



# Gwinnett County Public Schools

## Planning for Financial Wellness

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# Agenda

Why financial wellness?

Why financial wellness is important

Retirement realities

Sources of retirement income

Path to retirement readiness

Retirement roadmap

Resources

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# **Why financial wellness?**

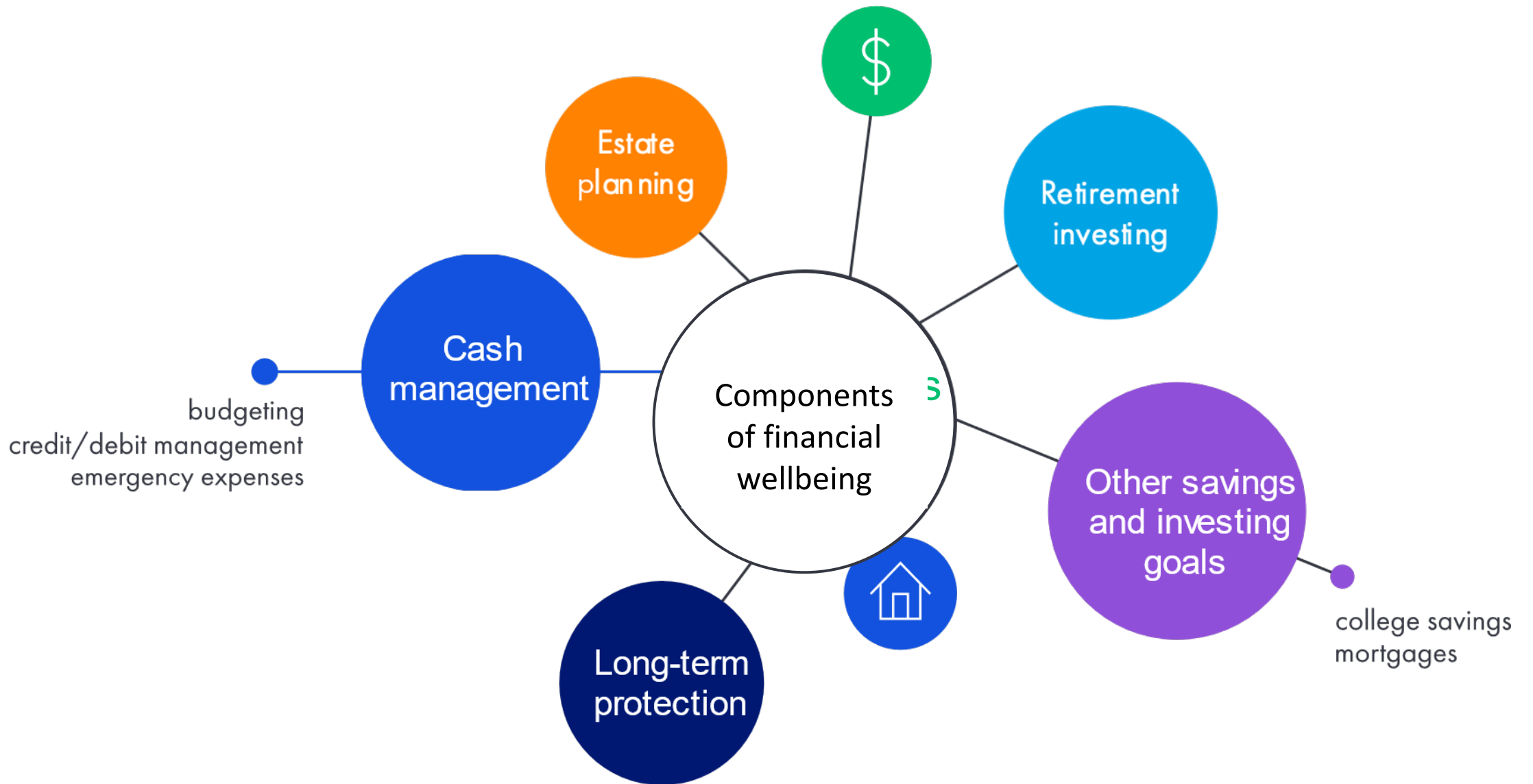
Financial  
wellness

=

Living within  
your means

and learning to manage  
your finances in both the  
short and long term





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# **Why financial wellness is important**

## Benefits to focusing on financial wellness

- ✓ Reduced stress
- ✓ Improved physical health
- ✓ More productive at work
- ✓ Improved retirement savings
- ✓ Reduced debt
- ✓ Improved credit score



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# Retirement realities



# You could live to be 100...or beyond!



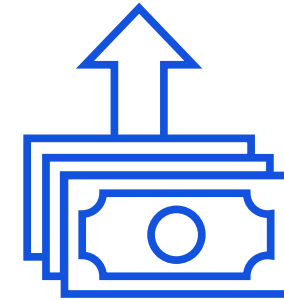
Average life expectancy:

Men – 84  
Women<sup>1</sup> – 86.5



Pre-retirement income needed in retirement:

80%<sup>2</sup>



Average annual rise in inflation since 1913:

4.7%<sup>3</sup>

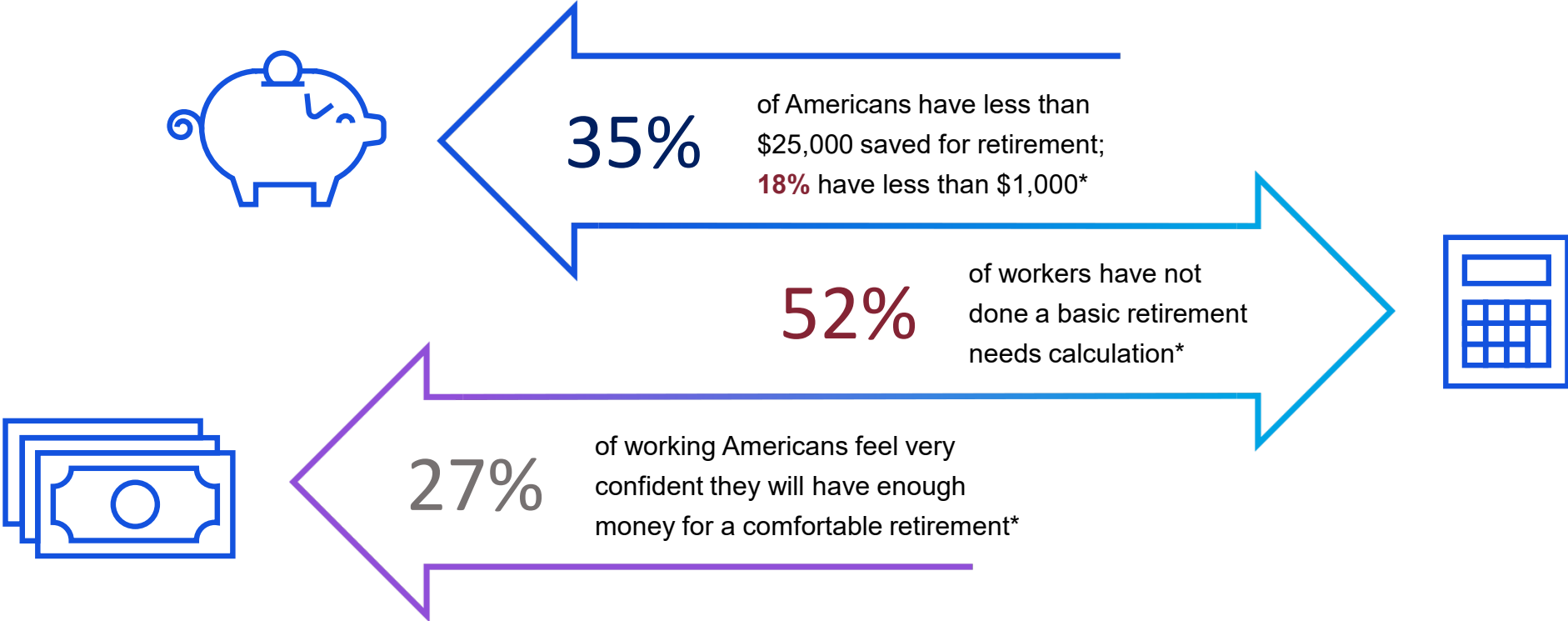
Sources:

<sup>1</sup> Benefits Planner: Life Expectancy. SocialSecurity.gov.

<sup>2</sup> "How Much Do I Need to Retire Comfortably?" The Motley Fool, <https://www.fool.com/retirement/how-much-do-i-need/>, Robin Hartill, CFP®, April 21, 2022

<sup>3</sup> Federal Reserve Bank of Minneapolis, Consumer Price Index 1913-2021, <https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator/consumer-price-index-1913->

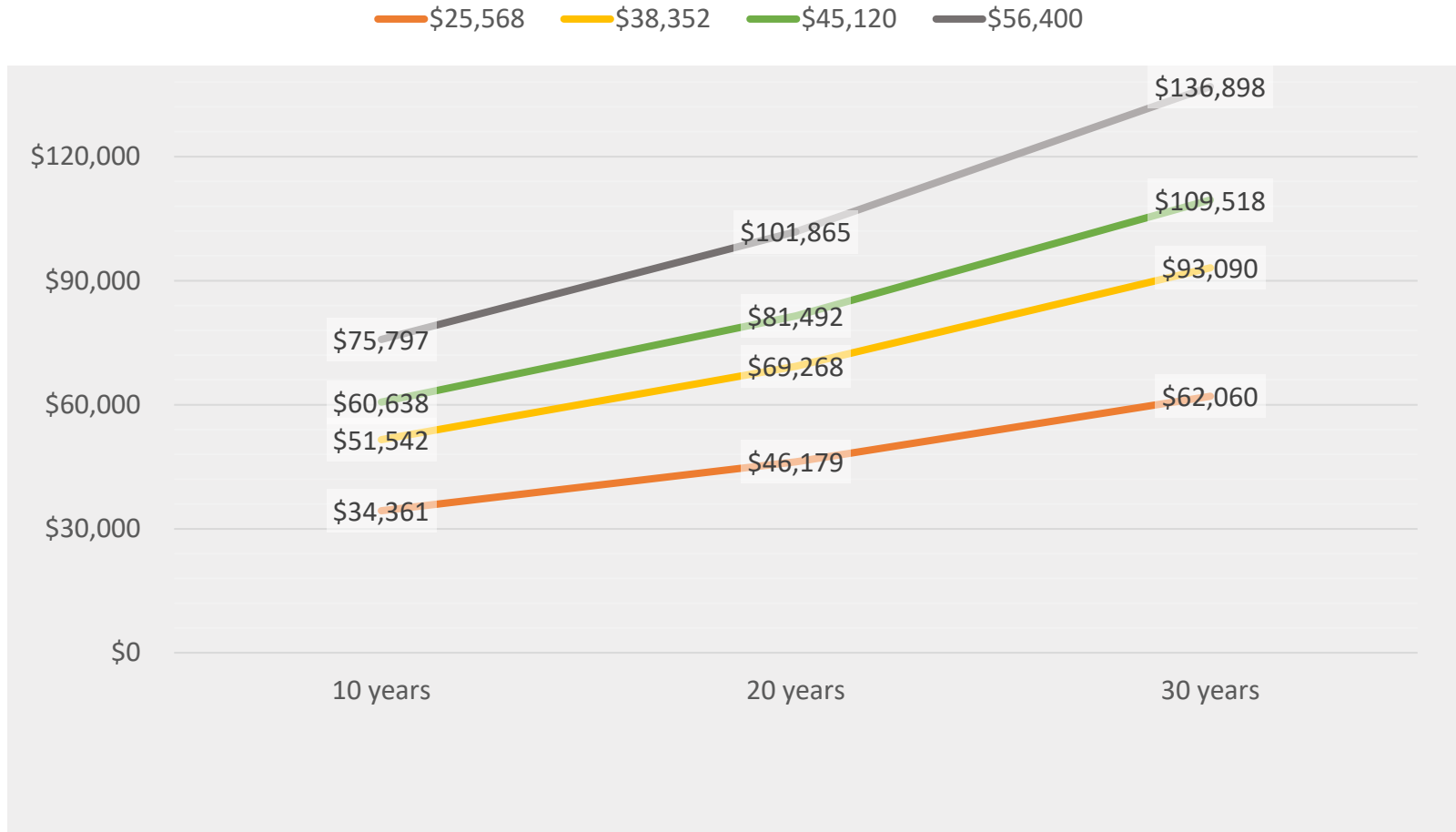
# Preparing for retirement



\*Source: EBRI 2020 Retirement Confidence Survey.

# The cost of inflation

How it could affect annual income needed in retirement



This chart shows how annual income needs increase over time, assuming a 3% annual inflation rate.

This is a hypothetical example and is for illustrative purposes only.

# Sources of retirement income

## Four sources in the GCPS Retirement Plans

- Teachers Retirement System of Georgia (TRS) OR
- Public School Employees Retirement System (PSERS)
- Gwinnett Retirement System (GRS) - Social Security Replacement
- 403(b) and 457(b) defined contribution plans – Retirement Savings Plans (RSP)  
– Corebridge Financial



# Source #1: Teachers Retirement System of Georgia (TRS)

## Eligibility for retirement benefits

### Vesting - 10 Years

Employees contribute 6% of earnings

### Service Retirement Eligibility - Normal

Completion of 30 years of creditable service regardless of age OR

Completion of at least 10 years of creditable service and attainment of age 60

Please refer to your TRS employee handbook for comprehensive information regarding your retirement benefits.

## Source #2: Gwinnett Retirement System (GRS)

### Normal Retirement:

- Age 65 and 9 months of service

### Early Retirement:

- The date you become eligible to begin receiving retirement benefits under one of the following State of Georgia Plans:
  - The Teachers Retirement System of Georgia (TRS)
  - The Employees Retirement System of Georgia (ERS)
  - The Public School Employees' Retirement System (PSERS)

Please refer to your GRS employee handbook for comprehensive information regarding your retirement benefits.

## Source #3: Social Security

Funding	Eligibility	Year of Birth	Full Retirement Age (FRA)
<ul style="list-style-type: none"> <li>• Payroll taxes</li> <li>• Self-employment taxes</li> </ul>	<ul style="list-style-type: none"> <li>• 40 credits of working service (equal to about 10 years)</li> <li>• Full retirement age varies depending on birth year</li> </ul>	1943 – 1954	66
		1955	66 and 2 months
		1956	66 and 4 months
		1957	66 and 6 months
		1958	66 and 8 months
		1959	66 and 10 months
		1960 and later	67

Source: Social Security Administration, <https://www.ssa.gov/onlineservices/>.



## Source #4: Savings and investments

Pay yourself first!

Don't forget to establish a cash reserve!

①

Schedule  
systematic  
savings



②

Save increases  
and bonuses



③

Save any  
tax return  
refund



④

Make more  
money from your  
bank accounts

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.

## Source #4: Savings and investments

### Tax-deferred<sup>1</sup>

403(b)	Public schools and nonprofit
457(b)	Government and tax-exempt
401(k)	Non-government employers

### Taxable<sup>2</sup>

Roth 403(b)	Public schools and nonprofit
Roth 457(b)	Government and tax-exempt
Roth 401(k)	Non-government employers

<sup>1</sup> Income taxes are payable upon withdrawal; federal restrictions and a 10% federal early withdrawal tax penalty might apply to withdrawals prior to age 59½.

<sup>2</sup> Roth contributions are after-tax contributions.

# Contribution limits

2023	Traditional and Roth		
	403(b)	457(b)	401(k)
<b>Annual limit</b>	\$22,500	\$22,500	\$22,500
<b>Contribution method</b>	Deferral via salary-reduction agreement		
<b>Age-based catch-up (50+)</b>	\$7,500	\$7,500*	\$7,500

\*Not applicable to 457(b) tax-exempt organizations.

## When do withdrawals begin?

403(b)  
401(k)

- Reach age 59½ or 73 (age 72 if you were born after June 30, 1949 and before January 1, 1951 & age 70½ if you were born before July 1, 1949)  
Severance from employment
- Death or disability
- Financial hardship

457(b)

- Reach age 59½ or 73 (age 72 if you were born after June 30, 1949 and before January 1, 1951 & age 70½ if you were born before July 1, 1949)
- Severance from employment
- Occurrence of an unforeseeable emergency

Withdrawals may be subject to withdrawal charges and federal and/or state income taxes. A 10% federal early withdrawal tax penalty may apply if taken before age 59 1/2.

The 457(b) does not have the 10% penalty except on non 457 amounts rolled into them.

# Path to retirement readiness

# Reasons people delay saving for retirement

	20s	30s	40s	50s
Roadblock	"I'm too young"	"Too many expenses"	"Saving for child's college tuition"	"Supporting children and parents"
Opportunity	Time is on your side	Pay yourself first	Compound savings	Workplace plan and catch-up provision

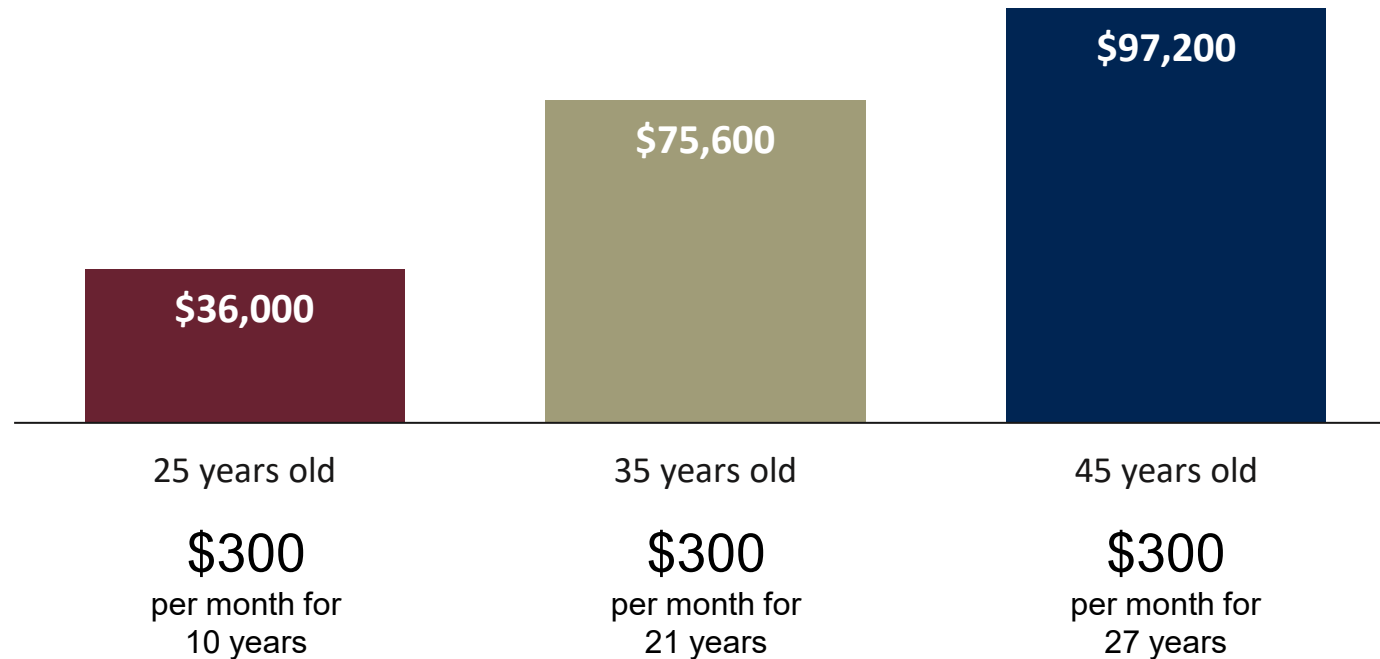
# How much could you save?

Fewer trips to the coffee bar could add to your retirement savings



This example is hypothetical, does not reflect the return of any specific investment and is not a guarantee of a specific rate of return. Figures are based on an annual 7% rate of return. Income taxes are payable upon withdrawal. Federal restrictions and a 10% federal early withdrawal tax penalty may apply to withdrawals prior to age 59½. Investment return and principal value will fluctuate so that the investor's units, when redeemed, may be worth more or less than their original cost. Fees and charges, if applicable, are not reflected in this example and would reduce the results shown. Bear in mind investment involves risk, including possible loss of principal.

# The cost of procrastination



Considering an investor's goal of \$200,000 by the age of 65, this hypothetical example compares different ages. This hypothetical example compares the total out-of-pocket costs required to fund the retirement goals of an investor if the investor started contributing \$300 a month at different ages. This example assumes a 5% annual rate of return. Tax-qualified plan accumulations are taxed as ordinary income when withdrawn. Federal restrictions and tax penalties can apply to early withdrawals. This information is hypothetical and only an example. It does not reflect the return of any investment and is not a guarantee of future income. Investing involves risk, including possible loss of principal. NOTE: \$300 in pretax contributions would equal about \$400 out of pocket if paid with after-tax dollars.



## Enrolling in your Retirement Savings Plan is simple

Visit [corebridgefinancial.com/rs](https://corebridgefinancial.com/rs)

- Hired July 1, 2011 or later, you are automatically enrolled at 2.5%. Create your account today.
- Hired before July 1, 2011 and have not yet enrolled – To enroll, visit [corebridgefinancial.com/rs](https://corebridgefinancial.com/rs)

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# Resources

# Retirement Contact Information

Retirement Plan	Website	Phone
Teachers Retirement System (TRS)	<a href="http://www.trsga.com">www.trsga.com</a>	(404) 352-6500
		(800) 352-0650
Public School Employees Retirement System (PSERS)	<a href="http://www.ers.ga.gov/psers">www.ers.ga.gov/psers</a>	(404) 350-6300
		(800) 805-4609
Gwinnett Retirement System (GRS)	<a href="http://www.gcpsk12.org/grs">www.gcpsk12.org/grs</a>	(678) 301-6267
		names (A-K) 6267; names (L-Z) 6269
		Retirement Savings Plans
Social Security	<a href="http://www.ssa.gov">www.ssa.gov</a> ; <a href="http://www.socialsecurity.gov">www.socialsecurity.gov</a>	(800) 772-1213
Corebridge Financial	<a href="http://www.corebridgefinancial.com/retirement%20services">www.corebridgefinancial.com/retirement services</a>	(800) 448-2542
		(770) 395-4717
State Health Benefit Plan	<a href="http://www.shbp.georgia.gov">www.shbp.georgia.gov</a>	(404) 656-4507

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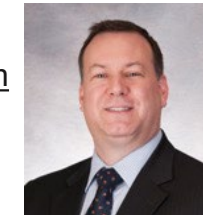
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You can also call the Client Care Center at 1.800.448.2542 for account-specific questions.  
Bilingual: English-Spanish Client Service Professionals are available  
(Monday - Friday 8:00 a.m. to 9:00 p.m. (EST))

**Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing. Read the fund prospectuses carefully before investing. The fund prospectuses contain important information, which can be obtained from your financial professional at [corebridgefinancial.com/retirementservices](https://corebridgefinancial.com/retirementservices) or by calling 1.800.428.2542 and following the prompts.**

Important considerations before deciding to move funds either into or out of an a Corebridge retirement services account

There are many things to consider. For starters, you will want to carefully review and compare your existing account and the new account, including: fees and charges; guarantees and benefits; and, any limitations under either of the accounts. Also, you will want to know whether a surrender of your current account could result in charges. Your financial professional can help you review these and other important considerations.

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Thank You!

