



# Gwinnett County Public Schools

Retirement Savings Plans



# Agenda

**1** Plan highlights

---

**2** Five reasons to save for retirement

---

**3** Questions and answers

---

---

# 1. Plan highlights

## Plan highlights

# Gwinnett County Public Schools employees have an opportunity

- > Convenient and smart way to prepare for retirement
- > Tax-advantaged plans
  - Contribute money through pretax payroll deduction
  - Lower your current taxable income
  - May reduce current income taxes
  - Increase growth potential by deferring taxes on earnings until withdrawal  
(Keep in mind that withdrawals from a 403(b) prior to age 59½ may incur tax penalties)
- > You decide how to invest contributions
- > Account consolidation — transferring vested balances from other retirement plans can simplify personal finances

## Plan highlights

### Contribution limits

403(b) Plan	457(b) Deferred Compensation Plan
<b>Your contributions</b>	
As much as 80% of your annual includible compensation, up to \$19,500 in 2021	As much as 80% of your annual includible compensation, up to \$19,500 in 2021
<b>Catch-up contributions</b>	
Service-based: Up to \$3,000 in 2021 if you have at least 15 years of service with the employer	Service-based: Up to \$19,500 in 2021 if you are within the last three taxable years ending the year before you reach normal retirement age (as specified under the plan) and have undercontributed in prior years
Age-based: Up to \$6,500 in 2021 if you are age 50 or older	\$6,500 in 2021 if you are age 50 or older
If you are eligible for both catch-up provisions, you must exhaust the 15-year catch-up first	If you are eligible for both: You cannot combine the two catch-up amounts but you can contribute up to the higher amount

Contributions to the 403(b) plan and 457(b) plan are not aggregated and you may contribute \$19,500 in 2021 to each plan (plus catch-up contributions, if applicable)

Contributions to a traditional 403(b) account and a Roth 403(b) account are aggregated and their total cannot exceed \$19,500 in 2021 (plus catch-up contributions, if applicable)

## Plan highlights

# You can withdraw your account balance if any of these events apply

403(b) Retirement Savings Account	457(b) Deferred Compensation Plan
Your retirement	Your retirement
Your death	Your death
Your disability	Severance from employment
Severance from employment	Unforeseeable emergencies
Financial hardship	Age 59 ½
Age 59½	

Taxes are payable upon withdrawal and federal restrictions or penalties may apply. Speak to your investment provider for more details.

## Plan highlights

# Investment options from GCPS Retirement Savings Plans mutual fund options covering all asset classes to maximize diversification

- > Investing involves risk, including the possible loss of principal. Investment values will fluctuate and there is no assurance that the objective of any fund will be achieved. Mutual fund shares are redeemable at the then-current net asset value, which may be more or less than their original cost.
- > Self-directed brokerage window:
  - Participants can also direct their plan assets among the mutual funds and mutual fund options at Schwab
  - A detailed listing of available funds and prospectuses can be obtained through the local GCPS authorized financial professional

Your Schwab Personal Choice Retirement Account is a custodial account established under Section 401(a), 403(b)(7) or 457 of the Internal Revenue Code of 1986, as amended. Your rights under the account are governed by the terms of your account and/or your employer's plan.

## Plan highlights

# Automatic enrollment in 403(b) plan

- > For employees hired on July 1, 2011, or later
- > Automatic contribution rate: 2.5%
  - You may increase or decrease the contribution amount
  - You may opt out of the plan within your first 90 days of employment
- > We'll cover enrollment for employees hired prior to July 1, 2011, later in the "Enrolling in the Plan" section





## Plan highlights

# Roth accounts add diversification to your retirement saving

- > Roth accounts allow tax-free withdrawals, if conditions are met
- > Contributions are made with after-tax money
  - You choose where to direct your contributions
    - You can contribute 100% to your traditional pretax account, but if you include a Roth element, you can control percentages
    - 100% to a Roth account
    - Split your contributions between the two
    - Total contributions are subject to annual Internal Revenue Code contribution limits
- > Qualified distributions from a Roth account are tax free
  - To be qualified, a distribution must occur ...
    - After the end of the five-year period beginning with the first year for which a Roth contribution was made to the plan, **and**
    - After age 59½, your death or disability

Available in 403(b) plan and 457(b) plan

---

## **2. Five reasons to save for retirement**

# Five reasons to save for retirement

## 1. We're living longer

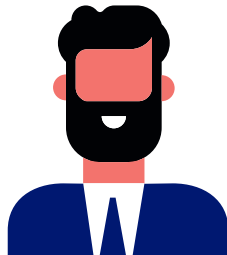
- > Life expectancy has increased dramatically and continues to rise. You could spend decades enjoying retirement.



**Average life expectancy:**

Men – 84

Women – 86.5<sup>1</sup>



# Five reasons to save for retirement

## 2. Retirement lifestyles are changing

- > Today, people remain active longer
- > Takes more money
- > Generally, a worker will need 11 times their final pay at age 65 to maintain the same standard of living with an average life expectancy



Source: Aon Consulting, The Real Deal 2018 Retirement Adequacy at Large Companies.

## Five reasons to save for retirement

### 3. Inflation isn't going away

- > Rising cost of goods and services adversely affects your savings
  - Diminishes real annual rate of return on your investment
  - Reduces purchasing power over time
- > You need a retirement plan that factors in inflation
  - Annual average inflation is about 3%
  - Adds up
  - In 40 years, you will need \$130,482 to equal today's \$40,000

Today	In 20 years	In 40 years
\$40,000	\$72,244	\$130,482

Source: InflationData.com, "Average Annual Inflation Data by Decade, 2018."

## Five reasons to save for retirement

### 4. Shrinking Social Security

- > Under increasing stress as Baby Boomers enter retirement in large numbers
- > Fewer workers remain to support strain on the system
- > Less money coming in and more money going out could reduce future benefits

Estimated annual benefit payable to retired worker in 2021*	\$18,516
Estimated annual benefit payable to couple in 2021*	\$31,162
Maximum annual benefit for a worker at full retirement in 2021*	\$37,776

\* After 1.3% cost-of-living adjustment (COLA)

Average amounts can change monthly.

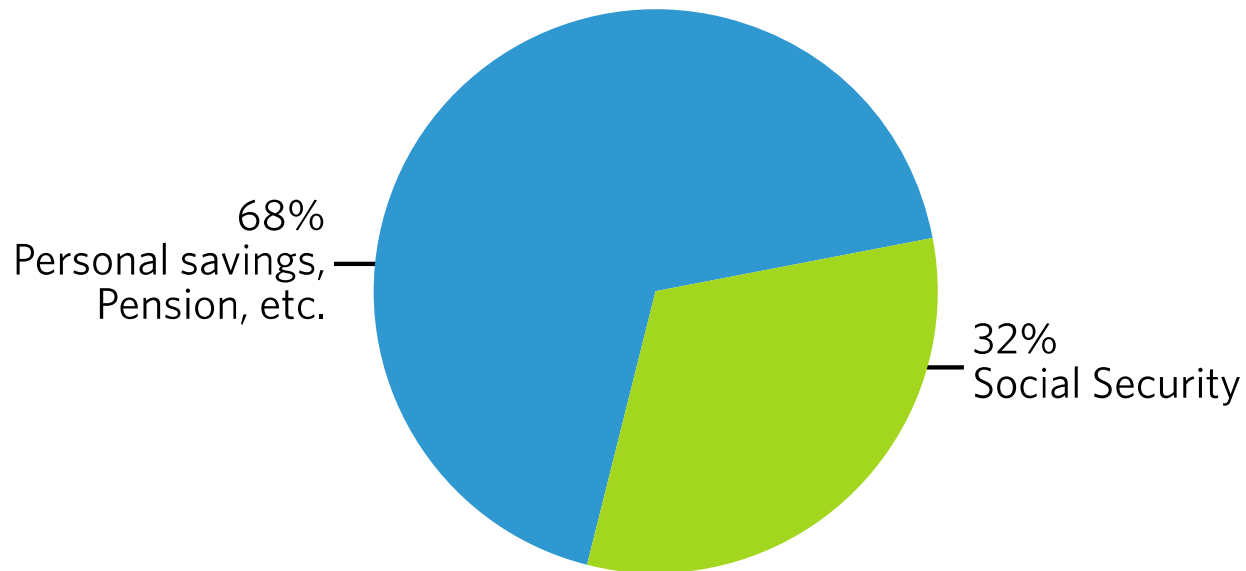
Source: [socialsecurity.gov](https://www.ssa.gov). November 2020.

## Five reasons to save for retirement

### 4. Shrinking Social Security

- > Designed to supplement retirement income

Estimated in 2030



Source: socialsecurity.gov.

## Five reasons to save for retirement

### 5. Rising healthcare expenses

- > As we age, our healthcare expenses increase
- > Many studies say national inflation rate for healthcare will continue for many years

Source: The 2019 Towers Watson  
Emerging Trends in Health Care Survey.





# 3. Questions and answers

# Vendor contact information

## GCPS Authorized Financial Professionals

For assistance, please contact one of our local financial professionals at (770) 395-4717.

Leslie Riley	(770) 395-4717	<a href="mailto:leslie.riley@aig.com">leslie.riley@aig.com</a>
Steve Cameron	(770) 395-4717	<a href="mailto:steve.cameron@aig.com">steve.cameron@aig.com</a>
Tommy Heidt	(770) 395-4717	<a href="mailto:tommy.heidt@aig.com">tommy.heidt@aig.com</a>
Bill Burke	(770) 395-4717	<a href="mailto:william.burke@aig.com">william.burke@aig.com</a>
Alex Rauch	(770) 395-4717	<a href="mailto:alex.rauch@aig.com">alex.rauch@aig.com</a>
Tia Jinks	(770) 395-4717	<a href="mailto:tia.jinks@aig.com">tia.jinks@aig.com</a>
Chigozie Orieh	(770) 395-4717	<a href="mailto:chigozie.orieh@aig.com">chigozie.orieh@aig.com</a>
Raymond Rivers	(770) 395-4717	<a href="mailto:raymond.rivers@aig.com">raymond.rivers@aig.com</a>
Bob Lewis	(770) 395-4717	<a href="mailto:robert.lewis1@aig.com">robert.lewis1@aig.com</a>
Crystal Brown	(770) 395-4717	<a href="mailto:crystal.brown@aig.com">crystal.brown@aig.com</a>

You can also call the Client Care Center at 1-800-448-2542 for account-specific questions. Bilingual English-Spanish Customer Service Representatives (CSRs) are available Monday - Friday 8:00 a.m. to 9:00 p.m. (Eastern Time).

# Employer contact information

## GCPS Retirement Savings Plans Website

<https://www.gcpsk12.org/Page/24698>

## GCPS Retirement Savings Plans Email Address:

[Retirement.Savings.Plans@gcpsk12.org](mailto:Retirement.Savings.Plans@gcpsk12.org)

**Mailing Address:**            **Gwinnett County Public Schools  
Retirement Services Department  
437 Old Peachtree Road, NW  
Suwanee, GA 30024**

**Phone:**                        **678-301-6286**

**Fax:**                             **678-301-6275**

## For AIG Retirement Services Product Disclosures

Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing. This and other important information is contained in the prospectus, which can be obtained from your financial professional or at [www.aig.com/retirementservices](http://www.aig.com/retirementservices). Enter your Group ID in the Login field and click Continue. You can also request a copy by calling 1-800-428-2542. Read the prospectuses carefully before investing.

## For Schwab PCRA

Investors should consider carefully information contained in the prospectus, including investment objectives, risks, trading policies, charges, and expenses. You can request a prospectus by calling Schwab's dedicated PCRA Call Center at 1-888-393-PCRA (7272). You may also request a prospectus online at <http://www.schwab.com/prospectus>. Please read the prospectus carefully before investing. Other fees and charges for value-added services may apply. You can ask a Schwab representative for more information.

This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. Please consult with your financial professional regarding your situation. For legal, accounting or tax advice consult the appropriate professional. Securities and investment advisory services offered through VALIC Financial Advisors, Inc. (VFA), member FINRA, SIPC and an SEC-registered investment adviser.

Annuities are issued by The Variable Annuity Life Insurance Company (VALIC), Houston, TX. Variable annuities are distributed by its affiliate, AIG Capital Services, Inc. (ACS), member FINRA.

AIG Retirement Services represents AIG member companies—The Variable Annuity Life Insurance Company (VALIC) and its subsidiaries, VALIC Financial Advisors, Inc. (VFA) and VALIC Retirement Services Company (VRSCO). All are members of American International Group, Inc. (AIG).



© American International Group, Inc. All rights reserved.

VC 23068 (02/2021) 553904 EE

**AIG Retirement Services**





**Thank you!**

