

Put Your Retirement Plan to Work



Put Your Retirement Plan to Work

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Seminar overview

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- 1 Why save for retirement?
- 2 Why save now?
- 3 How can I save?



1 Why save for retirement?

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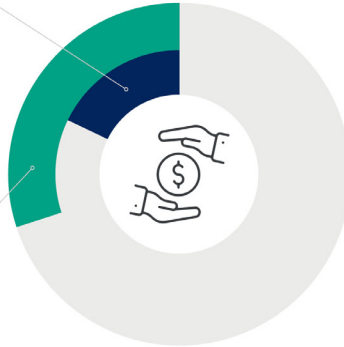
Why save for retirement?

18%

of workers ages 55 or older have less than \$25,000 saved for retirement

30%

have less than \$100,000 saved for retirement



Source: Employee Benefit Research Institute (EBRI)
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Why save for retirement?

Average life expectancy



83



Male

86



Female

Source: U.S. Social Security Administration – Actuarial Life Table
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Why save for retirement?

The role of Social Security



30%

of retirement income typically comes from Social Security benefits




Track your Social Security benefit by visiting ssa.gov or your local Social Security office

Source: Social Security Administration
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Why save for retirement?

Impact of inflation

	1997	2022	2047 (est.)
 Monthly groceries	\$380	\$690	\$1,130
 Health care	\$2,400	\$7,500	\$25,400
 New car	\$17,200	\$26,900	\$44,100

Source: Bureau of Labor Statistics; U.S. Department of Agriculture; AutoTrader.com. Monthly groceries for family of two. Health care data for married couple for 1995, 2020 and 2045. Values rounded to nearest \$10 and \$100, as appropriate.

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10

Source: Bureau of Labor Statistics; U.S. Department of Agriculture; AutoTrader.com. Monthly groceries for family of two. Health care data for married couple for 1995, 2020 and 2045. Values rounded to nearest \$10 and \$100, as appropriate.

2

Why save now?

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11

Why save now?

Power of compounding

	Monthly investment	Savings goal at age 65
Age 25	\$200	\$400,000
Age 35	\$400	\$400,000
Age 45	\$870	\$400,000
Age 55	\$2,440	\$400,000

This calculation assumes a hypothetical 6% rate of return compounded annually and is for illustrative purposes only. These calculations do not include fees, commissions and taxes, which would reduce the results. Monthly investment rounded to nearest \$10.

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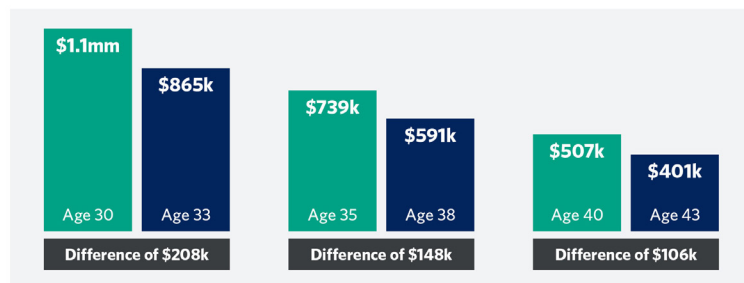
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12

This calculation assumes a hypothetical 6% rate of return compounded annually and is for illustrative purposes only. These calculations do not include fees, commissions and taxes, which would reduce the results. Monthly investment rounded to nearest \$10.

Why save now?

Cost of waiting



*This chart assumes a 7% hypothetical rate of return. Returns are calculated annually and are for illustrative purposes only. This chart does not represent any currently available investments. Calculations assume an annual contribution of \$6,500 until the age of 65 (the contribution limit for those under age 50) and add \$1,000 per year at age 50 and thereafter (the catch-up contribution limit for those age 50 and older). Figures do not include taxes, fees, commissions or expenses, which would have a negative impact on investment results. See page 2 of the Edward Jones' Your Retirement Resource handbook.

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This chart assumes a 7% hypothetical rate of return. Returns are calculated annually and are for illustrative purposes only. The chart does not represent any currently available investments. Calculations assume an annual contribution of \$6,500 until the age of 65 (the contribution limit for those under age 50) and add \$1,000 per year at age 50 and thereafter (the catch-up contribution limit for those age 50 and older). Figures do not include taxes, fees, commissions or expenses, which would have a negative impact on investment results. See page 2 of the Edward Jones' Your Retirement Resource handbook.

3

How can I save?

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14

How can I save?

Contribute to your plan: 401(k), 403(b) or 457(b)



Maximum contribution

Lesser of \$22,500¹ or 100% of your compensation



Catch-up contribution

\$7,500¹ for those ages 50 and older



Triggering event



Early withdrawal penalty

1 - Limits are applicable to 2023 plan year and subject to annual cost-of-living adjustment.

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1 - Limits are applicable to 2023 plan year and subject to annual cost-of-living adjustment.

How can I save?

Contribute to your SIMPLE IRA**Maximum contribution**Lesser of \$15,500¹ or 100% of your compensation**Catch-up contribution**\$3,500¹ for those ages 50 and older**Triggering event****Early withdrawal penalty**

1 - Limits are applicable to 2023 plan year and subject to annual cost-of-living adjustment.
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1 - Limits are applicable to 2023 plan year and subject to annual cost-of-living adjustment.

How can I save?

Employer plan tax advantages**Pretax contributions
reduce taxable income****Contributions and earnings
grow tax deferred**

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How can I save?

Pretax contribution

	No contribution	\$100 contribution	
Biweekly pay	\$2,000	\$2,000	
Pretax contribution	-\$0	-\$100	
Tax (22% as a single filer)	-\$440 (22% x \$2,000)	-\$418 (22% x \$1,900)	Beth pays less in taxes
Take-home pay	\$1,560	\$1,482	Difference of only \$78

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How can I save?

Roth after-tax contribution



Tax-free **withdrawals** of contributions and earnings



*Funds can be withdrawn tax free provided you have reached age 59½ and have owned the account at least five years. You can also withdraw funds tax and penalty free if you become totally disabled or are on long-term disability.

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19

*Funds can be withdrawn tax free provided you have reached age 59½ and have owned the account at least five years. You can also withdraw funds tax and penalty free if you become totally disabled or are on long-term disability.

How can I save?

Choosing investments



Determine your risk tolerance



Consider your time horizon



Identify your portfolio objective

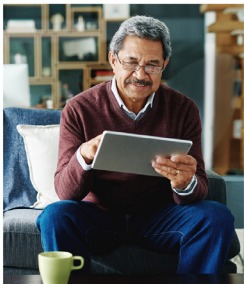
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20

How can I save?

Determine your risk tolerance



1

Find the right balance

2

Complete the Risk Tolerance Questionnaire

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How can I save?

Consider your time horizon



1 Diversification

2 How risk tolerance and time horizon work together

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How can I save?

Identify your portfolio objective



Retirement time horizon

Investor risk tolerance	Early investing years	Good earnings years	High income and savings years	Early retirement years	Late retirement years
High	Growth focus	Growth focus	Growth focus	Balanced toward growth	Balanced toward growth
Medium-high	Growth focus	Growth focus	Growth focus	Balanced toward growth	Balanced growth & income
Medium	Growth focus	Growth focus	Balanced toward growth	Balanced growth & income	Balanced toward income
Low-medium	Growth focus	Balanced toward growth	Balanced toward growth	Balanced growth & income	Balanced toward income
Low	Balanced toward growth	Balanced growth & income	Balanced growth & income	Balanced toward income	Income focus

See Page 4 of The Importance of Diversification handout. The Portfolio Objective Guidance Table as determined by the Edward Jones Investment Policy Committee

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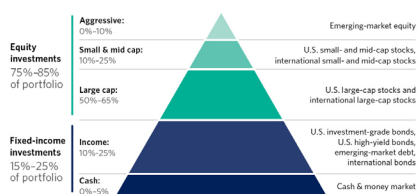
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How can I save?

Identify your portfolio objective: growth focus

How to build this portfolio

We recommend using the following investment category ranges and strategic asset allocation guidance as a guide when selecting investments to build this portfolio.



Commodities, alternative investments, stocks trading less than \$4, and international high-yield bonds, which align to aggressive investment categories, are not displayed because they are not recommended.

Investors who select this portfolio objective prefer:

- To emphasize higher long-term growth and rising dividend potential with modest current interest income.
- Higher risk; over the long term, than portfolios with a more income-oriented objective.
- Their portfolio to have slightly smaller fluctuations in value and slightly lower long-term return potential than the stock market.

For this portfolio objective, we recommend approximately 15%-25% in international investments and no more than 5% in high-yield bonds or other aggressive-income investments.

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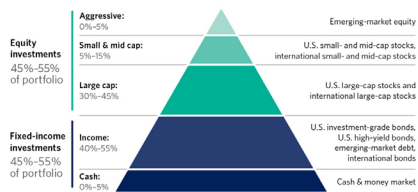
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How can I save?

Identify your portfolio objective: balanced growth and income

How to build this portfolio

We recommend using the following investment category ranges and strategic asset allocation guidance as a guide when selecting investments to build this portfolio.



Investors who select this portfolio objective prefer:

- To have a balanced emphasis between current interest income and long-term growth with rising dividend potential.
- Moderate risk over the long term.
- Their portfolio to have moderate fluctuations in value and lower long-term return potential than the stock market.

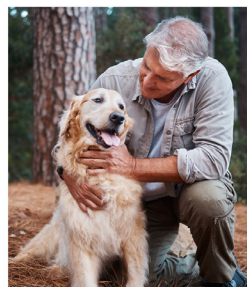
For this portfolio objective, we recommend approximately 10%-30% in international investments and no more than 15% in high-yield bonds or other aggressive-income investments.

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How can I save?

Other options and additions



- 1 Traditional IRA**
 - Pretax contributions
 - Earnings grow tax deferred¹
 - Variety of investment choices
- 2 Roth IRA**
 - After-tax contributions
 - Earnings growth distributed tax free²
 - Variety of investment choices
- 3 Employer-sponsored plan options**

¹ Taxes are due upon withdrawal and withdrawals prior to age 59½ may be subject to 10% IRS penalty.
² Distributions of earnings from a Roth IRA could be subject to taxes and a 10% penalty if the account is less than five years old and the owner is under age 59½. Eligibility to contribute is subject to income limits.

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How can I save?

Next steps



Schedule a one-on-one enrollment meeting

- Complete Risk Tolerance Questionnaire
- Identify your investment objective
- Evaluate investment choices




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Any questions?



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Thank you
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