RAMS
Retirement Asset Management Services
Region 10 ESC

TCG
TRUSTED CAPITAL GROUP™

2021

Retirement Savings Guide

Learn about:

- Plan Rules
- 457(b) and 403(b) Plans
- TRS Benefits
- Rollover Options

Enrollment Assistance is Available

Schedule a TeleWealth Meeting today!

Online: www.region10rams.org/telewealth

Advisor Hotline: 512-600-5204

900 S. Capital of Texas Hwy, Suite 350, Austin, TX 78746 Customer Service: 800.943.9179 www.region10rams.org

Let's prepare for the retirement you deserve

This guide was created to help you understand key elements of the retirement saving plans available to you through your employer. Having a clear understanding of the Teachers Retirement System (TRS), 403(b), and 457(b) Retirement Saving Plans can help lead a successful journey towards financial independence.

Don't become another statistic

7 in 10
Americans report high financial stress

66%
of millennials have zero in retirement saving

77%
of pre-retirees have concerns about meeting inflation

TCG is here to help you spend less time worrying about your money and more time making memories with your loved ones.

Plan Information

What is RAMS?

The Region 10 Education Service Center has partnered with TCG to establish a cooperative program called the Retirement Asset Management Services (RAMS) program that provides participating school districts services related to the management of supplemental retirement savings plans. Region 10 partners with school superintendents and CFO's to ensure the RAMS program looks out for teachers' best interest.

Who is TCG?

TCG is an investment advisor and retirement plan administrator based in Austin, Texas. Your employer has chosen TCG as the primary group retirement plan partner for your organization. TCG will help manage any questions pertaining to your 457(b) retirement account and can help process limited transactions for your 403(b) account.

How do I register for a new plan?

Check each plan page for specific instructions how to register.

How do I request a distribution or a loan?

Visit www.region10rams.org for a list of all available plan forms and requirements. Please fill in the required information and send via fax to 888-989-9247 or by email to info@tcgservices.com.

What are the eligibility requirements?

Eligibility for plans depend on your status as en employee. Please consult with your HR department for specific requirements and eligibility questions.

Important Contacts

Plan	Vendor	Phone Number	Website
457(b) Retirement Savings Plan	TCG Administrators	800.943.9179	www.region10rams.org
403(b) Retirement Savings Plan	TCG Administrators	800.943.9179	www.region10rams.org
TRS	Teacher Retirement System	800.223.8778	www.trs.texas.gov
Social Security	Social Security	800.772.1213	www.ssa.gov

457(b) Savings Plan

Your employer offers the RAMS 457(b) plan as a way to help you save for life beyond your prime working years. A 457(b) plan allows you to save money by making salary contributions on pre- tax basis or Roth (if your plan allows). You have full ability to start, stop, increase or decrease contributions at any time.

While your TRS pension may be enough to cover your expenses when you first retire, your reduced monthly income may not be sufficient for factors like medical bills, taxes, and your desired standard of living. You need an low-fee, high quality savings plan to help you meet a comfortable lifestyle upon retirement.

Plan Highlights

- ✓ Low and transparent fees
- ✓ No 10% early distribution penalty tax
- ✓ No surrender charges or hidden fees
- ✓ No product commissions
- ✓ Start/stop contributions at any time
- ✓ Professionally-managed portfolios
- ✓ Fiduciary oversight by TCG Advisors
- ✓ FinPath Wellness (more on next page)

Investment Options

Target Date Funds

EASY CHOICE

This is a simple investment strategy based on your desired retirement date. Target Date Funds automatically adjust for you over time so there's no need to worry about reviewing the plan often.

Select your target retirement date from the list below and sit back as the fund manages the allocations for you.

- » TIAA-CREF **Target Date 2020**
- » TIAA-CREF **Target Date 2025**
- » TIAA-CREF **Target Date 2030**
- » TIAA-CREF **Target Date 2035**
- » TIAA-CREF **Target Date 2040**
- » TIAA-CREF **Target Date 2045**
- » TIAA-CREF **Target Date 2050**
- » TIAA-CREF **Target Date 2055**
- » TIAA-CREF **Target Date 2060**
- » TIAA-CREF **Retirement Income**

Managed Portfolios

EASY CHOICE

Our customized investment portfolios are adjusted to your desired risk tolerance and retirement readiness. Decide your approach and select any of the portfolio options below.

- » **Aggressive Growth** (Age Range 20-45)
- » **Growth** (Age Range 30-40)
- » **Signature Portfolio*** (Age Range 35-60)
- » **Moderately Conservative** (Age Range 40-60)
- » **Conservative** (Age Range 50-60)
- » **Preservation** (Age Range 55+)

*This is the default portfolio for the RAMS 457(b) plan.

Self-Directed

ADVANCED

If you are a hands-on type of investor, you can customize your own set of investment strategies. This option is best left for experienced investors, so it's not recommended for just anyone.

FinPath – Helping you approach your money with confidence

FinPath is personal financial wellness platform that combines technology and personalized support from certified Wellness Coaches to help you understand complex topics like retirement, banking, budgeting, insurance, debt management and more. There's no need scramble all over the internet next time you're unsure how to manage your money. Eliminating your family's financial stress is within your control.

With FinPath, you'll have acces to:

- ✓ Year-round access to financial coaching sessions
- ✓ Budgeting, planning, and debt management online tools
- ✓ Monthly workshops and events
- ✓ FinPath University courses with new content updated regularly
- ✓ Exclusive access to FinPath Member Perks (discounts, contests, and more)

2021 Contribution Limits

IRS guidelines allow you to contribute up to $19,500 if you are under the age of 50. Individuals over the age of 50 qualify to make an additional contribution of $6,500 for a combined total of $26,000.

Retirement Contributions Tax Credit

Also known as the Saver's Credit, an individual may be able to take a tax credit of up to $1,000 ($2,000 if filing jointly) for making eligible contributions to an employer-sponsored retirement plan.

How to Open Your 457(b) Account

1. Visit www.region10rams.org/enroll and click **Enroll**.
2. Enter the name of your employer and choose the **457(b) Savings Plan**.
3. Follow the steps on screen to select your salary contribution and investment options. Don't forget to designate an account beneficiary.

   Note: If you're unsure about which investment option to select, please contact us at 512-600-5204 or at www.region10rams.org/telewealth.

4. Continue until you get a **confirmation notice**, and you're done!

403(b) Savings Plan

Another option you may consider when planning for retirement is a 403(b) Savings Plan. While very similar to a 457(b) plan, there is a more involvement required on your behalf to get started. You must first establish a 403(b) account with an investment provider from a list of 50+ approved vendors, and then elect contributions on a pretax or Roth basis (if available).

Enrolling in a 403(b) savings plan can help bring financial stability and security for life upon retirement. By participating, you can lower your current taxes or earn tax-free income, bridge your retirement income gap, and achieve financial independence.

Why Contribute

- ✓ 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

Investment Options

Investments in the plan are managed by a provider of your choosing, and plan administration services are provided by TCG Administrators. Once you have established your plan, TCG can help with distributions, transfers, loans, and rollovers. Investment questions must always be directed to your individual plan provider.

2021 Contribution Limits

You may contribute up to $19,500 if you are under the age of 50. Individuals over the age of 50 qualify to make an additional contribution of $6,500 for a combined total of $26,000. The contribution limits are independent of a 457(b) and you can simultaneously contribute to both a 403(b) and a 457(b) plan.

How to Register

STEP ONE: Create an account with an approved vendor

» Visit www.region10rams.org/enroll and find your employer's Approved Vendor list.

» Evaluate and contact a vendor on the list directly to establish your account.

STEP TWO: Set up RAMS 403(b) plan administration account access

» Visit www.region10rams.org/enroll.

» Click Enroll, enter your employer,and select the 403(b) Admin Plan.

» Follow each step until you get a confirmation notice... & you're done!

457(b) vs 403(b) Plan Comparison

Feature	457(b)	403(b)
Contribution maximum limits (can contribute to both plans)	2021: $19,500; $26,000 age 50+	2021: $19,500; $26,000 age 50+
Retirement Contributions Tax Credit	Up to $1,000 ($2,000 if filing jointly)	Up to $1,000 ($2,000 if filing jointly)
Early withdrawal penalty tax	None	10% (goes away at age 59 ½)
Investment options	Target date funds, risk-based managed portfolios, or self-directed mutual funds	Fixed/Variable interest annuities or mutual funds/custodial accounts
Investment committee/advisor oversight	Yes, managed by TCG Advisors and Investment Advisory Committee (made up of school superintendents & chief financial officers)	No
Distribution restrictions	Funds can be requested upon: • Age 59 ½ • Separation from employer • Disability • Death • Unforeseeable emergency	Funds can be requested upon: • Age 59 ½ • Separation of service • Disability • Death • Financial hardship
Financial hardship distributions	• Medical care • Casualty loss	• Medical care • Foreclosure/eviction • Tuition payment • Buying a home • Funeral costs • Home repair costs • Disaster relief
Loans	Permitted with loans from all qualified plans limited to the lesser of 50,000 or one half of vested benefits (or $10,000 if greater)	Permitted with loans from all qualified plans limited to the lesser of 50,000 or one half of vested benefits (or $10,000 if greater)
Required minimum distributions	RMD rules apply at age of 72 or if later, severance from employment or death	RMD rules apply at age of 72 or if later, severance from employment or death

Teachers Retirement System (TRS)

About TRS

The Teacher Retirement System of Texas (TRS) administers a pension trust fund that has been serving the needs of Texas public education employees for over 75 years.

How much do I qualify for at retirement with TRS?

See the following example of how to apply the TRS Formula.

John started working as a teacher for the school district in September of 1991 right out of college. He is ready to retire at the end of this school year (2021) so he has worked a total of 30 years. His highest 3 years of salary were $58,000, $60,000, and $62,000. John would like to know how much he qualifies for at retirement.

John can use the **TRS Formula** below to find this out:

Years of Service	x	State Multiplier (2.3%)	x	Average 3-5 Highest Years of Income	=	Maximum Benefit
30	x	2.3%	x	$60,000	=	$41,400

Your turn!

Let's break up the TRS formula for your own individual situation!

Part One

_____	x	**2.3%**	=	_____
Your Years of Service		(State Multiplier)		Income Percentage from TRS Pension

Part Two

_____	x	_____	=	_____
Income Percentage from TRS Pension		Average 3-5 Highest Years of Income		Maximum Benefit

Rollover Options

What are my rollover options if I leave my employer?

You have a few options to consider when it comes time to leave your employer. It all depends on where you are in your financial journey.

Option 1: Leave money in previous employer's plan (if permitted)

Benefits: No immediate action is required. Earnings remain tax-deferred.

Disadvantages: Can no longer contribute through payroll contribution. It's more complicated managing multiple plans from different employers.

Option 2: Rollover your money to your new employer's plan

Benefits: The plan remains tax-deferred; you can continue to contribute; your plans are now consolidated.

Disadvantages: Requires paperwork and approvals; this process can be somewhat time-consuming.

Option 3: Rollover your money into an IRA

Benefits: The plan remains tax-deferred; you may have access to more investment providers and investment options.

Disadvantages: You cannot borrow money from these accounts.

TeleWealth Virtual Assistance

We know planning for the future isn't easy. TCG Retirement Plan Specialists are available to help review your options and assist in creating a plan for your retirement.

Get started at
www.region10rams.org/telewealth
or contact the Advisor Hotline at 512-600-5204

IMPORTANT DISCLOSURES

TCG Advisory Services LLC ("TCG Advisors") is a registered investment advisor regulated by the U.S. Securities and Exchange Commission (SEC) and registered municipal advisor, subject to the Rules and Regulations of the Investment Advisor Act of 1940 and the rules of the Municipal Securities Rulemaking Board (MSRB), and is a part of TCG Group Holdings, LLP. Registration does not imply a certain level of skill or training.

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