



BENEFIT NEWS

Benefit Retirement Newsletter

April 2017

Enroll Today—Don't Delay

Are you taking advantage of the FCPS Retirement Savings Plans and saving for your future? Do you know what your options are? This newsletter will update you on important information and a brief summary of the options you can choose from.

FCPS - Retirement Savings Plans

FCPS offers new and existing employees the option of voluntarily contributing to a 403(b) and/or 457(b) Plan. Employees should regularly review their future goals and formulate or enhance their strategy to save for their eventual retirement. Many employees put this vital planning step off until it is too late. Begin saving early and meet with one of the approved financial advisors to help you determine your goals and the best way to achieve them.

Q: Why should I contribute to a 403(b) or 457(b) account?

A: Making voluntary contributions to a 403(b) and/or 457(b) account could help make the difference for a financially sound retirement and help you get closer to reaching your financial goals and needs. Many expect to be able to continue living supported by their current level of income, but with the rising cost of living and new product inventions that may become necessary, future retirees must decide how they want to bridge the gap that may prevent them from successfully reaching this income level. The reality is that most people only receive a portion of the salary they were making when they retired, and they have to find ways to supplement that amount to meet their needs. This difference can be lessened with the support of a 403(b) and/or 457(b) account.

Q: How do I start contributing?

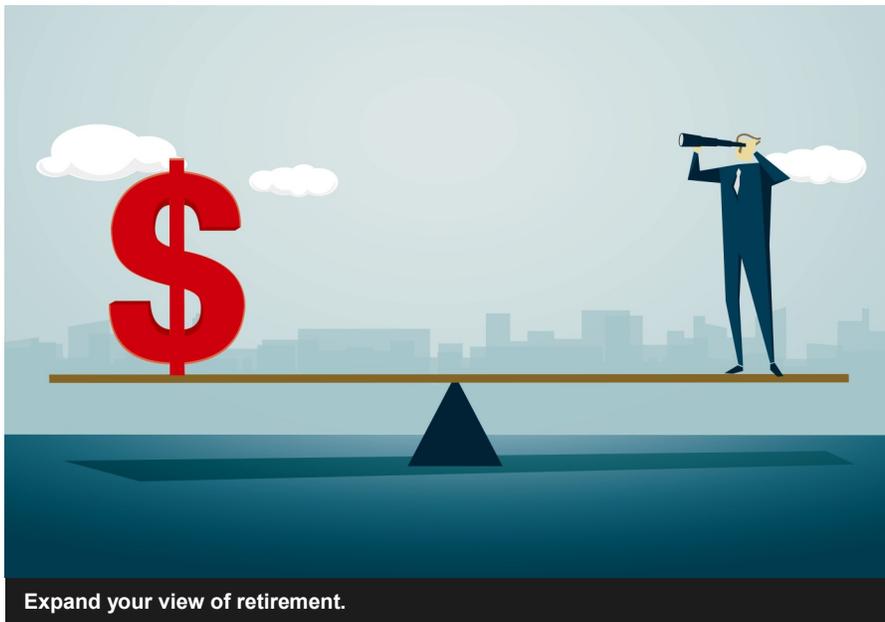
A: Once you are ready to participate in the FCPS 403(b) and/or 457(b) plan(s), you should research the authorized Investment Providers and Investment Products available to you. Choose an investment product that is suitable to help you meet your retirement goals and contact an Investment Provider Representative (if applicable) to open your account. Once your account is open with the Investment Provider company, you can then submit a Salary Reduction Agreement to allow FCPS to begin withholding contributions from your pay, and send the funds to your selected Investment Provider on your behalf. A list of the current FCPS authorized Investment Providers can be found in this newsletter.

Financial literacy is an issue that should command our attention because many Americans are not adequately organizing finances for their education, healthcare, and retirement.

Ron Lewis

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“If you would
be wealthy,
think of saving
as well as
getting.”

-Benjamin Franklin

Authorized Investment Provider Companies

Employees can obtain more detailed information on 403(b) and/or 457(b) accounts from each of the authorized investment provider companies. In most cases, local representatives of each company are also available to meet with employees and help determine individual needs and goals. Contact information is provided below:

American Century Services—(800) 345-3533
<https://www.americancentury.com/enroll/index.jsp>

AXA Equitable Life Insurance Company—(800) 628-6673
<https://us.axa.com/teacher-retirement/403b/>

PlanMember Services—(800) 874-6910
<http://online.planmember.com/home.cfm>

Security Benefit Group—(800) 888-2461
<https://securitybenefit.com/#>

VALIC—(800) 448-2542
<https://www.valic.com/>

VOYA Financial—(866) 865-2660
<https://www.voya.com/products-services/workplace-retirement-plans>

Participation Eligibility

Most employees are eligible to participate in the 403(b) and/or 457(b) plan(s) upon hire. However, if you are a private contractor, trustee, school board member, and/or student worker, you are not eligible to participate in the 403(b) plan. If you participate in a supplemental retirement plan through FCPS, you are fully vested in your contributions and earnings at all times.

Websites for Research

Plan(b)
www.planbaccount.com

Choose to Save
www.choosetosave.org

IRS
www.irs.gov

Social Security Administration
www.ssa.gov

Administration on Aging
www.aoa.gov

TSA Consulting Group
www.tsacg.com



Do your research for a successful retirement.

Types of 403(b) and 457(b) Investment Products

The products offered under the FCPS 403(b) and 457(b) plans are limited by IRS regulations to the following types of investment products: Fixed Annuities; Variable Annuities; and Mutual Funds.

Fixed Annuities usually provide for safety of principal and a current interest crediting rate.

Variable Annuities usually offer both a fixed account along with separate accounts that are invested in bond and/or equity markets. Dollars invested in the separate accounts are not guaranteed and their value is affected by the performance of the market.

Mutual Funds are offered as either Service Based or Self Directed options:

Service Based Mutual Funds are offered by investment management companies and brokerage firms. Participants may direct their contributions to various investment portfolios, which are professionally managed by fund managers. Investment portfolios can include funds from a single fund family or consist of a platform that spans several fund families on a single statement. These mutual funds include fees to pay investment advisors to assist you with your investment choices and/or financial planning.

Self Directed Mutual Funds are funds for individuals who do not wish to utilize the services of a local investment advisor. Participants direct the investments among the choices provided by the fund company with these investment products. You can contact the company by calling a toll-free phone number and/or by utilizing online access.

Plan(b) Investment Options

The Prudential Guaranteed Income Fund (GIF) is designed to provide safety of principal, liquidity, and a competitive rate of return. This means the money you put into the GIF (the principal) will be protected, you can leave the fund without penalty, and you will also earn interest on that principal.

You can also invest in one or more of the other options offered by Plan(b) or open a retirement account with one of the authorized investment providers in your employer's retirement plan. The options available through Plan(b) include 15 funds from Vanguard and Dimensional Fund Advisors — both well-known companies that offer mutual funds. In fact, these funds are available only through retirement plans — not in the open market.

Plan(b) also offers a middle ground by offering what are known as model portfolios, which are combinations of the funds based on your tolerance for risk. For example, there is a Conservative portfolio, a Moderate portfolio, and an Aggressive portfolio available, so you can choose a preset list of funds based on your own thoughts about investment. And remember, if it feels too overwhelming, you can always let your contributions go into the GIF. That's what it is there for — to give you an investment on which you'll earn interest while you're considering other options.

While ultimately your contribution percentage is dependent on your particular financial situation, contributing 3% of your pay can be a great way to get started. You can increase or decrease the amount of your contribution by completing an amended Salary Reduction Agreement (SRA). Please check with the FCPS payroll department regarding the process to complete a new SRA.

Employees can easily enroll in Plan(b) online by visiting <http://bit.ly/Frederick-MD>. Information regarding each fund as well as the Asset Allocation Model Portfolios can be found at www.planbaccount.com/investments.html.

Benefits of 403(b) and 457(b) Plans

There are many benefits to contributing to 403(b) and 457(b) plans:

- Contributions Deposited into Individual Accounts
- Convenience of Payroll Contributions
- High Annual Contribution Limits
- Flexible Contributions
- Benefits Paid to Your Beneficiary upon Death

It is important to note that these accounts are designed for long-term accumulation. You should consult with your financial advisor or tax consultant to determine the potential advantages of traditional 403(b) and/or 457(b) account.

Plan(b) Contact

Questions?

Call the Plan(b) Customer Information team at (866) 752-6286.

Monday-Friday,
8am–5:30pm EST

Online Enrollment
<http://bit.ly/Frederick-MD>

Plan(b) Research
www.planbaccount.com

Authorized Investment Provider Companies

American Century Services

AXA Equitable Life Insurance
Company

PlanMember Services

Security Benefit Group

VALIC

VOYA Financial