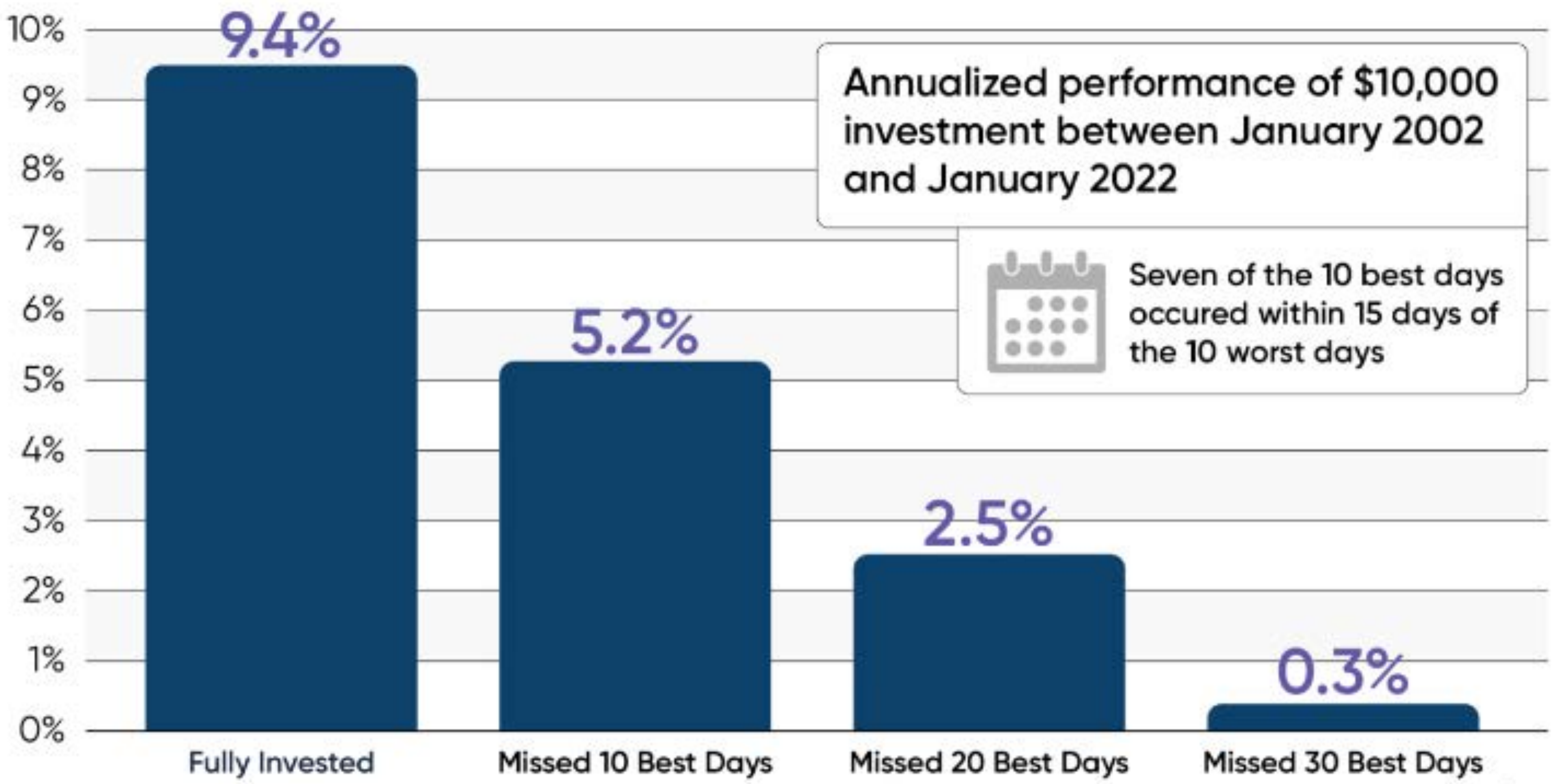
U.S. central bankers are likely to resume their rate hike campaign after a break earlier this month, Federal Reserve Chair Jerome Powell...

BBC

Coronavirus: How the pandemic has changed the world economy

The coronavirus pandemic has reached almost every country in the world. Its spread has left national economies and businesses counting the...

The case for (always) staying invested

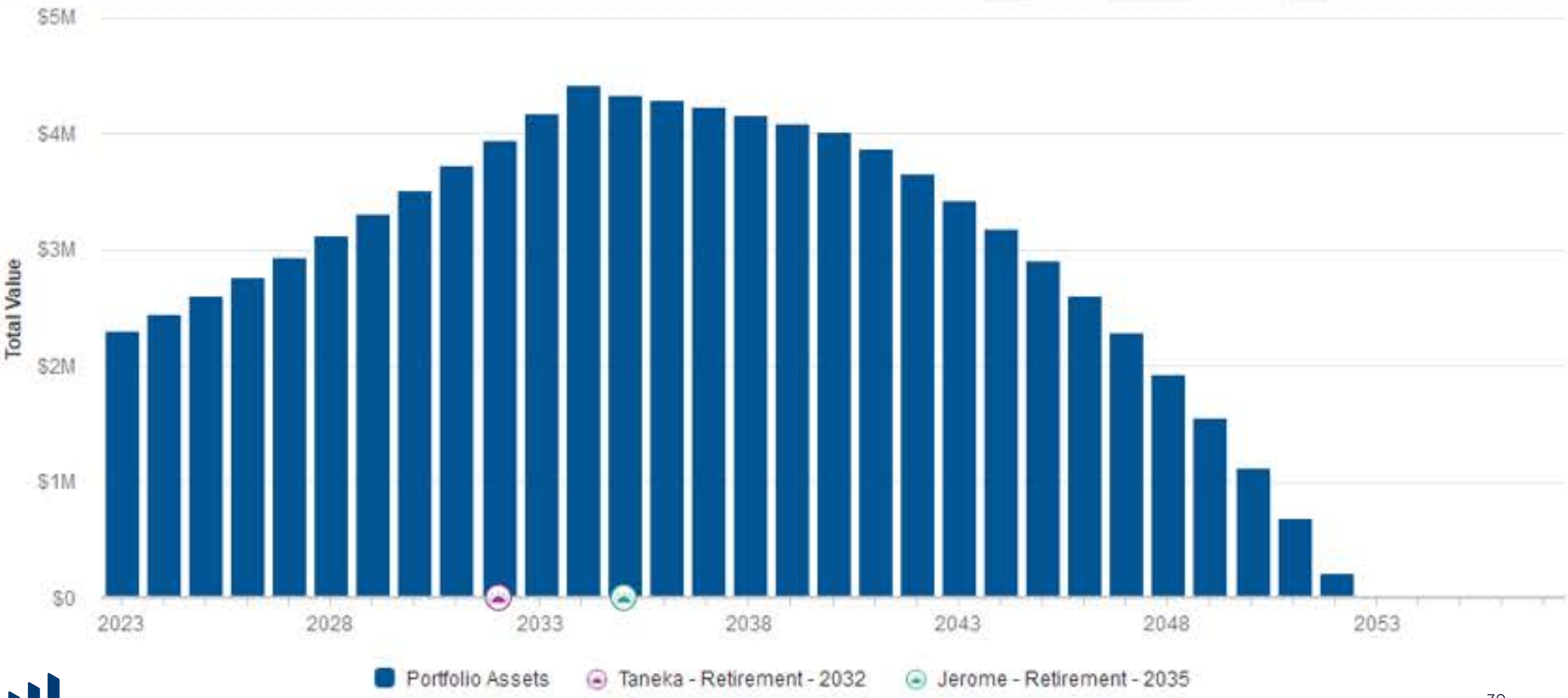


Source: JP Morgan

What is your strategy?

Retirement income analysis

Based on current projections, Taneka and Jerome will run out of money by the time they turn 83.



Key takeaways

Contribute what you can
and increase it over time.

Choose investments
that align with your goals.

Stay focused
on your retirement plan.

Questions

Thank you!

For additional questions, or, to inquire about Wealth Management Services, contact:

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