



A Million Reasons to Get Started With The UT Voluntary Plans

**A million reasons
to get started.**

FutureFIT® for Life:



Bob Johnston, CLU, FLMI
Retirement Plan Consultant

Prizes

You could be the
winner of a of these
prizes!



**VAULT RFID SECURITY 15 IN
COMPUTER BACKPACK**



**ECHO DOT
BLUETOOTH SPEAKER**



**WIRELESS BENCHMARK
EARBUDS**



**IGLOO MADDOX DELUX
COOLER**



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Agenda

“Adulting” can be hard

Setting up your personal budget

Why The UT Voluntary Plans

Establishing healthy financial habits

Enrolling in The UT Voluntary Plans

Action steps

Retirement Income

A small, light-colored piggy bank with several US dollar bills sticking out of its top.

**UT Voluntary
Savings Plans
403b and 457**

Teacher Retirement System of Texas (TRS)

Calculating the standard annuity

TRS uses the following formula:

- Total years of service X 2.3% = Total Replacement %
- Total % X average highest five-year salary = Annual Benefit
- Annual Benefit divided by 12 = Monthly Retirement Benefit

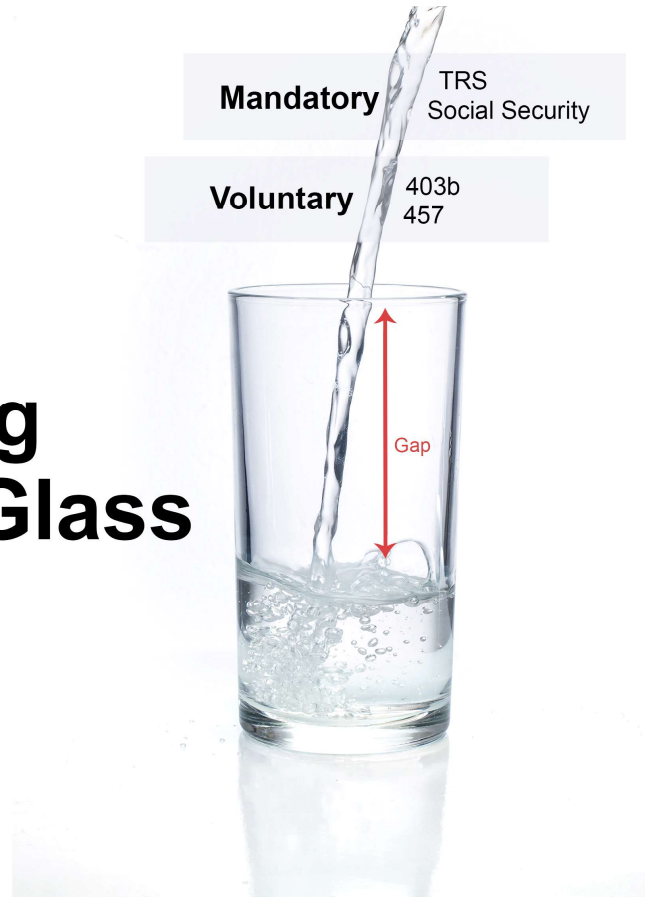
Example: Karen Rogers is an employee with 20 years of service.
The average of her highest five years of salaries is \$40,000.00.

- 20 years of service X 2.3% = 46%
- 46% X \$40,000 = \$18,400 Annual Benefit
- \$18,400 divided by 12 = \$1,534 Monthly Retirement Benefit

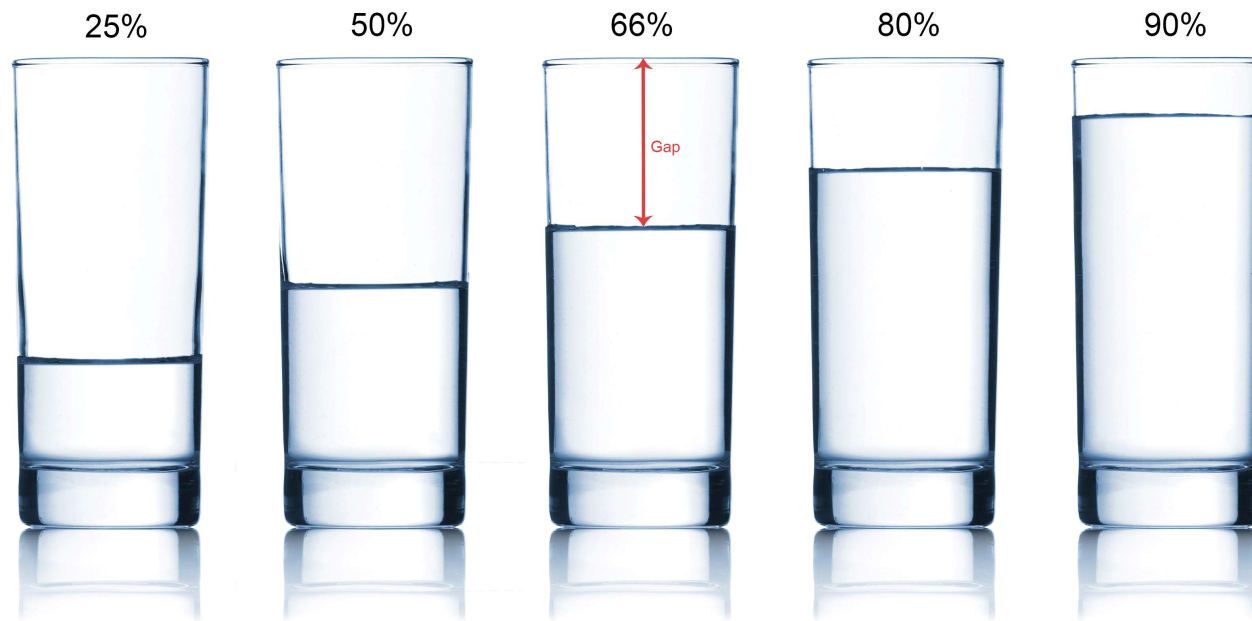
Above is a hypothetical example. (Source: www.trs.texas.gov/January 2018 handbook)



Filling The Glass



Replacement Ratio Monthly Retirement Benefit





**“Adulthood” can
be hard.**



"Adulting" can be really hard (1 of 4)

Your financial stress is real

62%

Age 18 - 24

Anxiety is highest for young adults

Percent who say: **"Thinking about my personal finances can make me feel anxious."**

67%

Age 25 - 34

52%

Age 18 - 24

Stress is also highest for young adults

Percent who say: **"Discussing my finances can make my heart race or make me feel stressed."**

58%

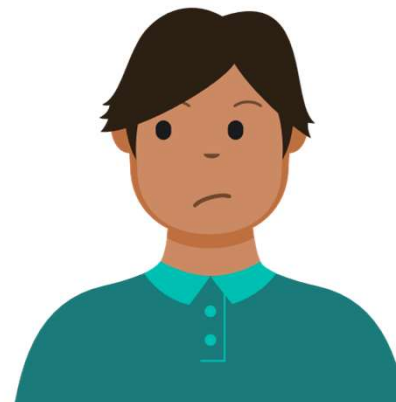
Age 25 - 34

"Adulting" can be really hard (2 of 4)

Feeling the stress



55% Women



45% Men

report feeling anxious or stressed about their money.

Source: FINRA: Financial Anxiety and Stress among U.S. Households: New Evidence from the National Financial Capability Study and Focus Group, April 2021, Andrea Hasler, et al

"Adulting" can be really hard (3 of 4)

Know the signs and the steps to take

Don't let your concerns derail your good progress building a strong financial future

1

Recognize the
symptoms of
stress



2

Understand how
work-related factors
can add to stress,
especially during
transition times in
your life



3

Use tried-and-
true tips to help
build your
resilience and
manage stress



4

Get more hands-
on with your
money and
financial picture

"Adulting" can be really hard (4 of 4)

Let's help relieve some of your financial stress

Sometimes, it's a challenge to get started. Here's what I suggest...



Personal Budget

- Start by setting up (or updating) your budget.
- Be honest about your spending.
- Then, you can make adjustments.

Retirement Plans

- It might seem a long way off but planning now gets you ahead.
- Start small, then increase over time.
- Let compounding work for you.

Healthy Financial Habits

- You'll leave with five good habits for your financial future.
- Most important: you have a lot of resources right here at AIG Retirement Services.

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**Setting up your
personal budget.**



Setting up your personal budget (1 of 5)

Create a budget



AIG Retirement Services

Enroll now!
Be prepared for your future.
Your employer's retirement plan could be one of your most valuable benefits.



Essential living expenses
Non discretionary expenses to be paid through a general income or savings source.

Category	Monthly Expense	Annual Expense	Year(s) Beginning & End	Growth Rate
Federal income taxes	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
State income taxes	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Real estate taxes	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Mortgage/lease	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Life insurance premiums	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Mortgage prop./rental prop.	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Homeowner association dues	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Auto loans	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Auto lease pmts.	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Home insurance	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Auto insurance	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Health/ LTC insurance	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Property maintenance	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Utilities	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Cable/internet	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Trash	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Water	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Energy	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Gas	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Telephone/internet	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Other debt service	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Food groceries	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Auto gas	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Auto expenses	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Clothing	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Charitable contributions	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Prescription drugs	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Other retirement losses	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Medical/dental expenses	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Other expenses	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
Other expenses	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)
TOTAL	(\$0,000.00)	(\$0,000.00)	(2000) – (2000)	(0%)

	Jan	Feb	Mar
INCOME			
Salary	\$ 2,800	\$ 2,800	\$ 2,800
Investment gains	0	0	0
Bonus	175	225	95
Tips	350	500	275
TOTAL	\$3,325	\$3,525	\$3,170
EXPENSES			
Rent/mortgage	\$1,200	\$1,200	\$1,200
Car payment	375	375	375
Insurance	150	150	150
Student Loan	200	200	200
Credit card	125	125	125
Savings	50	50	50
Groceries	150	225	175
Utilities	325	250	275
Entertainment	100	275	150
Personal/misc.	150	210	175
TOTAL	\$2,825	\$3,060	\$2,875
BALANCE (INCOME – EXPENSES)	\$500	\$465	\$295

Fixed

Variable

Setting up your personal budget (2 of 5)

A budget-buster: college loan debt

43M	\$1.59T
Total number of borrowers with federal student loan debt.	Total outstanding federal student loan debt.

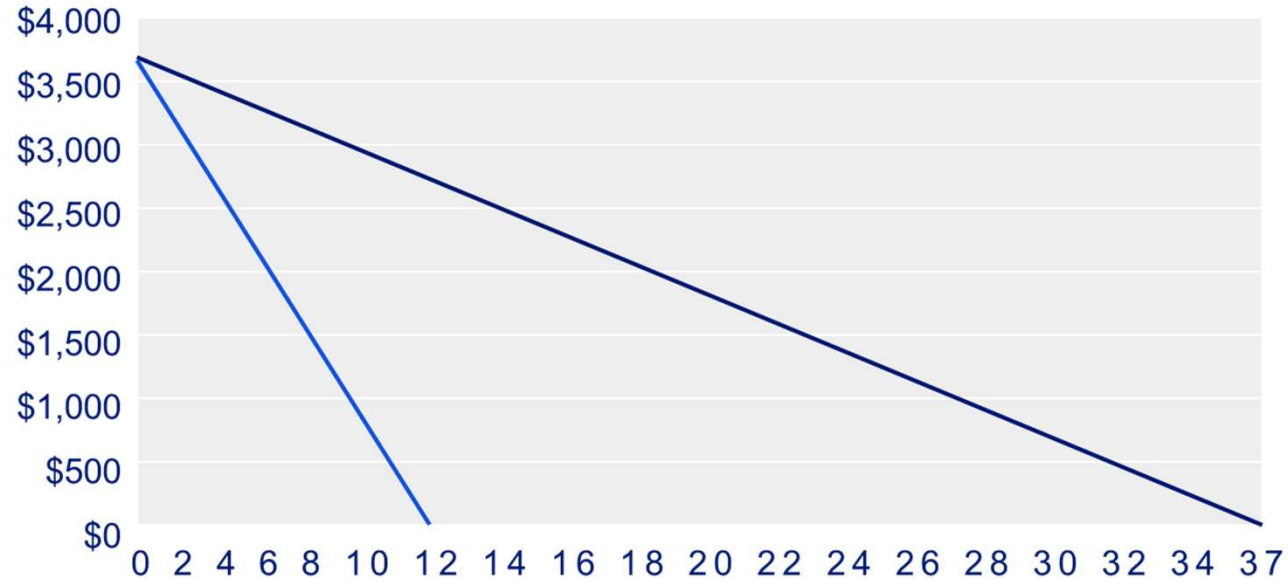
- Bachelor degree debt: \$28,950
- Graduate school debt: \$71,000
- MBA student debt: \$66,300

Tip: Watch for changes in the forbearance rules.
Check eligibility in loan forgiveness programs if your job is in the public sector.

Source: data as of March 31, 2021. U.S. Department of Education and NerdWallet *Student Loan Debt Statistics: 2021*, Anna Helhoski, Ryan Lane Jul 15, 2021

Setting up your personal budget (3 of 5)

Getting credit card debt under control



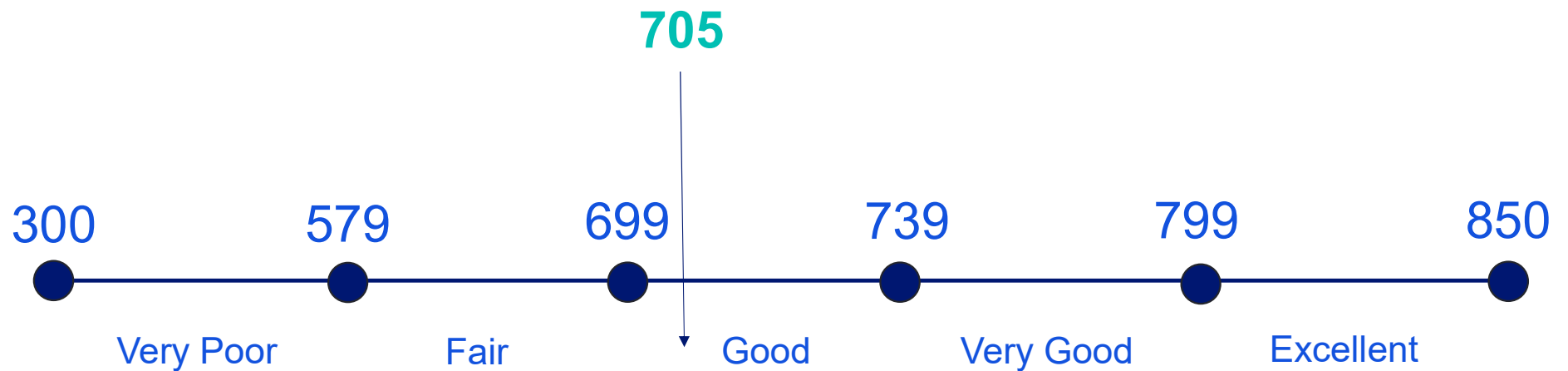
- Current Payment: **\$130**
- Current Payment: **\$334**

Tip: Enter each of your credit card balances into the AIG Retirement Services Credit Card Payoff Tool. See where you might pay down your debt faster.

Source: AIG Retirement Services Credit Card Payoff Calculator <https://www.aigrs.com/education-center/tools-and-calculators/credit-card-payoff-calculator>

Setting up your personal budget (4 of 5)

Know your credit score and how to improve it



Setting up your personal budget (5 of 5)

“Amounts Owed” is 30% of your credit score calculation

5 Key Considerations

1. Total amount owed
2. Payment history
3. How many accounts have balances
4. Credit utilization ratio on revolving credit
5. Installment loan balance vs. original note

**Credit Utilization Ratio = Keep
below 30%**

Your Total Debt

Total Available Credit Amount

Source: myFICO.com <https://www.myfico.com/credit-education/whats-in-your-credit-score>
Experian.com <https://www.experian.com/blogs/ask-experian/credit-education/score-basics/credit-utilization-rate/>



Why The UT Voluntary Plans?



Retirement Income

A small, light-colored piggy bank with several US dollar bills sticking out of its top.

**UT Voluntary
Savings Plans
403b and 457**

UT Voluntary Plans

UT Voluntary Plans

Pre-Tax		After-Tax	
403(b)	UT Plan	Roth 403(b)	UT Plan
457(b)	UT Plan	Roth 457(b)	UT Plan

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

² Roth contributions are after-tax contributions.

UT Voluntary Plans

Contribution limits

2022

	Traditional and Roth	
	403(b)	457(b)
Annual limit	\$20,500	\$20,500
Contribution method	Deferral via salary-reduction agreement	
Age-based catch-up (50+)	\$6,500	\$6,500*

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

Awesome Advantages of The UT Voluntary Plans

1. **Tax advantaged savings**
2. **Roth Provision in both plans**
3. **You pay yourself first!**
4. **Mitigates or eliminates your “Shortfall”!**
5. **You choose your own investments**

Getting your retirement going (1 of 5)

How much might you need to save for retirement?

Just take a guess or simply multiply your current annual spending by 30...



**Maybe
\$1 million
or more?**

Getting your retirement going (2 of 5)

How much might you need to save for retirement?

Starting at age	Annual Retirement Savings Rate	By age 65 you'd have...
25	5%	\$414,965
	10%	\$829,931
	15%	\$1,244,896
35	5%	\$228,227
	10%	\$456,455
	15%	\$684,682

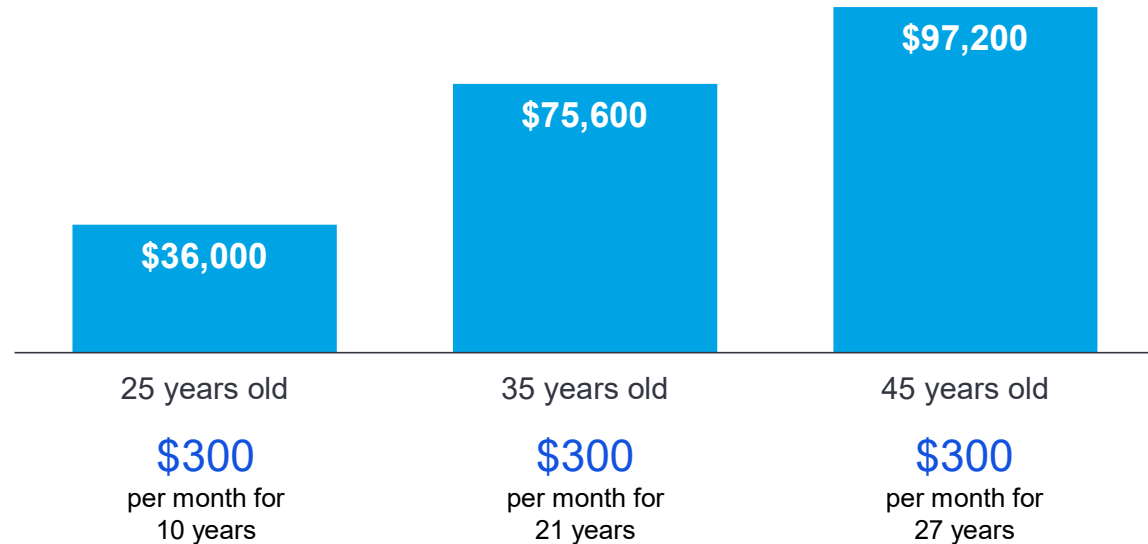
The following is an example based on the U.S. median household annual income of \$68,703* and assumes a 5% annual return.

*Income and Poverty in the United States: 2019. ensus.gov. September 15, 2020.

Getting your retirement going (3 of 5)

The cost of
procrastination

Saving
\$200,000



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.

Getting your retirement going (4 of 5)

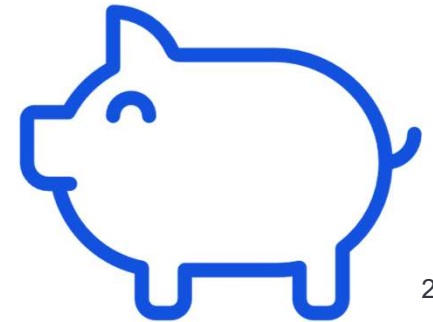
Even small contributions can make big differences

Investing for 40 years may help you reach your retirement goals.

Save \$100/wk	\$644,037
Save \$75/wk	\$483,028
Save \$50/wk	\$322,018

Tip: Try out the AIG Retirement Services Savings Calculator to see how your savings may deliver more

Source: AIG Savings Calculator. Assumes starting amount is \$0.
Save weekly for 40 years. 5% rate of return compounded annually.



Getting your retirement going (5 of 5)

Balancing debt repayment with saving for retirement

- **Make it visual:** Lay out a timetable for better planning
- **Aim to save:** Start small then get to the match
- **Accelerate debt payments:** When close to the end of debt repayments, pay more. Then switch some of your “newfound” money to retirement

Remember to celebrate your financial successes!

Is it even possible to do both? YES!



Prizes

You could be the
winner of a of these
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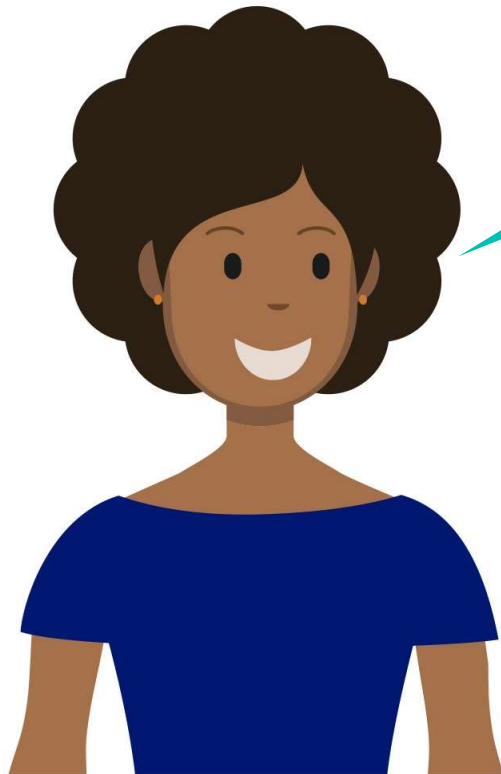
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**Establishing healthy
financial habits.**



Establishing healthy financial habits (1 of 2)



These are the “golden rules”
I try to keep in mind every time
I go in a store...

- **Spend less than you earn**
- **Pay yourself first**

Establishing healthy financial habits (2 of 2)

Bite off information in each of these areas over time

- 1 Understand your benefits at work:** take full advantage of protections – disability, life, & health insurance
- 2 Split your raise:** consider increasing contributions to your retirement plan 1%, perhaps use the rest to pay down debt
- 3 Save before you spend:** for big purchases, holiday shopping, vacations



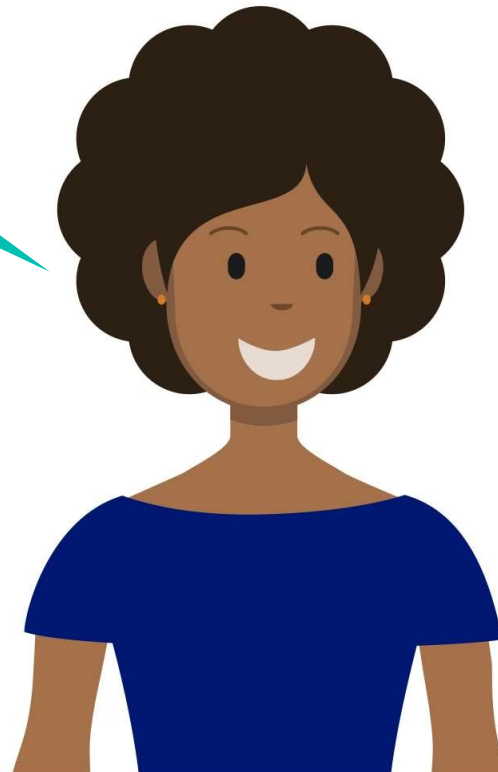
Action steps.



Action steps (1 of 6)

Ask for help

I start with articles
and using the AIG
Retirement Services
online tools...



LIFE EVENTS



How to manage work-life balance



4 financial steps to consider before you start a family



4 ways to reduce financial stress

MONEY MANAGEMENT BASICS



The do's and don'ts of portfolio allocation



Can you prioritize both caregiving and wealth-building?



Should I dip into my retirement savings?

RETIREMENT PLANNING



Getting your retirement savings back on track



Your plans for retirement have been thrown off



Plan for the phases of retirement

Action steps (2 of 6)

Ask for help

Then, I call an AIG Retirement Services financial professional ...



- Where do I stand today with my retirement account?
- How can I make sure I get the most from my investments?
- Does adding 1% to my contributions really make a difference?
- What ideas do you have for helping me save more?

Investing involves risk, including the possible loss of principal. Investment values of variable products fluctuate so that investment units, when redeemed, may be worth more or less than their original cost.



Action steps (3 of 6)

Do you know what AIG Retirement Services can offer you?

For more than half a century, AIG Retirement Services has helped Americans plan for and enjoy a more secure financial future.



Prioritize your investment goals



Identify and analyze the risks to your retirement income



Determine the time horizon needed to achieve your goals



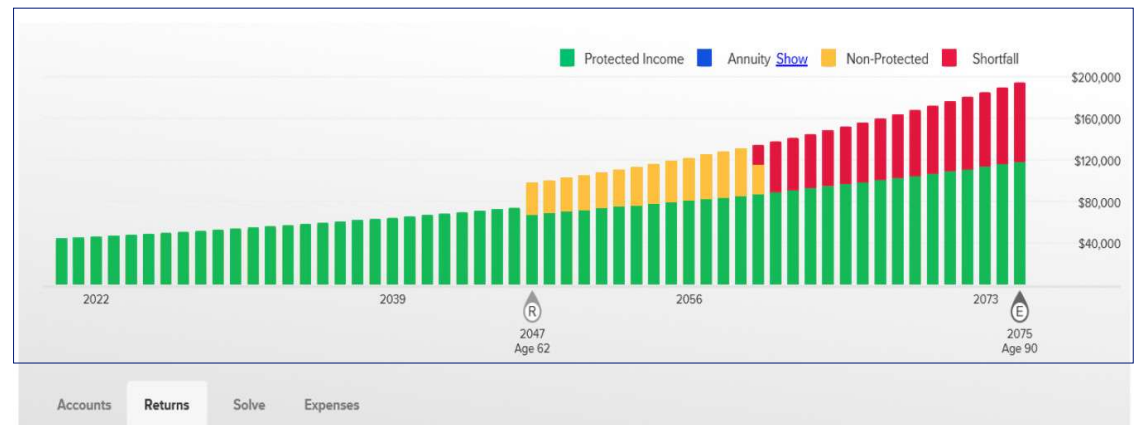
Determine a financial strategy to help meet your goals



Action steps (4 of 6)

Retirement Pathfinder® Get answers to your questions:

- Can I retire when I planned?
- How much monthly income will I need?
- Am I currently saving enough?
- Is it possible to guarantee my retirement income?
- Will I outlive my retirement savings?
- What happens if I die prematurely?



Action steps (5 of 6)

GO TO UT's:
MYRETIREMENTMANAGER.COM

Sign In
New User
Enter User ID and Password

Action steps (6 of 6)

TEXT (512) 831-2112

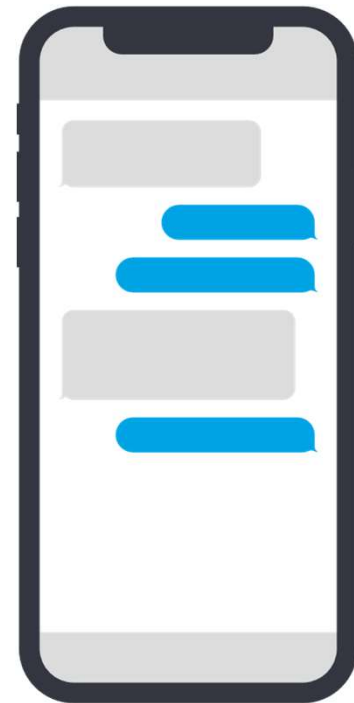
Your Name

Worksite Name

ENROLL

REVIEW or

RETIRE



Action steps (6 of 6)

Schedule an appointment today!

Sign up to benefit from personal attention and get answers to help you plan for a more secure financial future.



Kevin Konkall

Financial Advisor

Cell: (512) 831-2112

Email: Kevin.Konkall@aig.com

District Office: (972) 383-7208

2745 Dallas Pkwy, Ste 480, Plano, TX 75093



Bear in mind investment involves risk, including possible loss of principal.

Withdrawals may be subject to federal and/or state income taxes. A 10% federal early withdrawal tax penalty may apply if taken before age 59½ in addition to ordinary income tax.

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We see the future in you.SM — 



Thank you!



Bob Johnston, CLU, FLMI
Retirement Plan Consultant