



Educator Focused Retirement Planning

Presented by TCG, a HUB International Company

Today's Topics

- TRS Pension Basics
- Understanding the Retirement Income Gap
- Retirement Savings Plans Available to You
- Investment Basics
- Social Security Provisions
- How to get started

Retirement & Private Wealth Services



HUB By the Numbers



530+
Locations in
North America

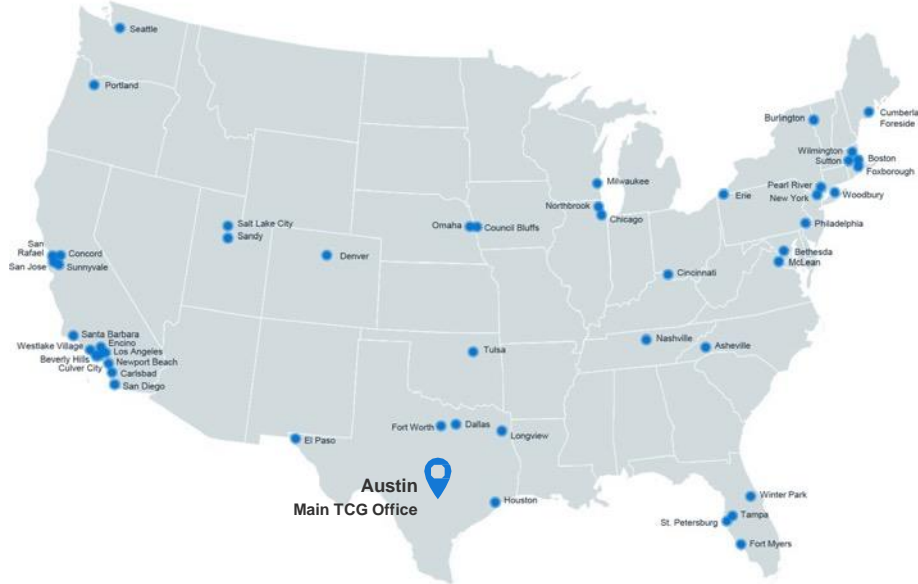


14,000+
Employees

We help you get ready for tomorrow

When you partner with TCG, a HUB International Company you're at the center of a vast network of retirement, wealth management, and financial wellness specialists ready to bring clarity to a changing world with tailored solutions and unrelenting advocacy.

National Reach | Local Support



Who We Serve

Organizations

For-Profit companies, Not-for-profit organizations and governmental entities

Individuals and Families

Mass affluent and high net worth individuals and families

Employees

Workforce and executives

Advisory

\$142B+

Retirement plan assets under advisement

Retirement Plans

7,900

Retirement plans under advisement

RAMS: A National Cooperative



The Retirement Asset Management Services (RAMS) program is a national cooperative established in 2001 by Education Service Center Region 10 in Dallas, TX

- TCG, a HUB International Company, was selected to manage the RAMS program
- Plan Investments are overseen by an investment advisory committee made up for Executive Directors, Superintendents and Chief Financial Officers—ensuring the interests of government employees remain top priority

RAMS Services

- 457(b) Retirement Plan
- 403(b) Administration
- 401(a) TERRP (Teacher Employee Recruitment & Retention Plan)
- FICA Alternative Plan Administration
- FinPath Financial Wellness

TCG Advisors



- Full-service investment advisory firm
- Provides fiduciary protection over plan investments
- Fee-only provider
- Acts as the Investment Advisor for the ESC Region 10 Cooperative to support the Investment Advisory Committee (composed of Superintendents & Chief Financial Officers)
- Registered with the Securities and Exchange Commission (SEC)

Advisory Services

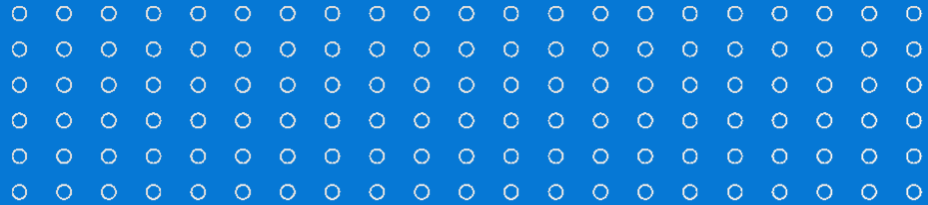
- Plan Education
- Fiduciary oversight
- Investment plan design
- Investment committee formation and support
- Wealth Management & Family Office Services

TCG Administrators



- Third Party Administration Services for the Region 10 RAMS program
- Handles salary elections and contributions
- Responsible for processing loans and distributions daily
- Handles all paperwork and compliance for plans
- Operated by bilingual customer service representatives based in Texas
- Online recordkeeper plan access

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The Retirement Income Gap

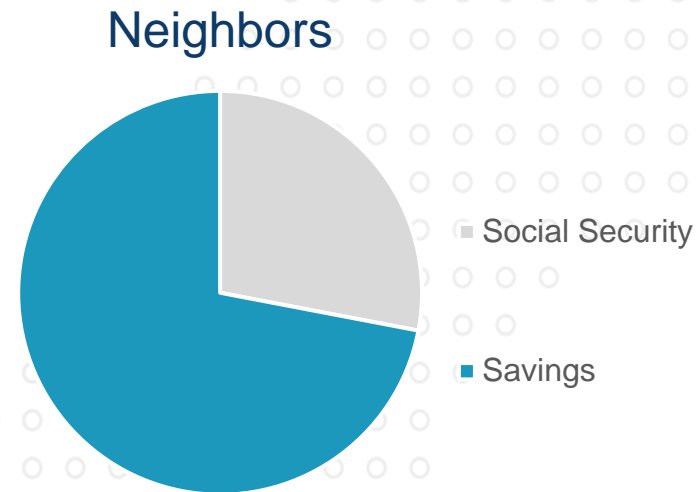
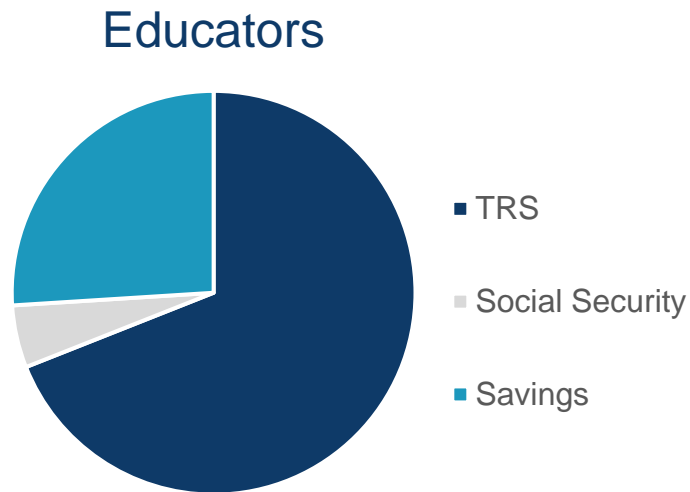
Important information for Texas Educators



TRS vs. Corporate Retirement



Income in retirement is very different for educators than it is for their spouses and neighbors outside of education



Texas Teacher Retirement System



- TRS administers a pension trust fund that has been serving the needs of Texas public education employees for over 80 years.
- You become a TRS member on the first day of eligible employment
- TRS is a Defined Benefit Plan

| Effective | State Contribution Rate | Active Member Contribution Rates |
|-------------------|-------------------------|----------------------------------|
| September 1, 2019 | 7.5% | 7.7% |
| September 1, 2020 | 7.5% | 7.7% |
| September 1, 2021 | 7.75% | 8.0% |
| September 1, 2022 | 8.0% | 8.0% |
| September 1, 2023 | 8.25% | 8.25% |
| September 1, 2024 | 8.25% | 8.25% |

Additionally, you also contribute 0.65% of your salary and the District contributes 0.75% of your salary towards TRS–Care, the retiree group health benefits program.

TRS Financial Awareness Series



- TRS has begun an initiative focused on Financial Awareness for educators
- Topics include
 - *What you have*
 - Your TRS defined benefit plan
 - *What you need*
 - To save more
 - *How to get it*
 - By saving smart

Watch at: www.youtube.com/trsoftexas



TRS Service Credit



The school year begins on September 1 each year for all TRS members. This means that TRS service and compensation credit for all members is determined based on the following dates:

September 1 through August 31

Regardless of the dates of the individuals contract work agreement, or employers' calendar.

TRS Computation Year



A minimum of 90 days.



The full fall semester in the last year before you retire.



TRS compensation is computed on the same basis

- Exception for 7/1 12-month employee in last year of employment – look back to 7/1 of previous year

TRS Service Credit



1000 Red River Street
Austin, TX 78701-2698
(800) 223-8778
www.trs.texas.gov

Annual Statement

TRS123 (08-20)



Please review your salary and service credit information on this statement. If salaries are incorrect, contact your employer(s) immediately. To report service credit discrepancies, promptly notify TRS. For help in reading this statement or estimating retirement benefits, visit www.trs.texas.gov and click on Annual Statement.

INFORMATION PRESENTED ON THIS STATEMENT ONLY REFLECTS TRS DATA. SALARIES, SERVICE CREDIT, AND OTHER DATA ARE SUBJECT TO AUDIT AND ADJUSTMENT PRIOR TO PAYMENT OF ANY BENEFITS.

| | |
|----------------------------------------------------------------------------------|-------------|
| Date of Birth: | |
| Tier: | 5 |
| Years of Service Credit: | 8 |
| Service Credit based on school year (Sept.1 through Aug. 31), not calendar year. | |
| Beginning Account Balance | \$28,832.04 |
| Total Annual Deposits | \$0.00 |
| Interest Credited in 2020 | \$576.64 |
| Account Balance as of Aug 31, 2020 | \$29,408.68 |

| | | |
|-------------------------|------|----------|
| Salary Reported for FY* | 2020 | |
| Highest Salaries | 2016 | \$57,310 |
| | 2018 | \$55,960 |
| | 2014 | \$54,212 |
| | 2015 | \$53,890 |
| | 2017 | \$51,474 |
| Average Salary: | | \$54,569 |

Grandfathered or Non-Grandfathered



- Individuals who were members and met one of the following conditions by August 31, 2005 are considered Grandfathered:
 - At least age 50
 - At least 25 years of service; or
 - Met the rule of 70
- Grandfathered = 3 years average
- Non-Grandfathered = 5 years average



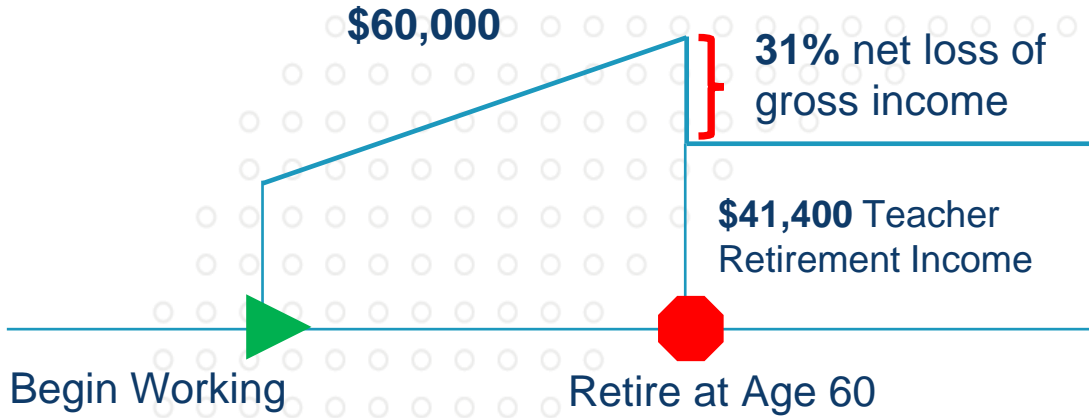
TRS Retirement Formula



Years of Service **x** State Factor (2.3%) **x** Average 3/5 Highest Years of Income **=** Maximum Benefit

Example:

| | |
|------------------------|-----------------|
| Years of Service | 30 |
| State Multiplier | 69% |
| Average Income | \$60,000 |
| Maximum Benefit | \$41,400 |



Ways to Maximize Your TRS

- Increase salary (easier said than done)
- Increase years of service credits
 - Work longer
 - Purchase service credits
- Types of service credits
 - Withdrawn, out-of-state, military, unreported or substitute, etc.
 - Cost varies depending on type of service
 - Contact TRS for cost estimate



What is My Tier?



Changes to the retirement plan over the years have resulted in several distinct membership categories, each with its own retirement eligibility requirements and early-age reductions.

TRS Tier 1 & 2

- Current membership began PRIOR to September 1, 2007, and
- Had at least five years of service on August 31, 2014

Retirement Criteria:

- **Rule of 80 and at least 5 years of service, or**
- **Age 65 with at least 5 years of service**

TRS Tier 3 & 4

- Current membership began **BETWEEN** September 1, 2007 and August 31, 2014
- Had at least five years of service on August 31, 2014

Retirement Criteria:

- **At least age 60, meet the Rule of 80, and at least 5 years of service, or**
- **Age 65 with at least 5 years of service**

TRS Tier 5 & 6

- Current membership began On or After September 1, 2014, or
- Did not have at least five years of service on August 31, 2014

Retirement Criteria:

- **At least age 62, meet the Rule of 80, and at least 5 years of service, or**
- **Age 65 with at least 5 years of service**

Rule of 80!



- The Rule of 80 is the qualifier, not the percentage
- To be eligible for Normal-Age service retirement, you must meet one of the conditions within your tier
- The same is true for Early-Age Retirement Eligibility



TRS Vesting

When Can I Retire From TRS?



If you became a TRS member....

You must meet

BEFORE September 1, 2007 **AND** had 5 Years of Service before August 31, 2014

Rule of 80 or be age 65 with 5 years of service

AFTER September 1, 2007 **AND** had 5 Years of Service before August 31, 2014

Minimum age 60 to retire and receive unreduced benefits or be age 65 with 5 years of service

AFTER August 31, 2014 **OR** you didn't have 5 years by August 31, 2014

Minimum age 62 to retire and receive unreduced benefits or be age 65 with 5 years of service

TRS Annuity Options



- **Standard Annuity**
 - Maximum benefit for retiree's life only
- **Option 1: 100% Joint Survivor**
 - Reduced annuity, payable for retiree's life with continuous payments for beneficiary's life. If beneficiary predeceases, retiree's annuity is increased to standard annuity amount
 - Most common, typically 8-13% reduction from Standard Annuity
- **Option 2: 50% Joint Survivor**
 - Reductions range from 4-8% based on same age beneficiary
- **Option 3: 60 Month Period Certain**
 - Reduced annuity, payable for retiree's life with annuity payments guaranteed for a minimum of 60 months
 - If retiree dies before 60th payment, beneficiary will receive the remaining payments
 - Typically 1-2% reduction from Standard Annuity
- **Option 4: 120 Month Period Certain**
 - Typically 1-4% reduction from Standard Annuity
- **Option 5: 75% Joint Survivor**
 - Reductions range from 6-12% based on same age beneficiary

Early-age Service Retirement



ESTIMATE OF STANDARD ANNUITY

TRS uses the following formula to calculate a normal-age retirement monthly standard annuity.

| | |
|-------------------------------------------|---------------------------------------|
| Years of Service Credit X 2.3% = Total % | 8 X 2.3% = 18.40% |
| Total % X Average Salary = Annual Annuity | 18.400% X \$54,569 = \$10,040.70 |
| Annual Annuity ÷ 12 = Monthly Annuity | \$10,040.70 ÷ 12 = \$836.72 per month |

Based on your current years of service credit and without rendering any additional service, you are entitled to apply for Early-age service retirement benefits effective 10/31/2041. You may be eligible for an earlier retirement date; however, TRS does not project service credit on the member statement. Your eligibility for retirement assumes that you do not terminate your membership in TRS by requesting a refund of your account.

This statement is only intended to provide a general idea of what your standard retirement benefit could be. At retirement, in lieu of a standard annuity, you have five options for annuity payments. If you wish to obtain an estimate of what your retirement benefit could be if you choose an optional annuity other than a standard annuity at retirement, an online retirement estimate calculator is available through *MyTRS* on the TRS website.

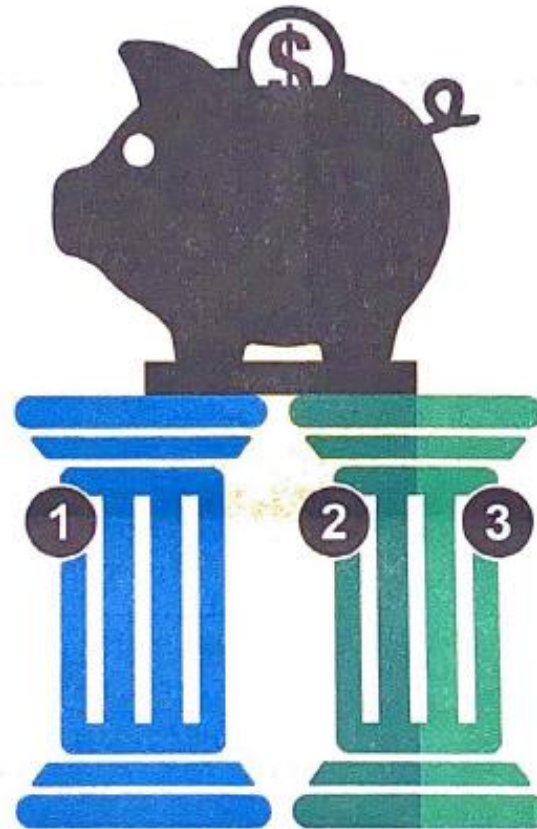
Early-age Service Retirement

WILL MY TRS PENSION BE ENOUGH?

There are three pillars used to describe your retirement savings. A secure retirement would depend on two (or in some cases three) of those pillars – your TRS pension, your personal savings, and social security. However, approximately 96% of public school employees **do not** pay into the social security system. This increases the importance of your personal savings.

1. Pension: TRS Retirement

Your monthly TRS contributions, as well as contributions from the state and your employer, help fund your future TRS retirement. Upon retirement, you would receive a monthly annuity for life. Your estimated monthly standard annuity amount is \$836.72. There are no automatic increases to your annuity once you have retired.



2. Personal Savings & Other Assets

Your personal savings and other assets may supplement your TRS pension at retirement. Contact your financial planner to discuss personal savings options that may be available to you.

3. Social Security (If Applicable)

If you are currently contributing or have contributed in the past, you may receive a social security benefit. To determine if you are eligible for social security and estimate potential benefits, contact the Social Security Administration. Two federal social security provisions could impact your social security benefits – the Government Pension Offset and the Windfall Elimination Provision.

457 or 403b
Helps

TCG can help
explain
WEP & GPO

Partial Lump Sum



Possible Reasons to Do

- Poor Health
- Estate and Critical Need for Heirs (e.g., disabled child)
- Other Estate Needs — Guarantees money to heirs instead of reversion to retirement system at death
- No Savings Going into Retirement

Reasons Not to Do

- You will not be able to invest the money and beat the Retirement System
 - Pay Actuarial Cost for funds; Usually have to earn minimum Net 11.00% if try to match State — Can you do this with no risk??
- You have not planned for inflation and budget in retirement so your income runs short later
- You will be tempted (and give in) to spend the money you planned to save

Note Partial Lump Sum (PLSO) Eligibility

➤ 5 Year Average — Rule of 90

➤ 3 Year Average — Rule of 80

Other Items



- QDROs
 - Must be approved by TRS
 - Should run by TRS before finalized
 - TRS Rule that can change the QDRO
 - Texas Government Code Sec. 804.005
 - Designed to provide retirement income for spouse once member can retire
 - Can significantly reduce growth in member's future TRS benefit increases
- Check Your TRS Statement!
 - Unreported service credit can only be corrected if pointed out to TRS within 5 years
 - Correction of Compensation and/or Service Records
 - No correcting information will be accepted by TRS after the member has retired and received the first annuity check

About Roth Savings



- Roth is a distinctive retirement program and refers to the tax treatment of employee's contributions, growth, and distributions
 - Common perception is that it's an IRA only
 - Can be used for 403(b), 457(b), 401(k)
 - Not eligible in all plans, must check specific plan and employer availability
 - See your plan description here:
www.region10rams.org/documents



Additional Options for Educator Retirement Savings



Employer-sponsored plan types

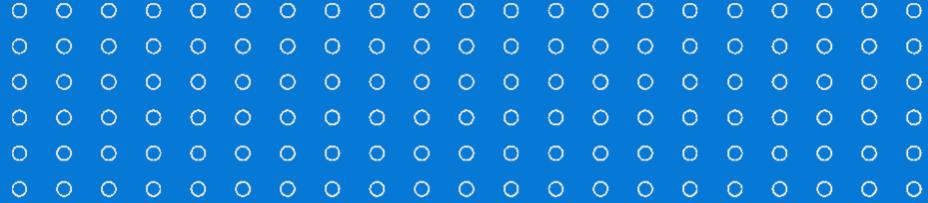
- 457(b) Savings Plan
- 403(b) Savings Plan



Individual Plan Types

- Traditional IRA
- Roth IRA

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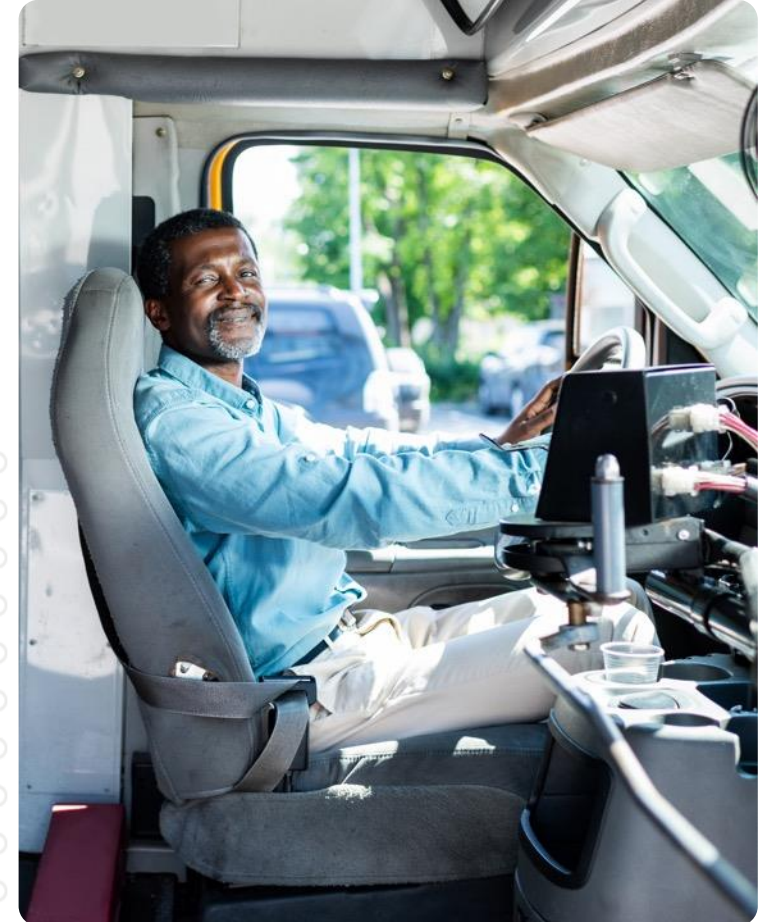
Your District's Retirement Savings Plans



403(b) Retirement Plan

What is a 403(b) Savings Plan?

- A 403(b) is a voluntary retirement savings plan designed for employees of state and local governments
- You can make contributions directly from your paycheck to a retirement account
- Contributing a 403(b) savings plan can help bring financial stability for life upon retirement
- Note: Early withdrawals from a 403(b) account are subject to a 10% penalty



403(b) Plan Investments



- Investments in the plan are managed by a provider of your choosing
- If you elect to contribute to a 403(b) plan, you should do your research and pick a vendor that matches your investment goals
- Pay attention to fees, expense ratios, and the investment lineup
- Plan administration services are provided by TCG, helping you with account distributions, transfers, loans, and rollovers

403(b) Vendor Examples



Horace Mann



403(b) Plan Administration



Region 10 ESC



- TCG Administrators works with the RAMS program to provide administration services, including:
 - Enrolling in a new account (remember you must enroll with a vendor first)
 - Electing/changing your salary contribution amounts or vendor
 - Directing your salary contributions to the 403(b) vendor of your choice
 - Reviewing and approving loans/distributions daily
 - Full IRS compliance of account transactions and plan document

How to get started

Saving with a 403(b) is a two-step process

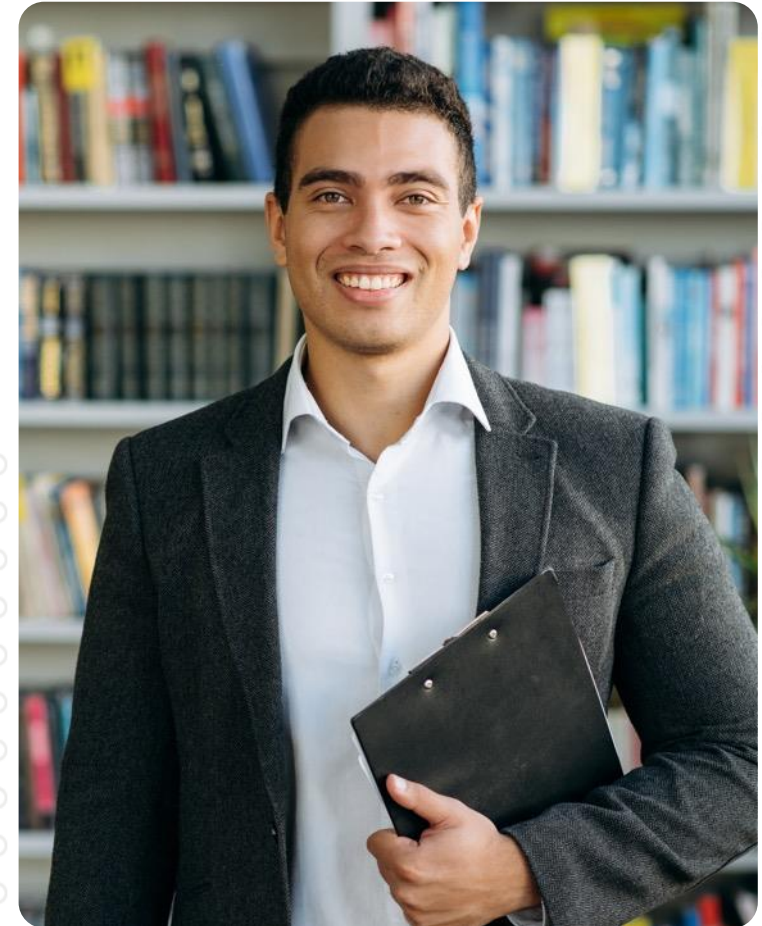
- First, you must research and select a from a list of 55+ investment vendors and open an account
 - View approved vendors here:
www.region10rams.org/documents
- Next, decide how much you want to contribute and create an account with TCG Administrator
 - Create your account here:
www.region10rams.org/enroll



457(b) Retirement Savings Plan

What is a 457(b) Savings Plan?

- A 457(b) is a voluntary retirement savings plan designed for employees of state and local governments, as well as many tax-exempt organizations
- While you may qualify for a government pension, payments may not be enough to replace your pre-retirement income
- Contributing to a 457(b) plan can help you enjoy tax benefits, reduce your retirement income gap, and get on track for living a comfortable life after retirement



Benefits of Contributing

- Avoid a gap in your income during retirement
- Take advantage of tax benefits
- Improve your financial wellbeing
- Automatic payroll deductions take stress out of planning
- Decrease your dependency on government-funded pension plans
- Build savings of up to \$20,500 (or \$27,000 if age 50+) in 2022



RAMS 457(b) Plan Overview

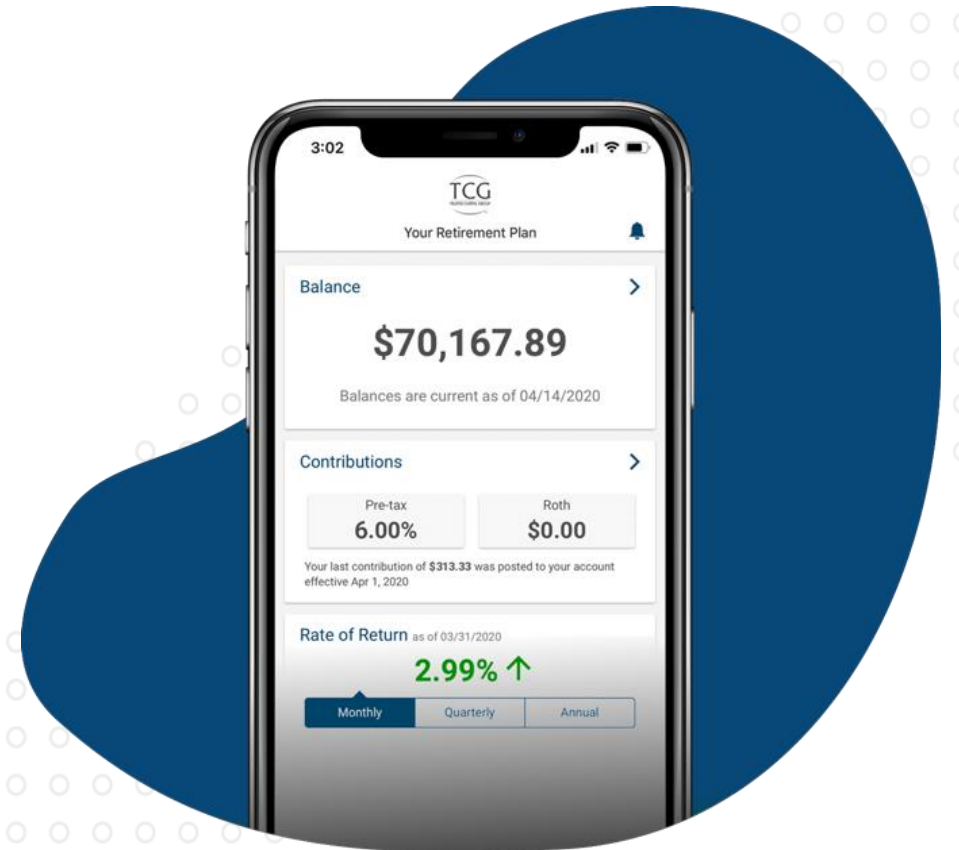


- Plan is overseen by Superintendents and Chief Financial Officers, ensuring the needs of public employees are addressed
- Fiduciary oversight by TCG Advisors
- No 10% early withdrawal tax (regular income tax still applies)
- Access to financial education
 - Retirement Plan Specialist available to help you enroll
 - Free access to FinPath Wellness - financial education platform
- Tax and estate planning services included with your plan

RAMS 457(b) Plan Investments



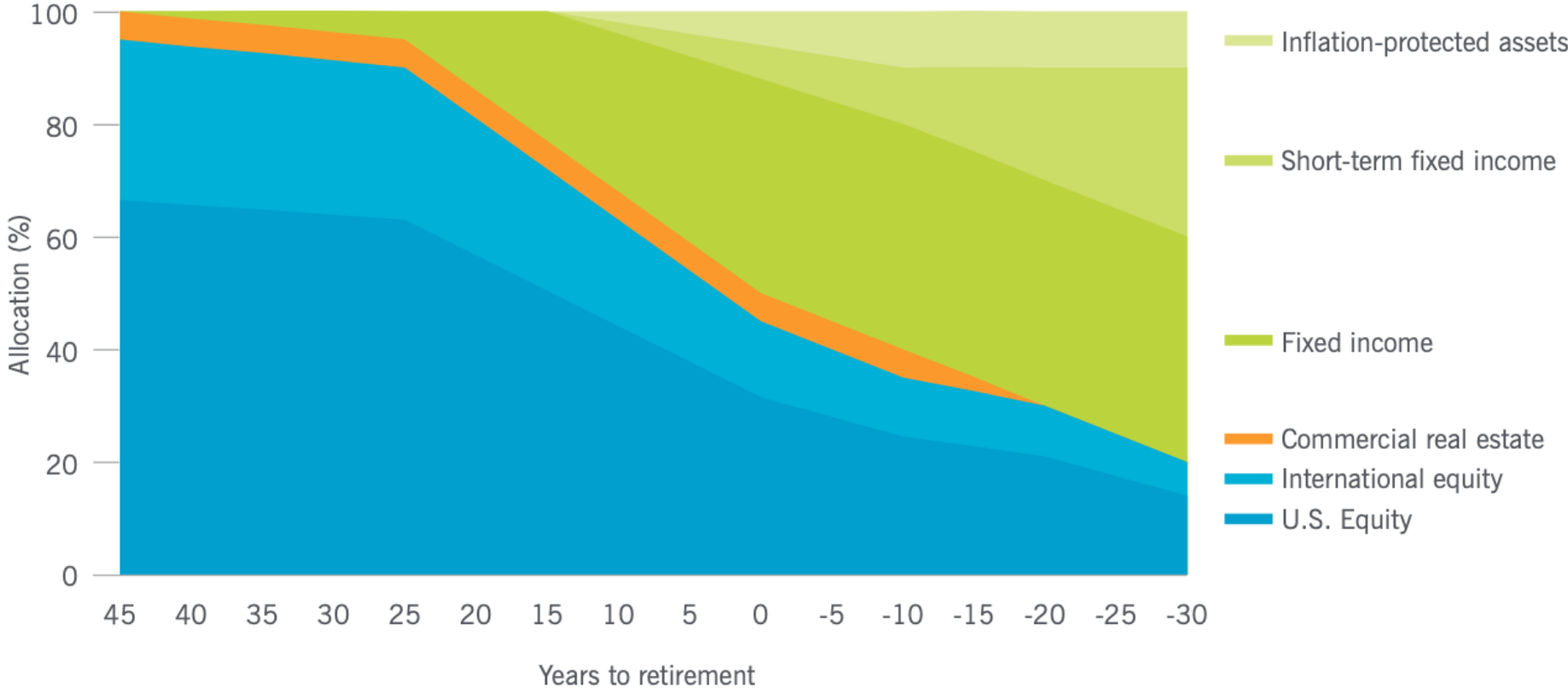
- Target Date Funds
- 6 Model Portfolios
 - Preservation
 - Conservative
 - Moderately Conservative
 - **Signature Portfolio**
 - Growth
 - Aggressive Growth
- 15+ Mutual Funds: Choose own allocation
 - High Quality, No-Load and Load-Waived
 - Low Cost Funds



Target Date Fund



TIAA-CREFF Lifecycle Funds glidepath: Allocations become more conservative over time



RAMS Investment Advisory Committee (IAC)



- Meets every quarter to review investments and all matters of the plan
- Made up of Superintendents and CFOs from participating districts
- TCG Advisors does research for and gives suggestions to the IAC
- **Underperforming funds are put on “Watch List”**
- The IAC has authority to replace underperforming investments

How to get started



Saving with a 457(b) is easy!

- Get started at www.region10rams.org/enroll
- In a single session, you will:
 - Open your account
 - Select your beneficiary
 - Choose your contribution amount
 - Choose your investment allocation

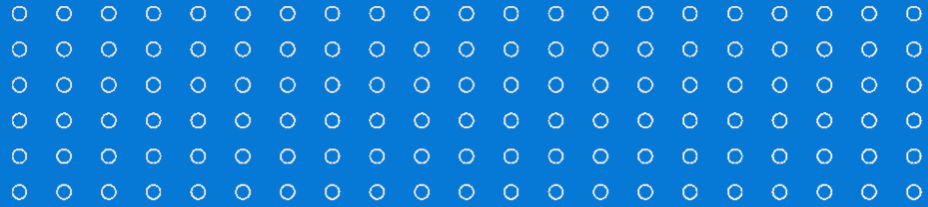


Comparison of 403(b) & 457(b)



| Feature | 403(b) | 457(b) |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Individual vs Group Plan | Most have higher fees, pay commissions/ sales loads. Limited number of no commission options | Low fees relative to most 403(b) plans; no commissions; full disclosure of fees |
| Penalty to withdraw funds (+ income tax) | 10% | None |
| Investment Options | Fixed / Variable interest annuities or Mutual Fund / Custodial accounts | Target Date Funds, Risk-Based Portfolios, or Self-directed Mutual Funds |
| Access to Funds | Termination of employment, Death, Disability, Retirement, Age 59½ (even if still employed), Hardship or Loan | Termination of employment, Death, Disability, Retirement, Age 59½ (even if still employed), Unforeseen Emergency, Loans |
| Investment Committee/ Advisor Oversight | No | Yes, overseen by school district superintendents and chief financial officers |
| Contribution Limits (can contribute to both plan types) | 2022: \$20,500; \$27,000 age 50+ | 2021: \$20,500; \$27,000 age 50+ |

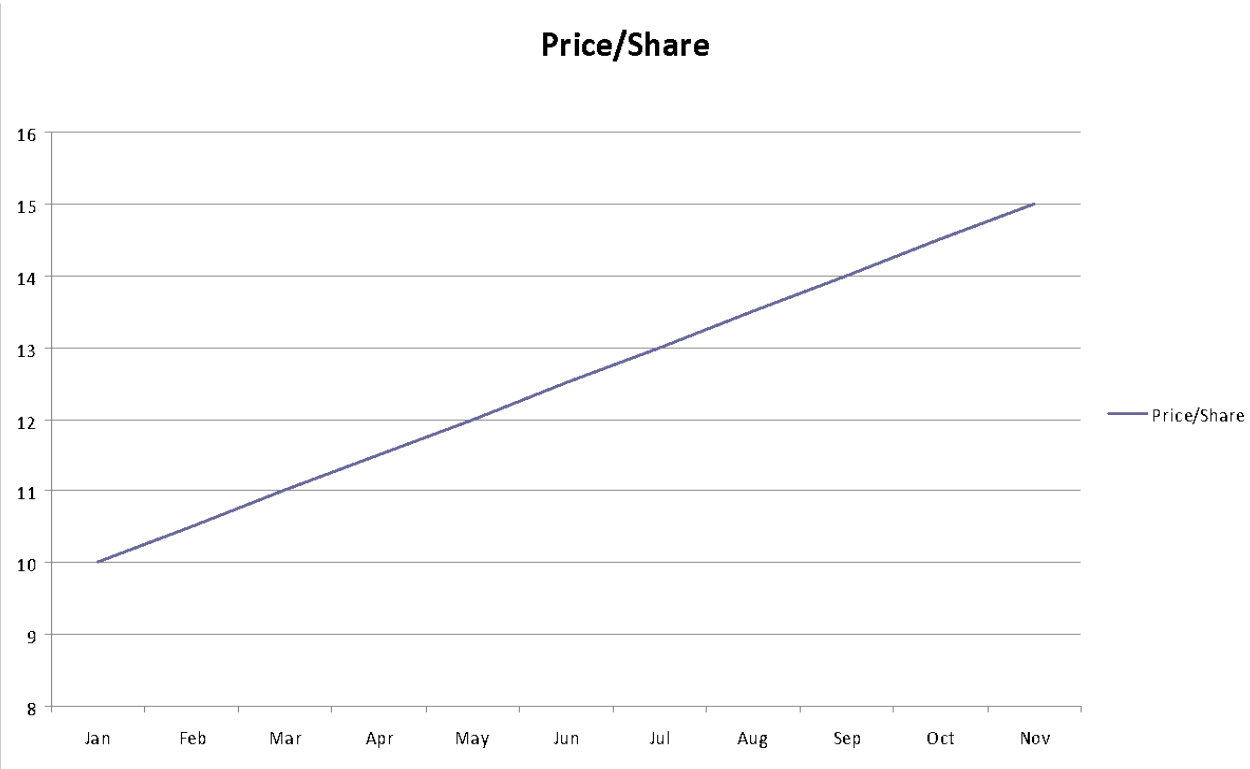
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Investment Basics & What to Look For



Market Movement – Good or Bad?

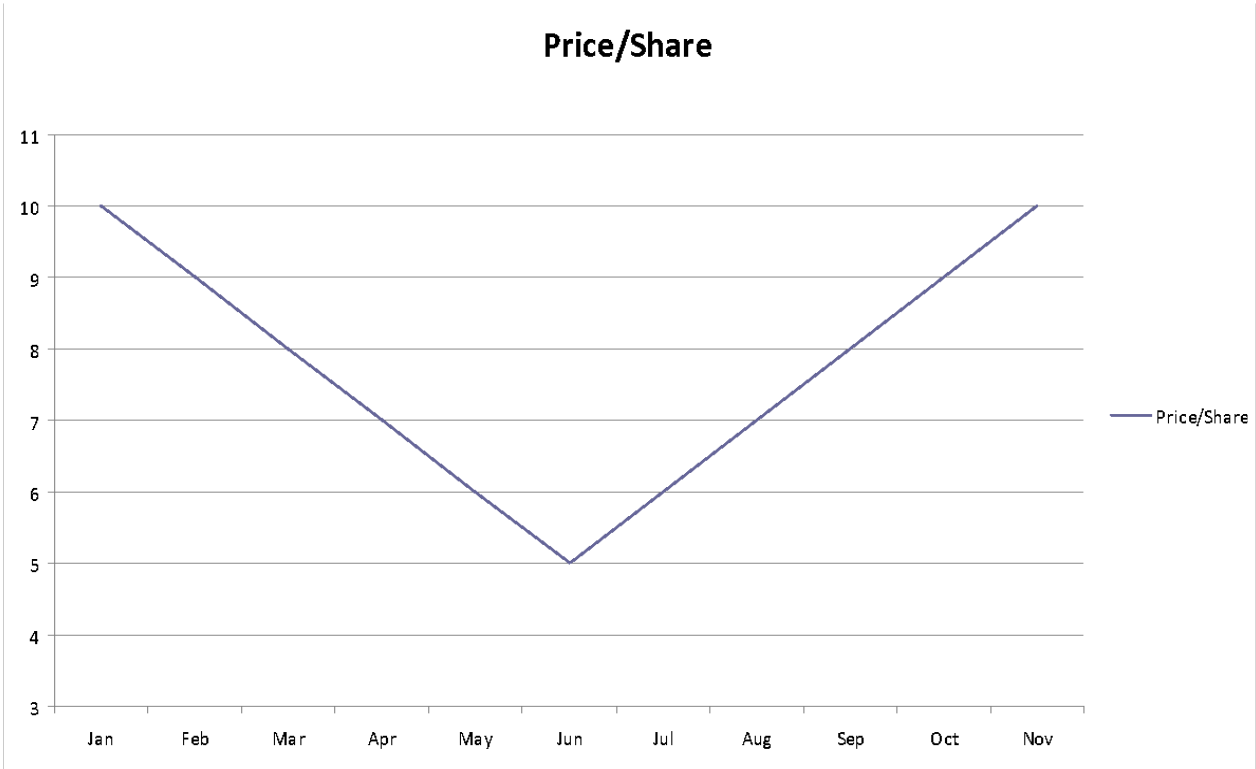


Investing \$200/mo

| Month | \$/Share | # Shares |
|-------|----------|----------|
| Jan | 10 | 20.0 |
| Feb | 10.5 | 19.05 |
| Mar | 11 | 18.18 |
| Apr | 11.5 | 17.39 |
| May | 12 | 16.67 |
| Jun | 12.5 | 16.0 |
| Jul | 13 | 15.38 |
| Aug | 13.5 | 14.81 |
| Sep | 14 | 14.29 |
| Oct | 14.5 | 13.79 |
| Nov | 15 | 13.33 |

Total Shares Owned 178.90 / Total Account Value \$2,683.48

Market Movement – Good or Bad?



Investing \$200/mo

| Month | \$/Share | # Shares |
|-------|----------|----------|
| Jan | 10 | 20.00 |
| Feb | 9 | 22.22 |
| Mar | 8 | 25.00 |
| Apr | 7 | 28.57 |
| May | 6 | 33.33 |
| Jun | 5 | 40.00 |
| Jul | 6 | 33.33 |
| Aug | 7 | 28.57 |
| Sep | 8 | 25.00 |
| Oct | 9 | 22.22 |
| Nov | 10 | 20.00 |

Total Shares Owned 298.25 Total Account Value \$2,982.54

11.14% Increase in Account Value

Things to Look Out For

- Life Insurance as an Investment
- Pension Maximization
- Take Lump Sum, Invest, and Beat the State Retirement System
- Excessive hidden fees



Partial Lump Sum



Possible Reasons to Do

- Poor Health
- Estate and Critical Need for Heirs (e.g., disabled child)
- Other Estate Needs — Guarantees money to heirs instead of reversion to retirement system at death
- No Savings Going into Retirement

Reasons Not to Do

- You will not be able to invest the money and beat the Retirement System
 - Pay Actuarial Cost for funds; Usually have to earn minimum Net 11.00% if try to match State — Can you do this with no risk??
- You have not planned for inflation and budget in retirement so your income runs short later
- You will be tempted (and give in) to spend the money you planned to save

Excessive Fees



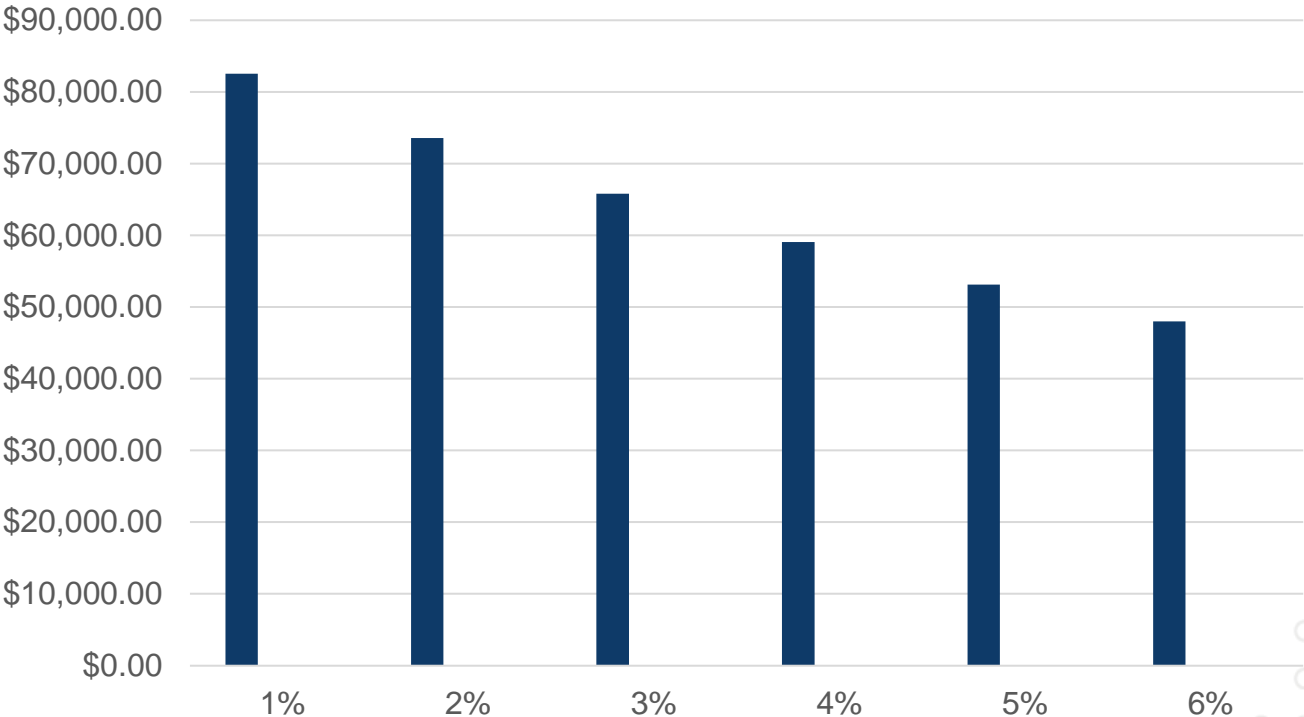
- 12b-1 Fee
 - Generally allows distributors to compensate broker/dealers and representatives for selling their funds. It also can be a charge to cover marketing and distribution costs of the investment.
- Withdrawal Charge (a.k.a. Surrender Charge)
 - A fee charged by some annuities and funds when an investor takes money out of his or her account.
- Mortality and Expense Fee (M&E)
 - This applies to some types of annuities and covers insurance related costs.
- Transfer Fee
 - This is an amount charged by a fund to transfer either within the fund family or to another company.

Excessive Fees



- Expense Deductions
 - Charges for investment management, administration and distribution services.
- Management Fee
 - Also called the investment advisory fee, this represents the company's cost for managing the money in the fund.
- Wrap Account Fee
 - Charged by some types of funds for fund management, this is an annual percentage of the investor's assets in the account.
- Custodial Fee
 - The charge for safekeeping or physically holding the securities in the fund.

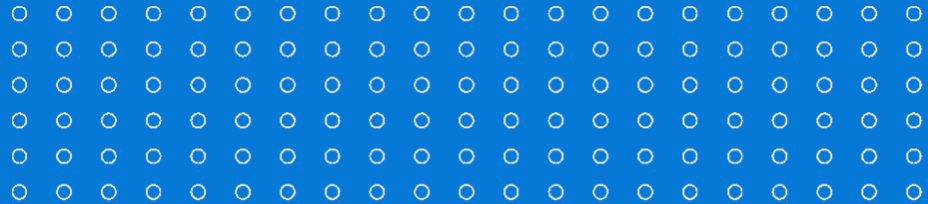
The Fee Effect



| Annual Fee | Balance |
|------------|-------------|
| 1% | \$82,549.26 |
| 2% | \$73,599.44 |
| 3% | \$65,824.55 |
| 4% | \$59,057.63 |
| 5% | \$53,156.51 |
| 6% | \$48,000.00 |

Balance based on 6% earning net of fees with \$200 monthly contributions for 20 years at the beginning of the month. Actual rate of return is not guaranteed, for illustrations purposes only.

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Social Security Provisions



Important:

**Your TRS Annuity is never
reduced by Social Security.**

Social Security Considerations



- 2 Regulations
- Government Pension Offset (GPO)
 - Applies to member's SPOUSAL Social Security benefits
 - (SSA Pub No. 05-1007)
- Windfall Elimination Provision (WEP)
 - Applies to member's OWN Social Security benefits
 - (SSA Pub No. 05-10045)

Government Pension Offset – Spousal Benefit



- This law uses a two-thirds offset rule
- Two-thirds of your TRS Annuity benefit will be subtracted from your spousal SS benefit
- Does NOT reduce TRS Pension Benefit
- Current Law Exemption: You have to be employed by a SS-covered District for your last 60 months to be eligible

Government Pension Offset — SPOUSAL BENEFIT



- TRS Pension: \$2,100
- Spousal SS Benefit: \$1,000
- Subtract 2/3 of TRS benefit from eligible SS benefit

| | |
|--------------------|---------|
| SS BENEFIT | \$1,000 |
| - (2/3 of \$2,100) | \$1,400 |
| <hr/> | |
| | -\$400 |

TRS Member is **not** eligible for spousal benefit but receives full TRS annuity

- TRS Pension: \$2,100
- Spousal SS Benefit: \$1,600
- Subtract 2/3 of TRS benefit from eligible SS benefit

| | |
|--------------------|---------|
| SS BENEFIT | \$1,600 |
| - (2/3 of \$2,100) | \$1,400 |
| <hr/> | |
| | \$200 |

TRS Member **is** eligible for spousal benefit of \$200 plus full TRS annuity

Windfall Elimination Program



- Does NOT reduce TRS Pension Benefit
- Affects employees who are eligible for their OWN government/state pension and Social Security
- Uses a factor to calculate your SS benefit income based on 'Years of Substantial Earnings'
- Different than 'Service Credits' under SS

Remember:
**Your TRS Annuity is never
reduced by Social Security.**

SS Service Credits vs. Years of Substantial Earnings



- Service Credits under Social Security (SS)
 - Eligible for 4 credits per year (\$1,410 per credit)
 - Total of 40 credits to qualify for a benefit
 - For 2020, received 4 credits if earned \$5,640
- Year of Substantial Earnings
 - Higher income number
- May accumulate all Service Credits under SS without earning Years of Substantial Earnings

Sample Social Security Statement



Your Earnings Record

| Years You Worked | Your Taxed Social Security Earnings | Your Taxed Medicare Earnings | Years You Worked | Your Taxed Social Security Earnings | Your Taxed Medicare Earnings |
|------------------|-------------------------------------|------------------------------|------------------|-------------------------------------|------------------------------|
| 1974 | 220 | 220 | 1999 | 32,395 | 32,395 |
| 1975 | 570 | 570 | 2000 | 34,489 | 34,489 |
| 1976 | 1,067 | 1,067 | 2001 | 35,570 | 35,570 |
| 1977 | 1,882 | 1,882 | 2002 | 36,138 | 36,138 |
| 1978 | 2,705 | 2,705 | 2003 | 37,232 | 37,232 |
| 1979 | 3,529 | 3,529 | 2004 | 39,140 | 39,140 |
| 1980 | 4,628 | 4,628 | 2005 | 40,734 | 40,734 |
| 1981 | 6,355 | 6,355 | 2006 | 42,679 | 42,679 |
| 1982 | 7,935 | 7,935 | 2007 | 44,614 | 44,614 |
| 1983 | 9,366 | 9,366 | 2008 | 45,588 | 45,588 |
| 1984 | 10,884 | 10,884 | 2009 | 44,776 | 44,776 |
| 1985 | 12,265 | 12,265 | 2010 | 45,573 | 45,573 |
| 1986 | 13,482 | 13,482 | 2011 | 46,569 | 46,569 |
| 1987 | 15,121 | 15,121 | 2012 | 47,472 | 47,472 |
| 1988 | 16,580 | 16,580 | 2013 | 47,288 | 47,288 |
| 1989 | 17,869 | 17,869 | 2014 | 47,660 | 47,660 |
| 1990 | 19,296 | 19,296 | 2015 | 47,833 | 47,833 |
| 1991 | 20,549 | 20,549 | 2016 | 46,770 | 46,770 |
| 1992 | 22,115 | 22,115 | 2017 | Not yet recorded | |
| 1993 | 22,765 | 22,765 | | | |
| 1994 | 23,778 | 23,778 | | | |
| 1995 | 25,092 | 25,092 | | | |
| 1996 | 26,659 | 26,659 | | | |
| 1997 | 28,564 | 28,564 | | | |
| 1998 | 30,392 | 30,392 | | | |

Windfall Elimination Provision – YOUR BENEFIT



Years of Substantial Earnings:

| | | |
|--------------------------|----------------------|----------------------|
| 1968–1971 \$1,950 | 1989 \$8,925 | 2007 \$18,150 |
| 1972 \$2,250 | 1990 \$9,525 | 2008 \$18,975 |
| 1973 \$2,700 | 1991 \$9,900 | 2009 \$19,800 |
| 1974 \$3,300 | 1992 \$10,350 | 2010 \$19,800 |
| 1975 \$3,525 | 1993 \$10,725 | 2011 \$19,800 |
| 1976 \$3,825 | 1994 \$11,250 | 2012 \$20,475 |
| 1977 \$4,125 | 1995 \$11,325 | 2013 \$21,075 |
| 1978 \$4,425 | 1996 \$11,625 | 2014 \$21,750 |
| 1979 \$4,725 | 1997 \$12,150 | 2015 \$22,050 |
| 1980 \$5,100 | 1998 \$12,675 | 2016 \$22,050 |
| 1981 \$5,550 | 1999 \$13,425 | 2017 \$23,625 |
| 1982 \$6,075 | 2000 \$14,175 | 2018 \$23,850 |
| 1983 \$6,675 | 2001 \$14,925 | 2019 \$24,675 |
| 1984 \$7,050 | 2002 \$15,750 | 2020 \$25,575 |
| 1985 \$7,425 | 2003 \$16,125 | 2021 \$26,550 |
| 1986 \$7,875 | 2004 \$16,275 | 2022 \$27,300 |
| 1987 \$8,175 | 2005 \$16,725 | |
| 1988 \$8,400 | 2006 \$17,475 | |

Years of Substantial Earnings %:

| | |
|-------------|-----|
| 30 or more: | 90% |
| 29: | 85% |
| 28: | 80% |
| 27: | 75% |
| 26: | 70% |
| 25: | 65% |
| 24: | 60% |
| 23: | 55% |
| 22: | 50% |
| 21: | 45% |
| 20 or less: | |

WEP Formula



EXAMPLE: AIME of **\$1,500** who becomes eligible in 2020
and has **20** years of Substantial Earnings

Regular Formula

| | |
|-----------------------------------|-------------------|
| <u>90%</u> of first \$960 | \$864.00 |
| 32% over \$960 through \$5,785 | \$172.80 |
| 15% over \$5,785 | \$0.00 |
| TOTAL | \$1,036.80 |

WEP Formula

| | |
|-----------------------------------|-----------------|
| <u>40%</u> of first \$960 | \$384.00 |
| 32% over \$960 through \$5,785 | \$172.80 |
| 15% over \$5,785 | \$0.00 |
| TOTAL | \$556.80 |

Maximum WEP Reduction 2021



Maximum WEP Reduction for Workers Who Become Eligible in 2022, by Years of Substantial Coverage

| | Years of Social Security Coverage | | | | | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|------|-----|
| | 20 or fewer | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30+ |
| First factor in formula: | 40% | 45% | 50% | 55% | 60% | 65% | 70% | 75% | 80% | 85% | 90% |
| Maximum Dollar amount of monthly WEP reduction for workers who first become eligible for Social Security in 2021. | \$512 | \$461 | \$410 | \$358 | \$307 | \$256 | \$205 | \$154 | \$102 | \$51 | \$0 |

Don't forget!!
**Your TRS Annuity is never
reduced by Social Security.**

4 Easy Action Items

1. Write down your goals and know the cost

- Retirement Income
- Other: Travel, second homes, children/grandchildren gifts, etc.

2. Know your projected retirement income

- MyTRS – www.trs.texas.gov
- Social Security – www.ssa.gov

3. Identify cash flow issues

- Develop a budget
- Public Service Loan Forgiveness

4. Address you current savings strategy

- 403(b) / 457 accounts
- Investment allocation





Financial Wellness

Included with your 457(b) Account



FinPath Financial Wellness



FinPath is a workplace benefit program designed to help you take control of their money with the help of trusted financial coaches and powerful online financial health tools.

Key Components



Personal, 1:1 Financial Coaching



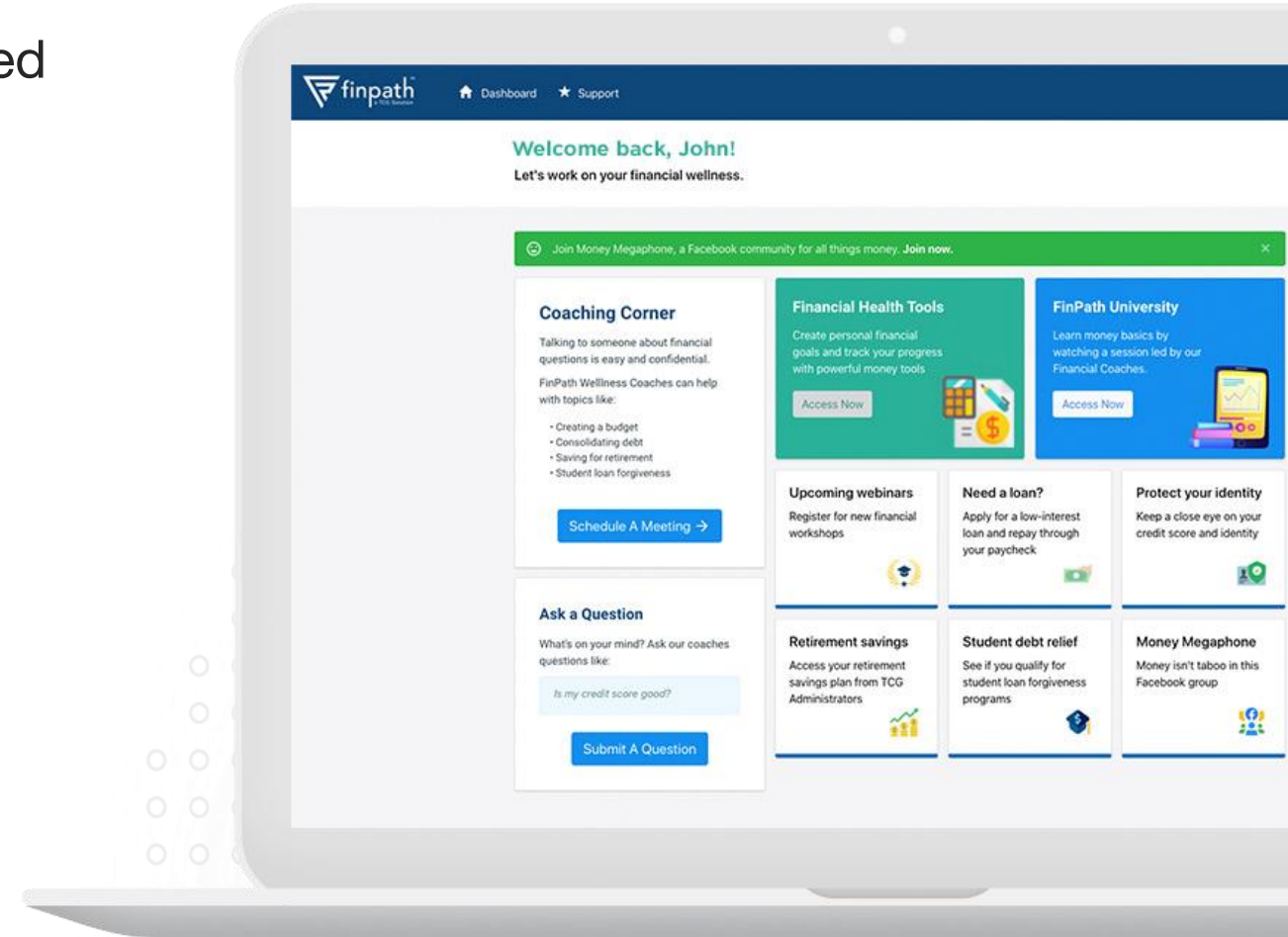
FinPath University financial education



Financial Health Tools



FinPath Program Perks



Areas of Focus



Emergency Savings

From day one, we work hard to help individuals prepare for the next financial shock with a solid emergency savings strategy.



Budgeting & Spending

Financial success doesn't require a lot of money—it just requires a little extra planning. We help give each dollar a purpose.



Debt Management

Piling debt can make it hard to move forward. We help explore potential debt forgiveness options and create a plan to pay down debt.



Credit Score Improvement

Credit worthiness is crucial to financial success. We work to identify areas of opportunity to improve credit scores.



Low-Interest Loans

If faced with an emergency expense, payday loans and pulling from retirement savings is often the answer. We provide a better alternative.



Security & Protection

No plan is complete without protection. We help identify areas of need and encourage individuals to seek coverage.

FinPath Program Perks



- FinPath partners with a list of preferred providers to bring you even more resources and rewards.
- **Current perks include:**
 - \$1,000 monthly contest
 - Student loan forgiveness evaluations
 - Identity protection and credit monitoring discounts
 - Debt consolidation & emergency loans
 - Nonprofit referral services

\$50 Gift Card
Attend our next FinPath course for a chance to win \$\$\$

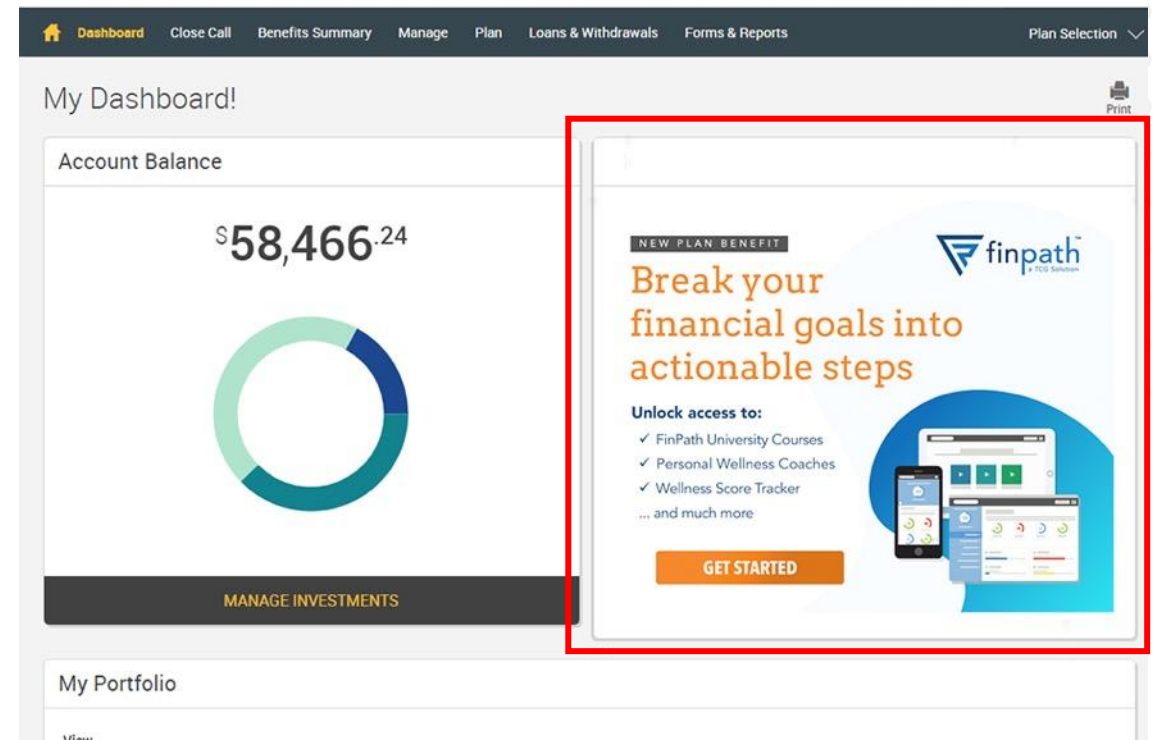
NEW \$1,000 Monthly Challenge
Improve your money skills and enter to win cash every month - in 10 mins or less!

ALERT New Program Perk
Student loan forgiveness options may be available to you. Login to see more.

How to get started

1. Open a 457(b) Retirement Plan
2. When your account is created, look for the FinPath banner on your dashboard
3. Enter some details and wait 24 hours for your personal registration email

If you have trouble, please email finpath@tcgservices.com



The screenshot shows the FinPath dashboard interface. At the top, there is a navigation bar with links: Dashboard, Close Call, Benefits Summary, Manage, Plan, Loans & Withdrawals, Forms & Reports, and Plan Selection. Below the navigation bar, the main content area is titled "My Dashboard!". On the left, there is a section for "Account Balance" showing a balance of \$58,466.24 and a donut chart. Below this is a "MANAGE INVESTMENTS" button. On the right, there is a prominent banner for "NEW PLAN BENEFIT" with the headline "Break your financial goals into actionable steps". The banner lists benefits: "Unlock access to: ✓ FinPath University Courses, ✓ Personal Wellness Coaches, ✓ Wellness Score Tracker, ... and much more". A "GET STARTED" button is located at the bottom of the banner. The banner also features the FinPath logo and images of a smartphone and a tablet displaying the dashboard.

We're Here to Help!



TeleWealth Virtual Consultations

Complimentary consultation at

www.tcgservices.com/telewealth



Schedule a meeting at your convenience



Access the meeting from anywhere



Talk to an advisor one-on-one

TCG TRUSTED CAPITAL GROUP

TeleWealth Consultations

< February >

| SUN | MON | TUE | WED | THU | FRI | SAT |
|-----|-----|-----|-----|-----|-----|-----|
| 30 | 31 | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 1 | 2 | 3 | 4 | 5 |

9:00 am

9:30 am

10:00 am

10:30 am

11:00 am

11:30 am

12:00 pm

Meeting duration

30 mins

What time works best?

UTC -06:00 Central Time

9:00 am

9:30 am

10:00 am

10:30 am

11:00 am

11:30 am

12:00 pm

Questions?




Schedule a TeleWealth Meeting
www.tcgservices.com/telewealth






Contact Us

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Austin, TX 78746

Learn more at www.tcgservices.com

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