

For this webinar, we will be promoting you to panelist so you can participate with the interactive Zoom tools. Simply accept the invite when you see it pop up. Don't worry, you will not be asked to come on camera or unmute.

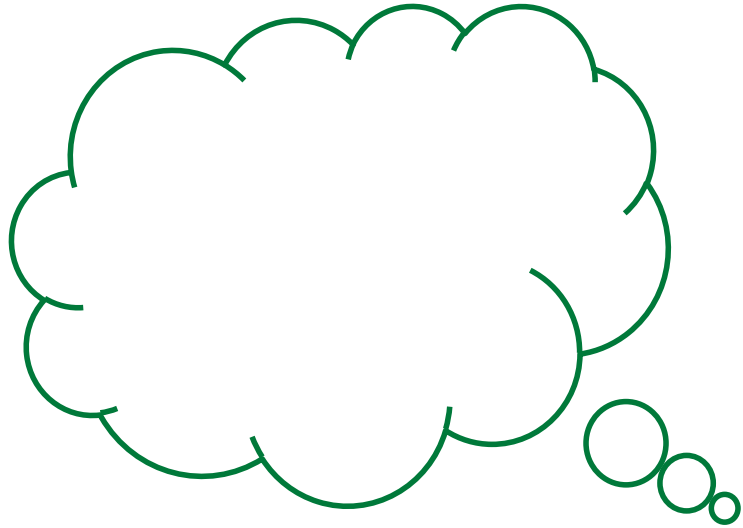
PERAPlus 401(k) and 457 Plans

Developing a Savings Plan



Annotation Functions!

Current Self



Future Self



Compounding



Kayla

begins saving \$200 a month
in her 401(k) at age 25

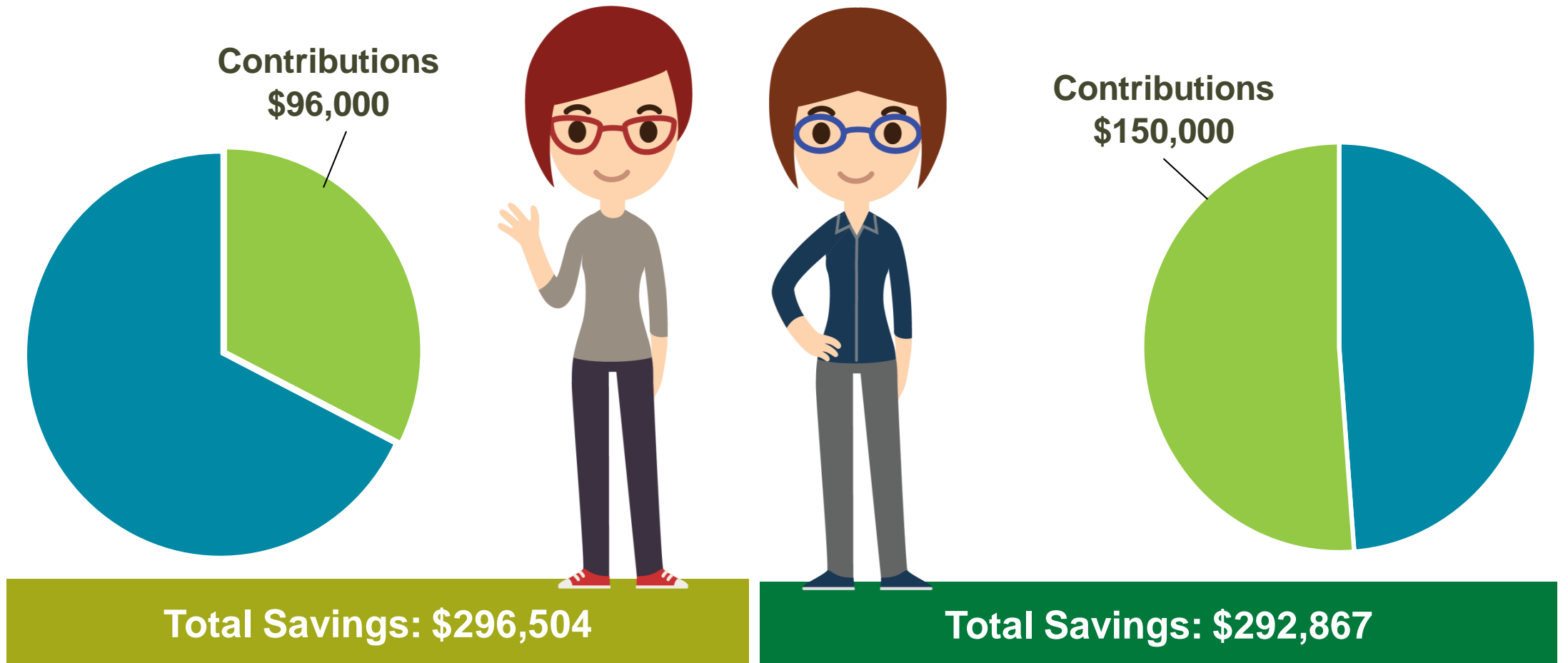


Olivia

waits until she's 40 to start
saving and contributes \$500
a month in her 401(k)

The earlier you start saving for retirement, the
less you'll have to save when you're older

The Results



If both earn 5% returns compounded annually
and stop saving at age 65

Attend All Three

Enrolling in PERAPlus

Provides information on your retirement savings plan options

Investing Made Simple

Helps you choose an investment path

Developing a Savings Plan Through PERAPlus

Helps you develop a savings plan

Developing a Savings Plan Through PERAPlus



**At the end of this webinar,
you will be able to:**

- Describe your primary reason for saving
- Identify your biggest obstacle to saving
- Use calculators to help you plan your financial future

What are some reasons to save with PERAPlus?

Use the space in your *Participant Guide* to brainstorm why you should be saving



What is your primary reason for saving?

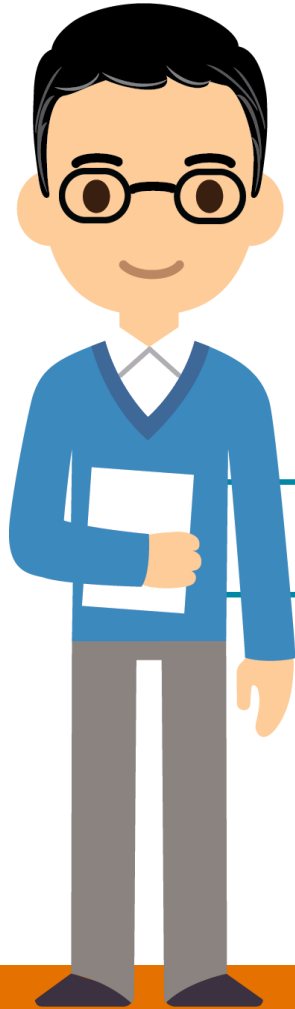


- A** Purchasing service credit
- B** Filling an income gap
- C** Paying for large expenses in retirement
- D** Planning for taxes
- E** Providing for survivors
- F** Protecting against inflation

Case Studies



Andrea



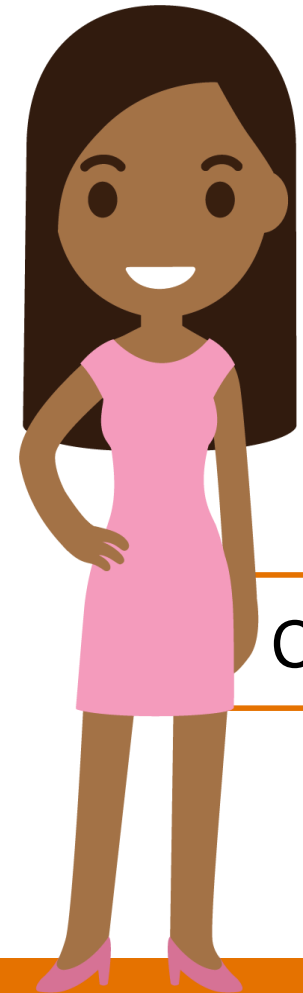
Ted



Veronica



Dale



Cecilia

There are a number of reasons people save for retirement. What would you say is the primary reason Andrea is saving?



Estimated Monthly Retirement Expenses
\$4,500

Estimated Social Security Income
\$400

Estimated PERA Retirement Benefit
\$3,615

Current 401(k) Balance
\$50,000

Monthly 401(k) Contributions
\$100

PERA Calculators



[Accounts](#) [Statements & Tax Info](#) [Forms & Calculators](#) [My Profile](#)

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Calculators

The calculators use your personal account information to help with basic financial planning and estimating various costs in retirement.

Please note that records will be audited prior to a formal calculation by PERA when you apply for a purchase, benefit, or a refund, and therefore the formal calculation by PERA may differ from the results estimated by the online calculators.

Tax Calculators

+

Service Credit Calculators

+

Leaving PERA

+

Retirement Planning

+

PERACare Premium Inquiry

+

How much money will Andrea have at age 70 if she maintains her current contribution?



Future Value of an Investment

Use this calculator to find the future value of an investment or savings account using one Annual Percentage Yield (sometimes called Annual Rate of Return).

Your Investment Information

Account balance \$ *

1000.00

Contributions \$ *

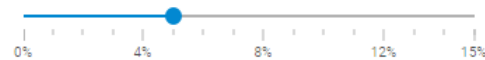
20.00

Monthly

Annual percentage yield

5.0

% *



Length of investment *

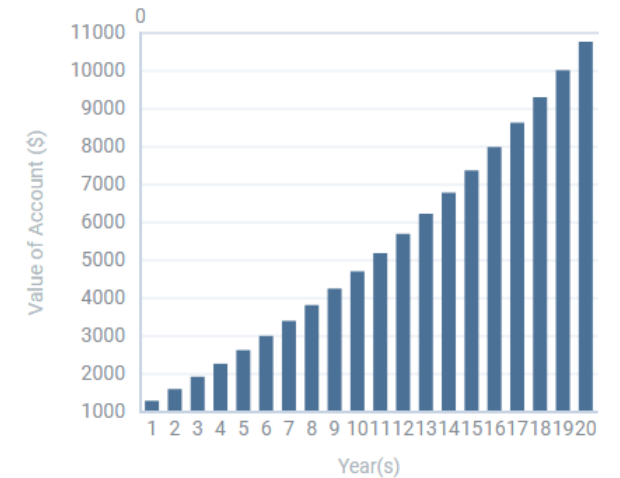
20

Years

CALCULATE

* = required field

After 20 year(s) years, you will have \$10,769.00 remaining in your account.





How Long Can I Withdraw From My Account?

Use this calculator to determine the number of months or years you can withdraw a fixed amount of money from an investment or savings account.

Your Investment Information

Account balance \$ *

1000.00

Withdrawal amount \$ *

50.00

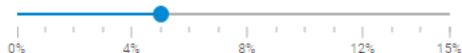
Withdrawal frequency

Monthly

Annual percentage yield *

5.0

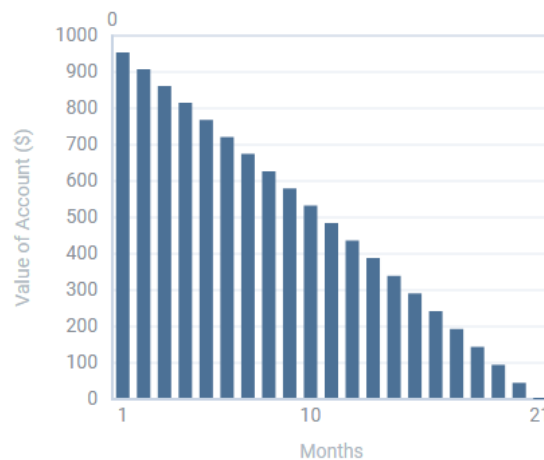
%



CALCULATE

* = required field

This account will last 21 month(s) if you withdraw \$ 50.00 monthly.



Will Andrea have enough money in her 401(k) Plan to withdraw an extra \$485/month until she is 95?





Will Andrea be able to withdraw more than \$485/month if she estimates to live until 95?



How Much Can I Withdraw From My Account?

Use this calculator to determine the amount of money you can withdraw at the end of each period from an account for a specified number of years.

Your Investment Information

Account balance \$ *

Withdrawal frequency

Number of years *

Annual percentage yield % *

CALCULATE

* = required field



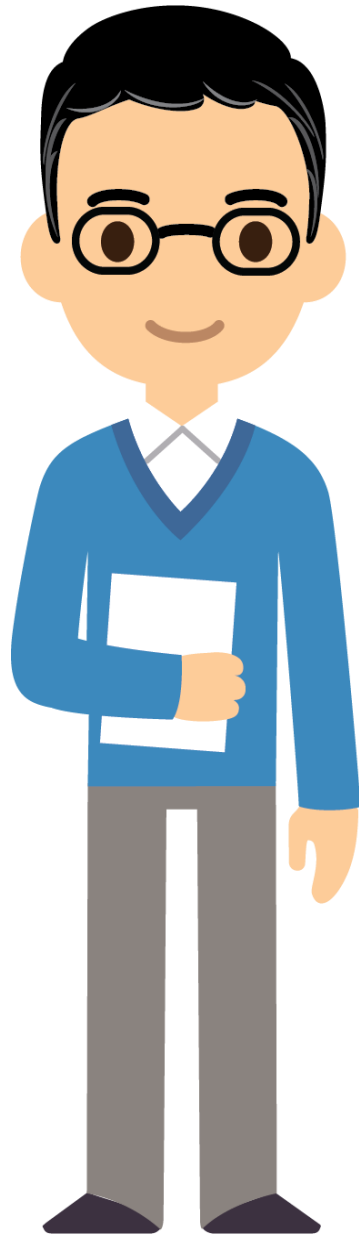
Analysis for Andrea

Estimated Account Balance at 70*
\$173,245
Estimated Monthly Withdrawal**
\$818

* 5% annualized return on investment
** 3% annualized return on investment after retirement

Andrea appears on track, however she has not yet accounted for inflation

If she does not expect a bigger investment return, she may want to increase contributions to account for inflation



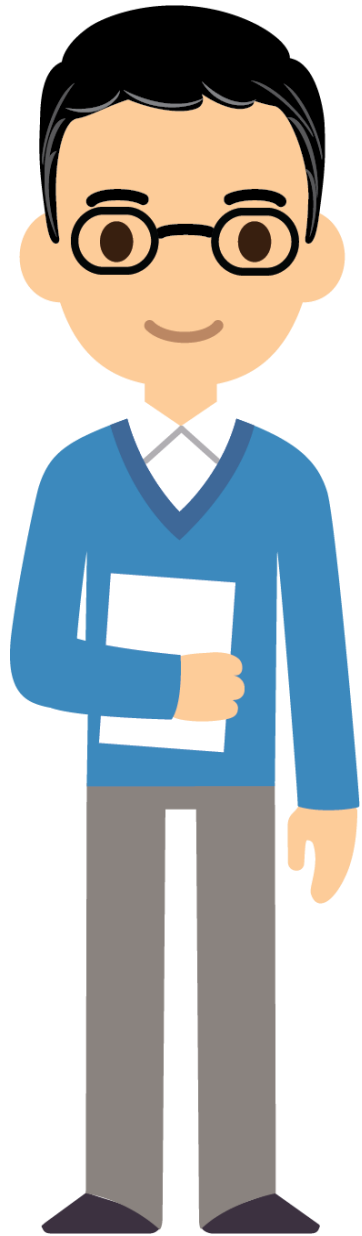
Case Study Activity-Ted

Ted recently looked at his 401(k) balance and was surprised at the amount he had saved. He thought it would be higher since he has been contributing for 10 years.

1. Review the information about Ted
2. Answer the questions that can be found in your Participant Guide. They will be shown on the following slide as well.

Ted's key information:

- Ten years ago, Ted started contributing \$100 per month to his 401(k) account. He has not ever changed that amount.
- Ted estimates that he will continue working for another 20 years.
- Ted assumes the rate of return on his account will be 5%.



Ted

Monthly 401(k)
Contributions

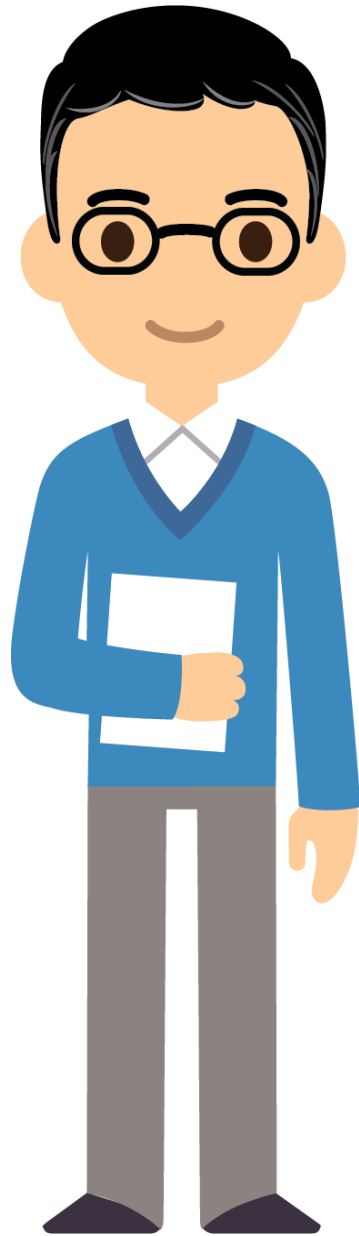
\$100

Years Until
Retirement

20

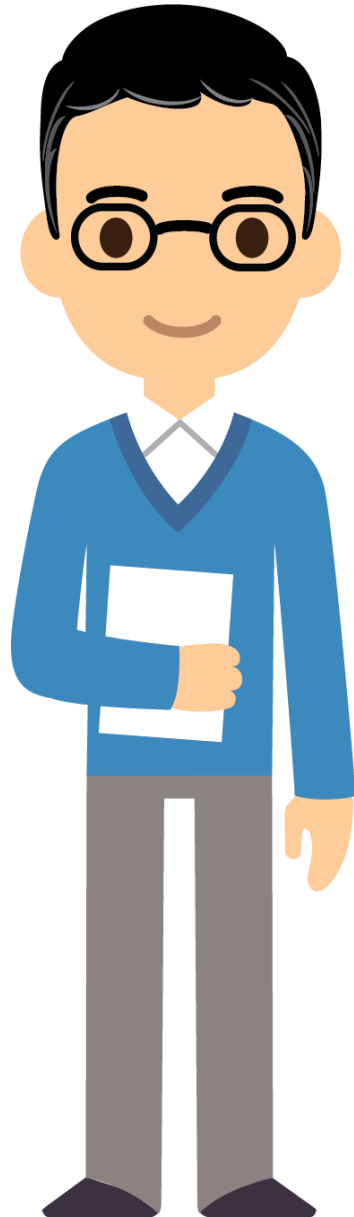
Estimated Annual
Investment Return

5%



Case Study Questions

1. Why was Ted surprised when he checked his account balance?
2. What would you suggest Ted do to increase his 401(k) balance?
3. If Ted's current 401(k) balance is \$15,500 and he triples his monthly 401(k) contribution to \$300 per month, how much would he have at retirement in 20 years?



Analysis for Ted

- Ted can boost his 401(k) Plan balance by increasing his contributions
- He should consider contributing a percentage of salary rather than a flat dollar amount

Account balance after 20 years if he increases his monthly 401(k) Plan contribution to \$300

\$162,867

Account balance after 20 years if he keeps his monthly 401(k) Plan contribution at \$100

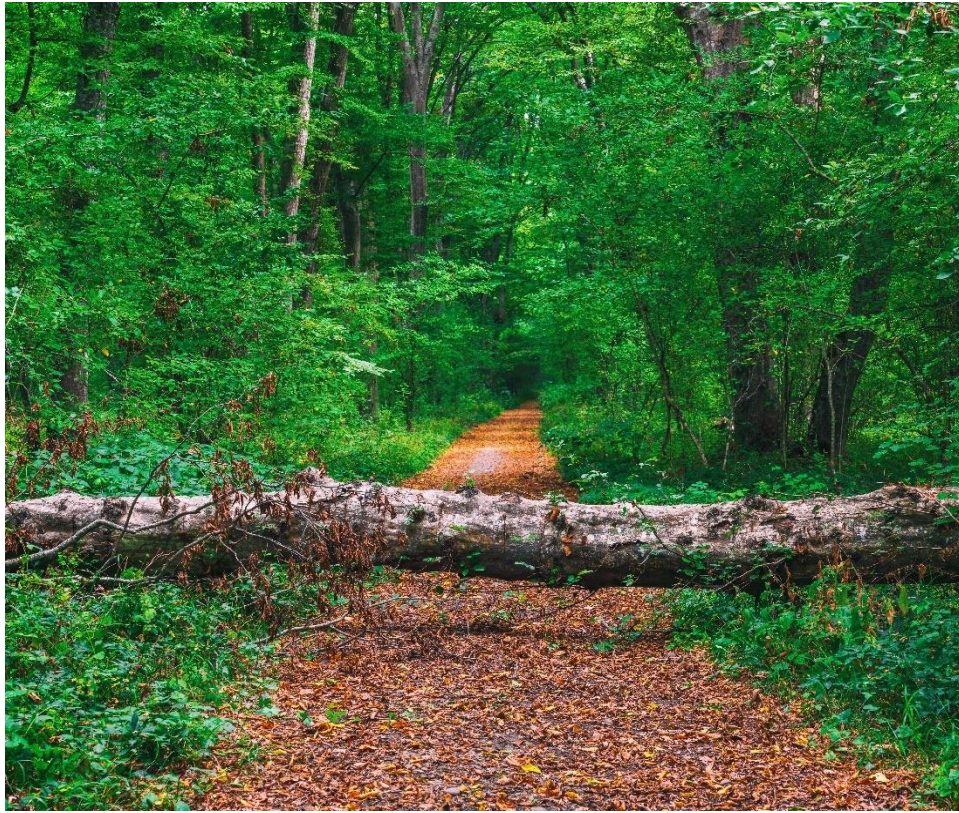
\$81,706



**Checkpoint:
What have I learned
about developing a
savings plan?**



What is your biggest obstacle to reaching your retirement goals?



- A** Debt
- B** High current expenses
- C** Retirement is too far away
- D** Retirement planning is time consuming
- E** Lack of investment knowledge
- F** Other

Think about this...

- What is one thing you can do this week to overcome your biggest obstacle and better prepare yourself to save for retirement?

Debrief



Action Steps



Create a personal savings plan



Use the calculators on PERA's website



Enroll in the PERAPlus Plan(s)



Attend another PERAPlus webinar

Attend Another PERAPlus Webinar

Investing Made Simple

Helps you choose an investment path

Enrolling in PERAPlus

Provides information on your retirement savings plan options

Get More Information



- **Visit www.copera.org**
 - Click on “Members,”
“401(k)/457 Plan (PERAPlus)”
- **Call Empower**
 - 1-833-426-7372
- **Call the PERA DC Team**
 - 303-398-7665

Survey



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- Scan this QR code on your smartphone to take our survey.