

Retirement Savings Guide

2022 PLAN YEAR



Learn about:

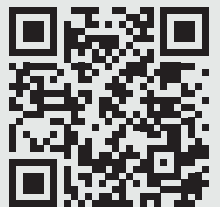
- o Savings Basics
- o 457(b) and 403(b) Plans
- o TRS Benefits
- o Rollover Options
- o Social Security Provisions

Enrollment Assistance is Available

Schedule a TeleWealth Meeting today!

Online: www.region10rams.org/telewealth

Advisor Hotline: 512-600-5204



Welcome!

Let's help you prepare for the retirement you deserve

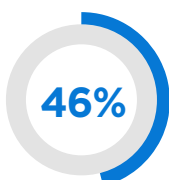
While retirement planning can seem overwhelming when you first consider it, it's important to start saving as early as possible to make the most of your retirement savings and investments. Whether you're early on in your career or just a few years from retirement, there's plenty you can do to prepare.



This retirement planning guide will walk you through key elements of the retirement saving plans available to you through your employer. Having a clear understanding of 457(b) and 403(b) Retirement Saving Plans and how they fit as part of your overall financial picture can help lead live comfortably when your working days are done.

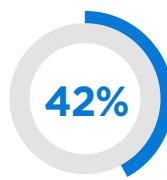
What's the risk in not planning early?

WORK LONGER



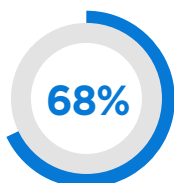
of people plan to work part-time after retiring to maintain their standards of living¹

DEPEND ON OTHERS



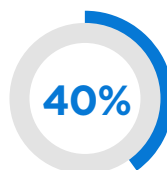
of midlife adults (ages 40-64) are expected to provide financial support to their parents in the future²

HIGHER FINANCIAL STRESS



of people feel stressed about not having enough money to retire³

INSUFFICIENT SAVINGS



of workers don't have the necessary funds to retire⁴

You don't have to do this alone. We're here to help.

General Information

What is RAMS?

The Retirement Asset Management Services (RAMS) program is a national multi-employer cooperative that provides participating organizations retirement plan services designed to help employees save for a successful future. By joining this multi-employer plan, participants can access lower fees and more comprehensive plan features.

Who is TCG?

TCG is retirement plan administrator based in Austin, Texas. RAMS has chosen TCG as the primary retirement plan partner for administering the program. TCG will help manage any questions pertaining to your 457(b) retirement account and can help process certain 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 an employee. Please consult with your Human Resources department for specific requirements and eligibility questions.

How much can I contribute?

For 2022, you may contribute up to \$20,500, or up to \$27,000 if you are 50 or older.

Can you contribute to both 403(b) and 457(b) accounts?

Yes, you may contribute to both accounts at the same time.

Important Contacts

Plan	Provider	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



Looking for a Salary Agreement Reduction Form?

We have moved to a fully online-based enrollment system and no longer provide SRA forms.

Visit the pages below for steps on how to enroll.

Contact us at 800-943-9179 for assistance.



Retirement Planning 101

Depending on your desired retirement lifestyle, you may need anywhere from 60% to 100% of your current income to maintain your current standard of living. But this is only a general guideline. To determine your needs, begin by estimating your projected annual retirement expenses.

Use your current expenses as a starting point, but note that your expenses may change by the time you retire. If you're nearing retirement, the gap between your current expenses and your retirement expenses may be small. If retirement is many years away, the gap may be significant, and projecting your future expenses may be more difficult.

Remember to take inflation into account. The purchasing power of a dollar declines each year as prices rise. Keep in mind that your annual expenses may fluctuate.

Other expenses, such as health-related expenses, may increase in your later retirement years. A realistic estimate of your expenses will tell you about how much annual income you may need to live comfortably.

Figure out how much you'll need to save

By the time you retire, you'll need a nest egg that will provide you with enough income to fill the gap left by your other income sources. But exactly how much is enough? The following questions may help you find the answer:

- o At what age do you plan to retire? The younger you retire, the longer your retirement will be, and the more money you'll need to carry you through it.
- o What kind of lifestyle do you hope to maintain during your retirement years?
- o What is your life expectancy?
- o What rate of growth can you expect from your savings now and during retirement? Be conservative when projecting rates of return.
- o Do you expect to dip into your principal? If so, you may deplete your savings faster than if you just live off investment earnings. Consider building in a cushion to guard against these risks.

Calculate your pension plan and/or Social Security benefit

One of the many benefits of working for a public organization is the possibility of qualifying for a pension plan upon retirement. If you've paid into TRS and/or Social Security, you will likely qualify for some type of retirement benefit. While this is extremely valuable, keep in mind you likely won't receive 100% of your pre-retirement income. This is why building additional savings through voluntary retirement plans is important to your financial health.

Speak to a retirement planning professional

You don't have to figure things out on your own. For assistance calculating how much you will need to save to retire comfortably, schedule a free meeting with a Retirement Plan Specialist by visiting www.region10rams.org/telewealth or call 512-600-5304.



Need help?

We're standing by to provide the assistance you need.

Schedule a free TeleWealth™ virtual meeting and a Retirement Plan Specialist will help you plan for life beyond your working years.



Scan QR Code



Tax Benefits of Your Retirement Plan

Taxes can take a big bite out of your total investment returns, so it's encouraging to know that your employer-sponsored retirement savings plan may offer a variety of tax benefits. Depending on the type of plan your employer offers, you may be able to benefit from current tax savings.

Traditional/Pre-Tax: For those who want lower taxes now

With pre-tax contributions, the money is deducted from your paycheck before taxes, which helps reduce your taxable income and the amount of taxes you pay now. In addition, any earnings made on pre-tax contributions grow on a tax-deferred basis. That means you don't have to pay taxes on any gains each year as you would in a taxable investment account.

However, those tax benefits won't go on forever. Any money withdrawn from a tax-deferred account is subject to ordinary income taxes, and if the withdrawal takes place prior to age 59½ (or in some cases, age 55), you may be subject to a 10% penalty on the total amount of the distribution, unless an exception applies.

Roth: For those who prefer tax-free income later

On the other hand, contributing to a Roth account offers different benefits. Roth contributions are considered "after-tax," so you won't reduce the amount of current income subject to taxes.

However, distributions of Roth contributions are always tax-free because they were made on an after-tax basis. And distributions of earnings on those contributions are tax-free as long as they're qualified. Nonqualified distributions of earnings are subject to regular income taxes and a possible 10% penalty tax. If, at some point, you need to take a nonqualified withdrawal from a Roth account — due to an unexpected emergency, for example — only a portion of the total amount representing earnings will be taxable.

Choosing Traditional or Roth

The decision of whether to contribute to a traditional pre-tax plan, a Roth plan, or both depends on your personal situation. If you think you'll be in a similar or higher tax bracket when you retire, you may find Roth contributions more appealing since qualified income from a Roth account is tax free.

However, if you think you'll be in a lower tax bracket in retirement, then contributing to a traditional pre-tax account may be more appropriate. A tax advisor can help you decide.

Note: Not all employer plans qualify for Roth contributions. To learn if your employer offer Roth savings accounts, please visit www.region10rams.org/documents.

Tax break now



Traditional/Pre-Tax

You get your tax break up front and pay no taxes on the money you put in until you withdraw it.

Tax break later



Roth

The money you deposit has already been taxed. You pay no taxes when you make withdrawals after age 59½.



457(b) Retirement Plan

A Section 457(b) plan is a special type of employer-sponsored retirement plan that certain governmental employers, and other tax-exempt organizations can establish for their employees.

Your employer offers the **RAMS 457(b)** plan as a way to help you save for life beyond your full-time working years. Contributing regularly to a 457(b) can give you the power and confidence to retire with more in your pocket and cover housing, health care, vacations, bills, and other expenses upon retirement.



RAMS 457(b) Plan Details

Enrolling in a 457(b) savings plan can help bring financial stability and security for life upon retirement. By participating, you can take advantage of tax savings, reduce your retirement income gap, and get one step closer to achieving financial independence. Getting started with a 457(b) is easy and takes only a few minutes.

Plan Highlights

- o Plan is overseen by Superintendents, HR Directors, and Chief Financial Officers—bringing peace of mind public employee interests are represented
- o Low, transparent fees
- o No 10% early distribution tax penalty
- o No surrender charges or hidden fees
- o No product commissions
- o You control starting/pausing contributions
- o Access to financial education resources through **FinPath Wellness**, including 1:1 financial coaching, online financial health tools and monthly opportunities to win prizes*
- o Access to annual tax preparation and estate planning services†
- o In 2022, you may contribute up to \$20,500 (or \$27,000 if age 50+)

Investment Options

The RAMS 457(b) plan offers a variety of investments to choose from. How do you know which ones may be right for your needs? And how much should you direct to each one? The keys to answering these questions are to understand your options and consider how they relate to your own personal circumstances. The following investment options are available in your 457(b) plan.



Managed Portfolios

EASY CHOICE

Investment portfolios are adjusted to your desired risk tolerance and retirement readiness. Decide your approach and select any of the portfolio options to the right.

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



Target Date Funds

EASY CHOICE

Target-date funds are designed to help manage investment risk. You pick a fund with a target year that is closest to the year you anticipate retiring, say a “2050 Fund.” As you move toward your retirement “target date,” the fund gradually reduces risk by changing the investments within the fund.



Self Directed

ADVANCED

If you are a hands-on type of investor, you can customize your own set of investment strategies based on your own risk profile. Please note this option is best left for experienced investors, so it's not recommended for just anyone. We recommend consulting with a professional for assistance.

If you need help choosing an investment strategy, please schedule a meeting with a Retirement Plan Specialist to review your individual situation. Get started at www.region10rams.org/telewealth.

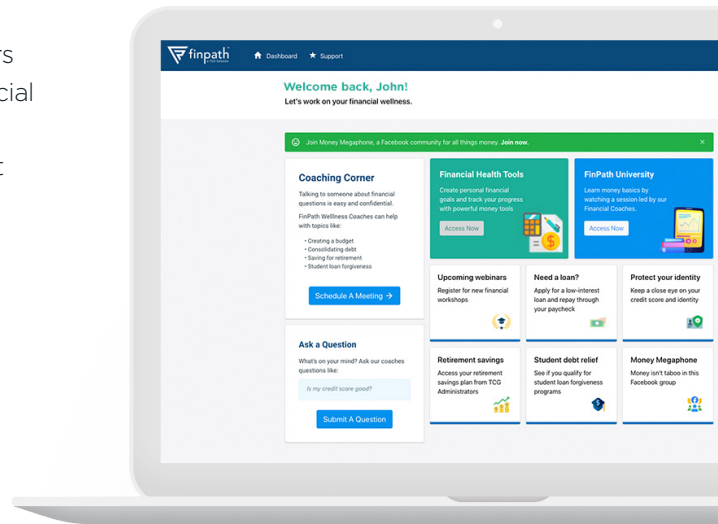
Build better financial habits with FinPath Wellness

Included with your RAMS 457(b) Plan

With FinPath, focusing on your financial goals and getting answers to your questions is easy. FinPath combines powerful online financial health tools with help from certified financial wellness coaches to help give every dollar you earn a purpose and feel more confident about your family's financial security and future.

FinPath gives you access to:

- o Unlimited 1:1 financial coaching sessions
- o Powerful financial health tools to help you manage your money
- o FinPath University courses with new content updated regularly
- o Exclusive access to FinPath Member Perks including gift card contests, discounts, and more



RAMS 457(b) Enrollment Instructions

Create your account in minutes!

1. Start at 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 schedule TeleWealth virtual meeting at www.region10rams.org/telewealth or call 512-600-5304.

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

Let's begin your journey to financial independence!

Begin by entering the name of your employer:

Available Plans for Example ISD

→ 457(b) Savings Plan ?

Enrollment Hotline

Call **800-943-9179** for help getting started

Call Me Back

403(b) Retirement Plan

Another option you may consider when planning for retirement is a voluntary 403(b) Savings Plan. A 403(b) plan is a special type of employer-sponsored retirement plan designed for eligible public education, religious, and other tax-exempt organizations.

The **RAMS 403(b)** plan allows you to choose from a list of over 50 investment providers and gives you the flexibility of searching the marketplace for an investment vendor that meets your needs.



RAMS 403(b) Plan Details

Saving with a 403(b) plan gives you the ability to defer a portion of your paycheck and invest funds in a portfolio of your choosing. By participating, you can take advantage of tax savings, reduce your retirement income gap, and get one step closer to achieving financial independence.

To establish a 403(b) account, you must first select an investment provider from a list of 50+ approved vendors, and then elect contributions on a pre-tax or Roth basis. Please note that early withdrawals from a 403(b) account are subject to a 10% early withdrawal penalty.

Benefits of contributing

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

Investment Options

Investments in the plan are managed by a provider of your choosing, and plan administration services are provided by TCG. 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.

RAMS 403(b) Enrollment Instructions

There are two steps in establishing your 403(b) account. First, you must research and choose an investment provider from a list of 403(b) Approved Vendors. They will hold your money and investments. TCG is the plan administrator for the account and will manage your salary contributions, loans, distributions, etc.

Step One: Create an account with an approved vendor

1. Visit www.region10rams.org/documents.
2. Search for your employer and open the **403(b) Approved Vendor List**.
3. Do your research and **contact a vendor** on the list directly to establish your retirement account.

Step Two: Set up your RAMS account

1. Visit www.region10rams.org/enroll.
2. Enter the name of your employer and select the **403(b) Admin Plan**.
3. Follow each step until you get a completion notice.
4. You're done! Login your account any time you wish to make contribution adjustments.



Can you contribute to both a 403(b) and a 457(b) plan at the same time?

Yes, you may contribute to both savings plan at the same time. IRS contribution limits still apply. In 2022, you can contribute up to \$20,500 per plan (or up to \$27,000 if you are over the age of 50).

457(b) vs 403(b) Plan Comparison

Feature	457(b)	403(b)
Contribution maximum limits (can contribute to both plans)	2022: \$20,500; \$27,000 age 50+	2022: \$20,500; \$27,000 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%
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 1/2 • Separation from service • Disability • Death • Unforeseeable emergency	Funds can be requested upon: • Age 59 1/2 • Separation of service • Disability • Death • Financial hardship
Financial Hardship/Unforeseeable Emergency Distributions	• Must be an unforeseeable Emergency. Can include the following if they meet the criteria: » Medical expenses » Funeral expenses » Foreclosure/eviction » Certain hurricanes and natural disasters	• 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

Rollover Options

What are my rollover options if I leave my employer?

One of the important decisions you must make when leaving an employer is what to do with any open retirement accounts. Whether it is keeping the account as-is or rolling the funds into a new account, it is important for you to understand all your available options.

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.

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 since 1937 . By joining an organization that participates in TRS and working in an eligible role, you'll qualify for a pension benefit based on a specific formula.

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 1992 right out of college. He is ready to retire at the end of this school year (2022) 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

Your Years of Service

x

2.3%

(State Multiplier)

=

Income Percentage
from TRS Pension

Part Two

Income Percentage
from TRS Pension

x

Average 3-5 Highest
Years of Income

=

Maximum Benefit

Social Security Provisions

Social Security and TRS

The first and most important thing for you to know is that your TRS Pension is never reduced by Social Security. However, the opposite may be true—your Social Security benefit may be reduced by your TRS Pension. There are two important Social Security regulations to consider: the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP).

Government Pension Offset (GPO)

The GPO applies to member’s spousal Social Security benefits. This regulation uses a two-thirds offset rule, meaning two-thirds of your TRS Pension benefit will be subtracted from your spousal Social Security benefit. This does not reduce TRS Pension benefits.

A current law exemption exists requiring employment by a Social Security-covered district for your last 60 months to be eligible.

Example:

TRS Pension: \$2,100	
Spousal SS Benefit: \$1,000	
⬆ Must subtract 2/3 of TRS benefit from eligible SS benefit	
SS BENEFIT	\$1,000
- (2/3 of \$2,100)	\$1,400
	-\$400

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

TRS Pension: \$2,100	
Spousal SS Benefit: \$1,600	
⬆ Must subtract 2/3 of TRS benefit from eligible SS benefit	
SS BENEFIT	\$1,600
- (2/3 of \$2,100)	\$1,400
	\$200

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

Social Security Provisions

Windfall Elimination Provision (WEP)

The WEP affects employees who are eligible for their own government/state pension and Social Security benefit. While the WEP does not reduce your TRS pension, the regulation uses a factor to calculate your Social Security benefit income based on “Years of Substantial Earnings.” It’s important to note that this is different from “Service Credits” under Social Security.

Service Credits under Social Security

- o Eligible for 4 credits per year (\$1,470 per credit)
- o Total of 40 credits to qualify for a benefit
- o For 2021, you can receive 4 credits if you earned \$5,880

Year of Substantial Earnings

To determine your number of substantial earning years use the chart below and mark each substantial earnings year on your official Social Security Earnings Report. Then count up the number of substantial earnings years and use the chart on the right to determine the amount that your payment will be reduced.

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 Percentage

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: 40%

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

Years of Social Security Coverage										
20 or less	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 2022.										
\$512	\$461	\$410	\$358	\$307	\$256	\$205	\$154	\$102	\$51	\$0

Key IRS Numbers



Income Tax (2022 tax rate tables)

Taxable income	Tax due	plus	% of income*
Single			
Up to \$10,275	\$0	+	10%
\$10,276 to \$41,775	\$1,027.50	+	12%
\$41,776 to \$89,075	\$4,807.50	+	22%
\$89,076 to \$170,050	\$15,213.50	+	24%
\$170,051 to \$215,950	\$34,647.50	+	32%
\$215,951 to \$539,900	\$49,335.50	+	35%
Over \$539,900	\$162,718.00	+	37%
Married filing jointly			
Up to \$20,550	\$0	+	10%
\$20,551 to \$83,550	\$2,055.00	+	12%
\$83,551 to \$178,150	\$9,615.00	+	22%
\$178,151 to \$340,100	\$30,427.00	+	24%
\$340,101 to \$431,900	\$69,295.00	+	32%
\$431,901 to \$647,850	\$98,671.00	+	35%
Over \$647,850	\$174,253.50	+	37%
Married filing separately			
Up to \$10,275	\$0	+	10%
\$10,276 to \$41,775	\$1,027.50	+	12%
\$41,776 to \$89,075	\$4,807.50	+	22%
\$89,076 to \$170,050	\$15,213.50	+	24%
\$170,051 to \$215,950	\$34,647.50	+	32%
\$215,951 to \$323,925	\$49,335.50	+	35%
Over \$323,925	\$87,126.75	+	37%
Head of household			
Up to \$14,650	\$0	+	10%
\$14,651 to \$55,900	\$1,465.00	+	12%
\$55,901 to \$89,050	\$6,415.00	+	22%
\$89,051 to \$170,050	\$13,708.00	+	24%
\$170,051 to \$215,950	\$33,148.00	+	32%
\$215,951 to \$539,900	\$47,836.00	+	35%
Over \$539,900	\$161,218.50	+	37%

*The percentage applies to each dollar of taxable income within the range until the next income threshold is reached.



Standard Deduction

Single	\$12,950	Additional deduction for blind or aged (age 65+)	
Married filing jointly	\$25,900		
Married filing separately	\$12,950	Single or head of household	\$1,750
Head of household	\$19,400	Married filing jointly or separately	\$1,400
Dependent*	\$1,150*		

*Dependent standard deduction can't exceed the greater of \$1,150 or \$400 plus earned income.



Alternative Minimum Tax (AMT)

	Maximum exemption amount	Exemption phaseout threshold
Single or head of household	\$75,900	\$539,900
Married filing jointly	\$118,100	\$1,079,800
Married filing separately	\$59,050	\$539,900
26% rate applies to AMT income up to \$206,100* 28% rate applies to AMT income over \$206,100*		

*\$103,050 if married filing separately.



Education Credits and Deductions

MAGI phaseout ranges	Single or head of household	Married filing jointly
	Single or head of household	Married filing jointly
Lifetime Learning credit (\$2,000 max)	\$80,000 to \$90,000	\$160,000 to \$180,000
American Opportunity credit (\$2,500 max)	\$80,000 to \$90,000	\$160,000 to \$180,000
Education loan interest deduction (\$2,500 max)	\$70,000 to \$85,000	\$145,000 to \$175,000
U.S. Savings bond interest exclusion \$85,800 to \$100,800 for higher-education expenses		\$128,650 to \$158,650



Estate Planning

Annual gift tax exclusion	\$16,000
Noncitizen spouse annual gift tax exclusion	\$164,000
Top gift, estate, and GST tax rate	40%
Gift tax and estate tax applicable exclusion amount	\$12,060,000 + DSUEA*
Generation-skipping transfer (GST) tax exemption	\$12,060,000**

* Basic exclusion amount plus deceased spousal unused exclusion amount (exclusion is portable).

**The GST tax exemption is not portable.

Additional Key Numbers



Retirement Planning

Employee contribution limits to employer plans*

401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs (includes Roth contributions to these plans) \$20,500

Annual catch-up contribution (age 50+) \$6,500

SIMPLE 401(k) and SIMPLE IRA plans \$14,000

Annual catch-up contribution (age 50+) \$3,000

IRA contribution limits**

Traditional and Roth IRAs (combined) \$6,000

Annual catch-up contribution (age 50+) \$1,000

* Lesser of these limits or 100% of participant's compensation.

** Lesser of these limits or 100% of earned income.

MAGI phaseout limits for deductible contributions to a traditional IRA (affects taxpayers covered by an employer-sponsored retirement plan)

Single or head of household \$68,000 to \$78,000

Married filing jointly when the spouse who makes the contribution is covered by a workplace plan \$109,000 to \$129,000

Married filing jointly when the spouse who makes the contribution is not covered by a workplace plan but the other spouse is covered \$204,000 to \$214,000

Married filing separately Up to \$10,000

MAGI phaseout limits to contribute to a Roth IRA

Single or head of household \$129,000 to \$144,000

Married filing jointly \$204,000 to \$214,000

Married filing separately Up to \$10,000



Health Care

Flexible spending account (FSA) for health care

Maximum salary reduction contribution \$2,850

Health savings account (HSA)

Annual contribution limit — individual coverage \$3,650

Annual contribution limit — family coverage \$7,300

Annual catch-up contribution (age 55+) \$1,000

High-deductible health plan (HDHP)

Minimum deductible — individual coverage \$1,400

Minimum deductible — family coverage \$2,800

Maximum out-of-pocket amount — individual \$7,050

Maximum out-of-pocket amount — family \$14,100



Social Security/Medicare

Maximum taxable earning

Social Security (OASDI only) \$147,000

Medicare (HI only) No limit



Standard Mileage Rates

Business purposes 58.5¢ per mile

Medical purposes 18¢ per mile

Charitable purposes 14¢ per mile

Moving purposes 18¢ per mile



Investment Taxes

Single filer Married filing jointly Married filing separately Head of household Tax rate

Long-term capital gain & qualified dividend tax (taxable income thresholds)

Up to \$41,675 Up to \$83,350 Up to \$41,675 Up to \$41,675 0%

\$41,676 up to \$459,750 \$83,351 up to \$517,200 \$41,676 up to \$258,600 \$41,676 up to \$258,600 15%

More than \$459,750 More than \$517,200 More than \$258,600 More than \$258,600 20%

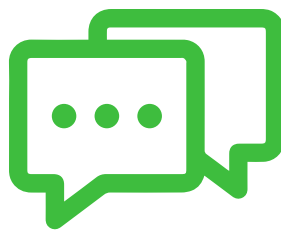
Net investment income tax (MAGI thresholds)

Over \$200,000 Over \$250,000 Over \$125,000 Over \$200,000 3.8%*

*The 3.8% net investment income tax (also referred to as the unearned income Medicare contribution tax) applies to the lesser of

(a) net investment income or

(b) modified adjusted gross income (MAGI) exceeding the above thresholds. It does not apply to municipal bond interest or qualified retirement plan/IRA withdrawals.



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CITATIONS

¹Ghosh, P. (2021, May 6). A Third Of Seniors Seek To Work Well Past Retirement Age, Or Won't Retire At All, Poll Finds. Forbes. <https://www.forbes.com/sites/palashghosh/2021/05/06/a-third-of-seniors-seek-to-work-well-past-retirement-age-or-wont-retire-at-all-poll-finds/?sh=7ca8b79a6b95>

²Skufca, B. L. (2020, January 1). Midlife Adults Are Supporting Parents and Adult Children. AARP. <https://www.aarp.org/research/topics/economics/info-2020/midlife-adults-providing-financial-support-to-family-members.html>

³White, A. (2021, October 5). 77% of Americans are anxious about their financial situation—here's how to take control. CNBC. <https://www.cnbc.com/select/how-to-take-control-of-your-finances/>

⁴Americans expect to retire earlier than ever, but nearly 40% of retirees can't afford to take care of themselves for just one year. (2021b, October 4). Business Insider. <https://www.businessinsider.com/retirement-age-americans-cannot-afford-basic-care-one-year-study-2021-10?international=true&r=US&IR=T>

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