



Welcome to your Retirement Plan

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Who is Gallagher?

- Retirement and Benefits Consulting firm
- Role is to assist the employer in the design and monitoring of the retirement plan
- Monitor the investment options in the Plan
- We do NOT represent where your money is held and cannot make individual participant changes including contribution or investment changes that is the role of your plan recordkeeper, Principal.
- Our role today is to help educate you on your retirement plan and to help you make better, more informed decisions



Topics for Today

- Key success factors
- Retirement planning considerations
- Why use your retirement plan to save?
- Your plan features
- Managing your account
- Your investment options
- Next steps



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Key Success Factors



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Key Success Factors

- Save
- Take full advantage of any employer contributions
- Invest wisely
- Avoid early withdrawals



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Retirement Plan Considerations



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Retirement Plan Considerations

How much will you need?

- Financial planners generally agree that retirees need 70-80% of their pre-retirement income each year
- Depending on your preferred lifestyle and needs, you may need more or less
- Healthcare is a very important consideration



Retirement Plan Considerations

How long will your retirement money need to last?

- The average life expectancy for a 65 year old male, in America, is 83 and a 65 year old female is 85.*
- That means you could be planning to live without a formal paycheck for 20 years or more.



* Social Security Actuarial Life Table; <https://www.ssa.gov/oact/STATS/table4c6.html>

Retirement Plan Considerations

Where might your income come from in retirement?

- Pension Plan
- Social Security
- Your Retirement Plan
- Savings
- Inheritance
- Lottery
- Personal Savings
- Sale of Your Home
- Reverse Mortgage
- Your Kids



* Social Security Actuarial Life Table; <https://www.ssa.gov/oact/STATS/table4c6.html>)

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Benefits of your Plan

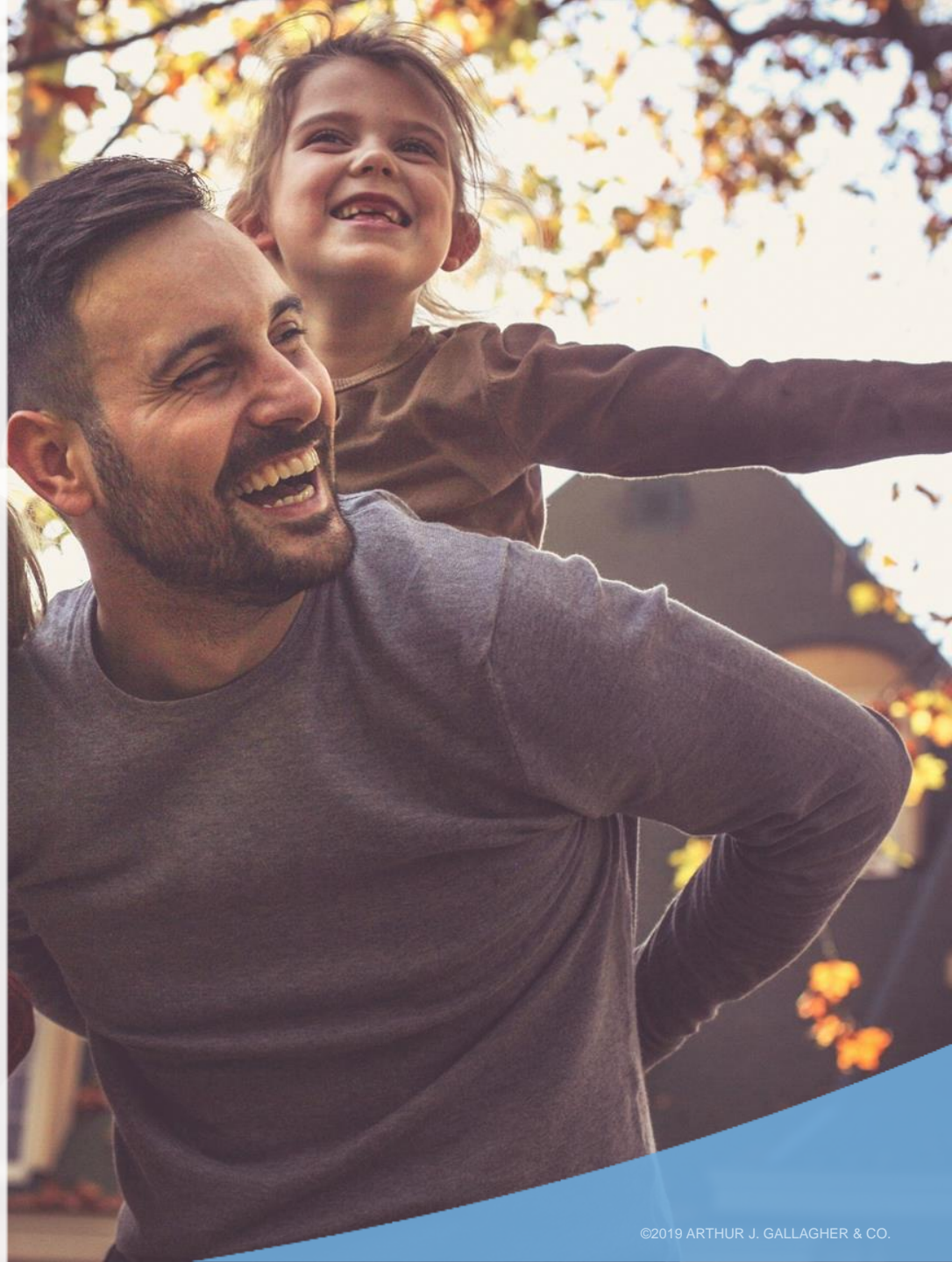


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Benefits of your Plan




You control

- It provides an easy way to save for retirement while getting certain tax breaks along the way
- You choose an amount to save from each paycheck, the limit for 2023 is \$22,500 and if you are over 50 you may contribute an additional \$7,500
- That amount is automatically withheld and deposited to your plan account
- Your employer matches 100% up to 6% of your deferrals



Savings options – Your plan permits two ways to save

Traditional Pre-tax vs. Roth Contributions

	Traditional (Before-tax)	Roth (After-tax)
	Pay taxes later, more take-home pay	Pay taxes now, less take home pay
	Tax-deferred potential earnings	Tax-free potential earnings*
	Taxable distributions	Tax-free distributions*

* If withdrawn 1) after five years and 2) after you turn age 59½ or if distribution follows death or disability.

How much should you save?

Target 10% to 20% of your pay

- Aim for at least 10% if you are early in your career or 20% if you are closer to retirement.
- Use an online retirement income calculator to help with your particular situation.



The Sooner You Start to Save...

The Greater Potential You will have More Money Later



Harry starts saving \$300 a month at age 45

20 years of saving

\$72,000



Total Contributions

\$171,798



Total Savings at Age 65

Megan was able to save **\$152,382** more than Harry by starting at an earlier age



Megan starts saving \$100 a month at age 25

40 years of saving

\$48,000



Total Contributions

\$324,180



Total Savings at Age 65



Assumes each account earns an annual tax-deferred rate of return of 8%.

This chart is hypothetical and is for illustrative purposes only. It is important to remember that future rates of return cannot be predicted with certainty and that investments that pay higher rates of return are subject to higher risk and volatility. The actual rate of return on investments can vary widely over time, especially for long-term investments. This includes the potential loss of principal on your investment.

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Your Plan Highlights



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Your Plan Highlights

Contributions to the Plan

- You may contribute up to the IRS maximum. 2023 Contribution Limits \$22,500 & Catch Up Limits \$7,500
- Your plan allows for catch up contributions
- You may change your contribution by visiting www.principal.com or 800-547-7754
- Your plan also accepts rollovers from other qualified plans & IRAs



Your Plan Highlights

Contributions to the Plan

- Eligibility: Age 20 ½ & 6 Months of Service
- Entry Dates: 1/1, 4/1, 7/1, 10/1
- Employer Match Contribution: 100% up to 6% of deferrals
- Automatic Enrollment 3%
- Discretionary Contribution



Ownership of your account

Who owns the money in your account?

Your contributions

You always own 100% of your contributions including rollover contributions.

Employer Match

You are 100% vested in Employer Match contributions.

Employer Discretionary

This contribution is a 6 year graded vesting schedule.

Note: Your account value will vary with investment gains and losses.

A woman with her hair in a bun, wearing a pink cardigan over a grey top, is sitting at a kitchen counter. She is looking down at a document she is holding in her hands. On the counter in front of her are several other documents, a calculator, a pen, and a glass teapot. The background shows a kitchen with a window and some kitchen equipment.

Your Plan Highlights

Distributions from the Plan

- You may take a distribution at:
 - Retirement (NRA 65)
 - Death
 - Disability
 - Separation from service
 - Age 59 ½ In Service
- Options include:
 - Cash distribution
 - Rollover to IRA
 - Rollover to qualified plan

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Account Access



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Account Resources & Access

You have access to your account via the Principal Financial website or by calling 800-547-7754



www.principal.com



800-547-7754

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Choosing your
investments



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Choosing your investments

Two ways to diversity



Diversification does not ensure a profit or protect against loss. It is possible to lose money in a diversified portfolio.

1. Build your own portfolio

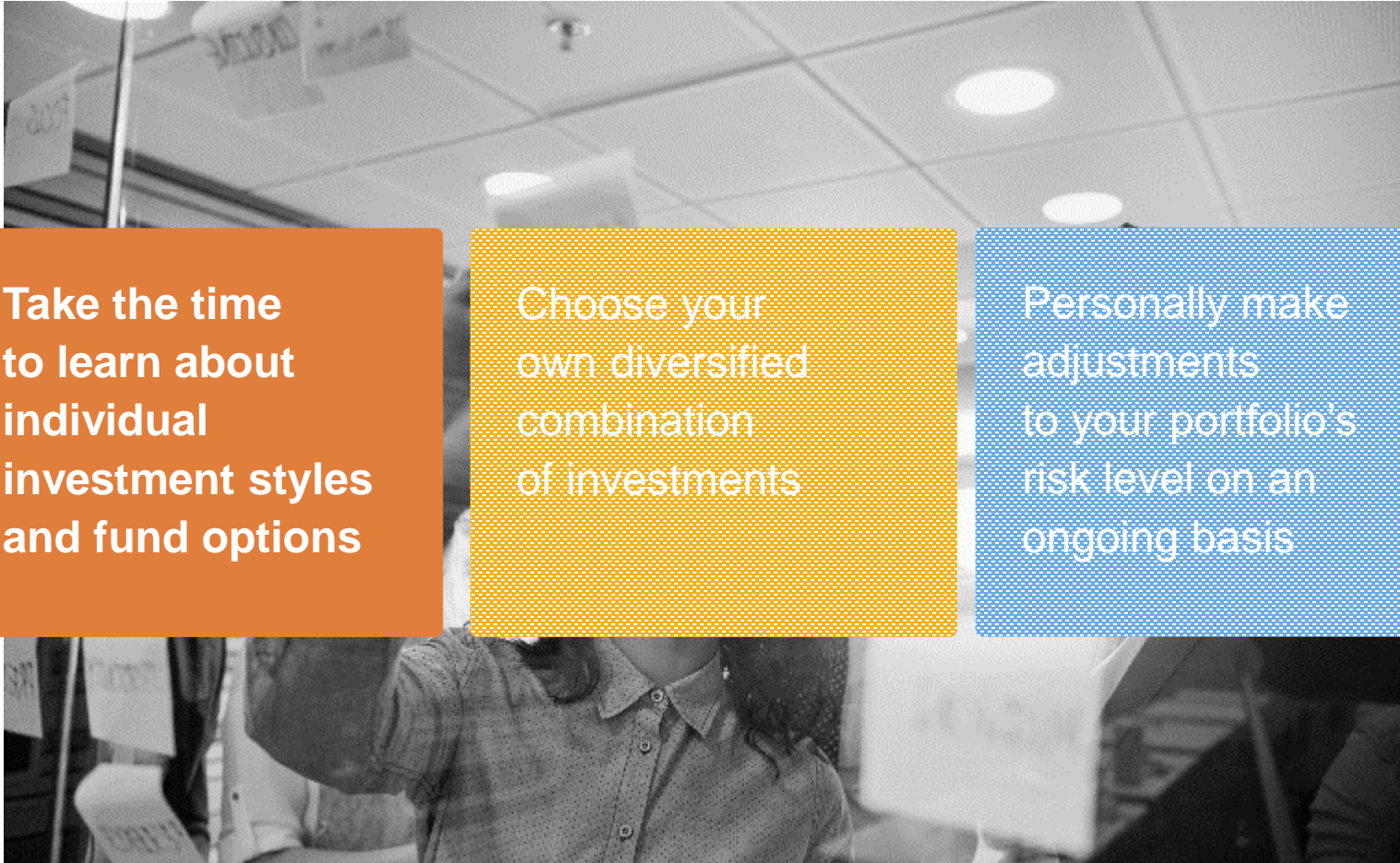
Choose your own diversified combination of individual funds offered by the plan.

2. Choose a single, ready-mixed fund

Make a single investment choice to professionally diversify your total retirement savings across an array of funds, via the Principal Lifetime Target Date Funds.

Building your own portfolio

You can select individual funds from the plan's lineup.



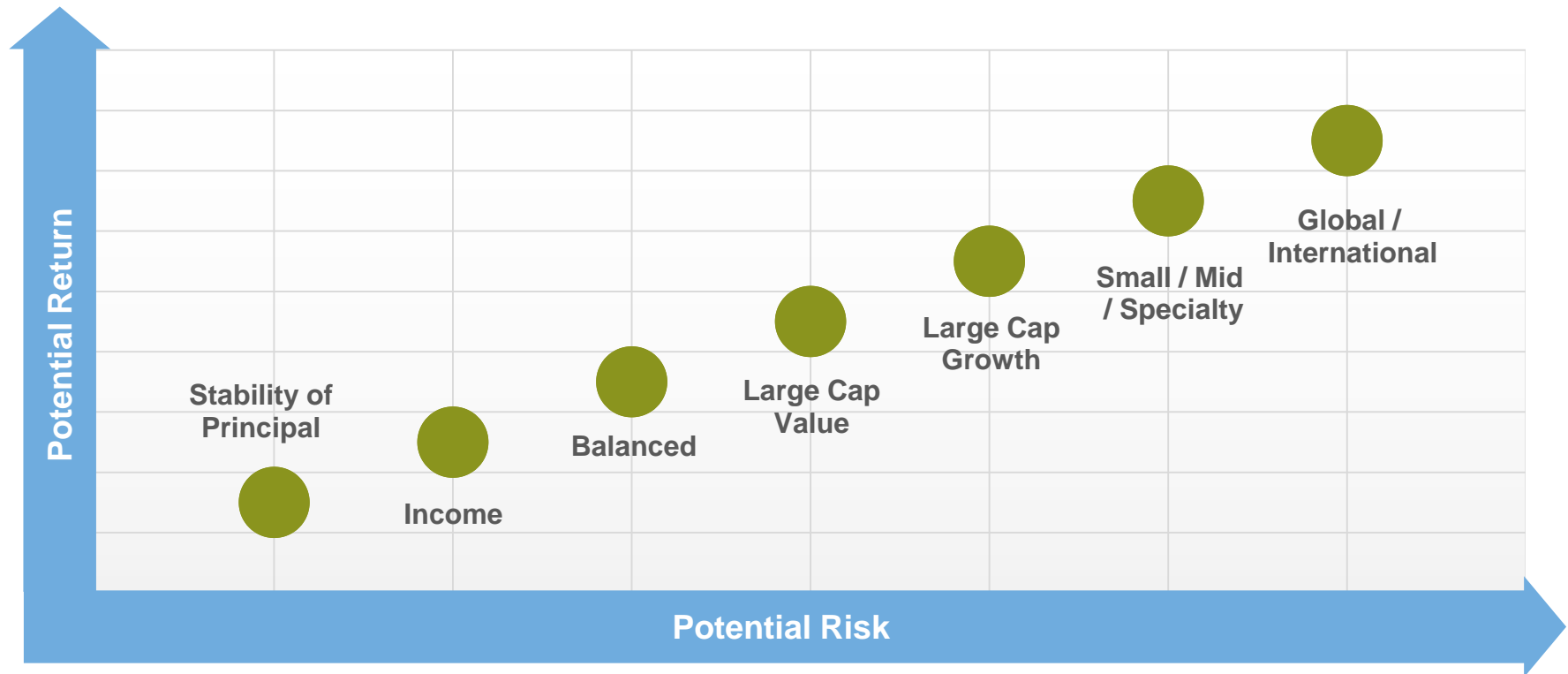
Take the time to learn about individual investment styles and fund options

Choose your own diversified combination of investments

Personally make adjustments to your portfolio's risk level on an ongoing basis

Investment Styles: Relative Risk / Return Continuum

Each asset class has its own investment return/risk characteristics



Building your own portfolio

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Take the time to learn about individual investment styles and fund options

Choose your own diversified combination of investments

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Diversification does not ensure a profit or protect against loss. It is possible to lose money in a diversified portfolio.

Periodic Table of Investment Returns

Best ↑ ↓ Worst	Barclays US Agg Bond 7.8	Russell Mid Cap Value 18.5	Russell 2000 Growth 43.3	Russell Mid Cap Value 14.7	Russell 1000 Growth 5.7	Russell 2000 Value 31.7	MSCI EM 37.3	T-Bill 3 Mon 2.0	Russell 1000 Growth 36.4	Russell 1000 Growth 38.5
	Russell 1000 Growth 2.6	MSCI EM 18.2	Russell 2000 38.8	S&P 500 13.7	S&P 500 1.4	Russell 2000 21.3	Russell 1000 Growth 30.2	Barclays US Agg Bond 0.0	Russell Mid Cap Growth 35.5	Russell Mid Cap Growth 35.6
	S&P 500 2.1	Russell 2000 Value 18.1	Russell Mid Cap Growth 35.7	Russell 1000 Value 13.5	Barclays US Agg Bond 0.5	Russell Mid Cap Value 20.0	Russell Mid Cap Growth 25.3	Russell 1000 Growth -1.5	S&P 500 31.5	Russell 2000 Growth 34.6
	Russell 1000 Value 0.4	Russell 1000 Value 17.5	Russell Mid Cap 34.8	Russell Mid Cap 13.2	T-Bill 3 Mon 0.1	Russell 1000 Value 17.3	MSCI EAFE 25.0	S&P 500 -4.4	Russell Mid Cap 30.5	Russell 2000 20.0
	T-Bill 3 Mon 0.1	MSCI EAFE 17.3	Russell 2000 Value 34.5	Russell 1000 Growth 13.0	Russell Mid Cap Growth -0.2	Russell Mid Cap 13.8	Russell 2000 Growth 22.2	Russell Mid Cap Growth -4.8	Russell 2000 Growth 28.5	S&P 500 18.4
	Russell Mid Cap Value -1.4	Russell Mid Cap 17.3	Russell 1000 Growth 33.5	Russell Mid Cap Growth 11.9	MSCI EAFE -0.8	S&P 500 12.0	S&P 500 21.8	Russell 1000 Value -8.3	Russell Mid Cap Value 27.1	MSCI EM 18.3
	Russell Mid Cap -1.5	Russell 2000 16.3	Russell Mid Cap Value 33.5	Barclays US Agg Bond 6.0	Russell 2000 Growth -1.4	Russell 2000 Growth 11.3	Russell Mid Cap 18.5	Russell Mid Cap -9.1	Russell 1000 Value 26.5	Russell Mid Cap 17.1
	Russell Mid Cap Growth -1.7	S&P 500 16.0	Russell 1000 Value 32.5	Russell 2000 Growth 5.6	Russell Mid Cap -2.4	MSCI EM 11.2	Russell 2000 14.6	Russell 2000 Growth -9.3	Russell 2000 25.5	MSCI EAFE 7.8
	Russell 2000 Growth -2.9	Russell Mid Cap Growth 15.8	S&P 500 32.4	Russell 2000 4.9	Russell 1000 Value -3.8	Russell Mid Cap Growth 7.3	Russell 1000 Value 13.7	Russell 2000 -11.0	Russell 2000 Value 22.4	Barclays US Agg Bond 7.5
	Russell 2000 -4.2	Russell 1000 Growth 15.3	MSCI EAFE 22.8	Russell 2000 Value 4.2	Russell 2000 -4.4	Russell 1000 Growth 7.1	Russell Mid Cap Value 13.3	Russell Mid Cap Value -12.3	MSCI EAFE 22.0	Russell Mid Cap Value 5.0
	Russell 2000 Value -5.5	Russell 2000 Growth 14.6	T-Bill 3 Mon 0.1	T-Bill 3 Mon 0.0	Russell Mid Cap Value -4.8	Barclays US Agg Bond 2.6	Russell 2000 Value 7.8	Russell 2000 Value -12.9	MSCI EM 18.4	Russell 2000 Value 4.6
	MSCI EAFE -12.1	Barclays US Agg Bond 4.2	Barclays US Agg Bond -2.0	MSCI EM -2.2	Russell 2000 Value -7.5	MSCI EAFE 1.0	Barclays US Agg Bond 3.5	MSCI EAFE -13.8	Barclays US Agg Bond 8.7	Russell 1000 Value 2.8
	MSCI EM -18.4	T-Bill 3 Mon 0.1	MSCI EM -2.6	MSCI EAFE -4.9	MSCI EM -14.9	T-Bill 3 Mon 0.3	T-Bill 3 Mon 1.0	MSCI EM -14.6	T-Bill 3 Mon 2.1	T-Bill 3 Mon 0.4
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020

Building your own portfolio

You can select individual funds from the plan's lineup.



Take the time to learn about individual investment styles and fund options

Choose your own diversified combination of investments

Personally make adjustments to your portfolio's risk level on an ongoing basis

Review and Rebalance your Account

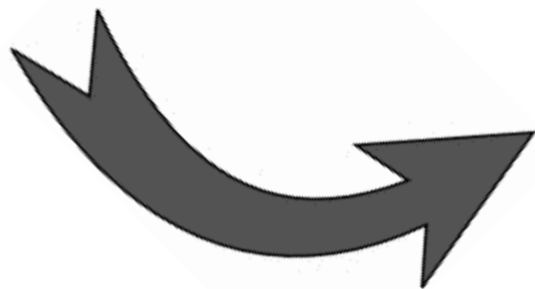
Review your strategy periodically.



- Review your account and investment mix periodically
- Consider how long until you will need to access your plan account
- Think about if you will take distribution in a lump sum, in payments or periodically as needed
- Consider if your risk tolerance has changed
- Make adjustments as indicated
- Consider rebalancing your account if your allocation has changed as a result of market performance

Target Date Funds

- Your plan offers **Principal LifeTime Target Funds**
- Each portfolio is:



A single, complete
investment

Professionally
diversified
across investment
styles

Based on a specific
retirement year

Adjusted toward a
more conservative
risk level over time

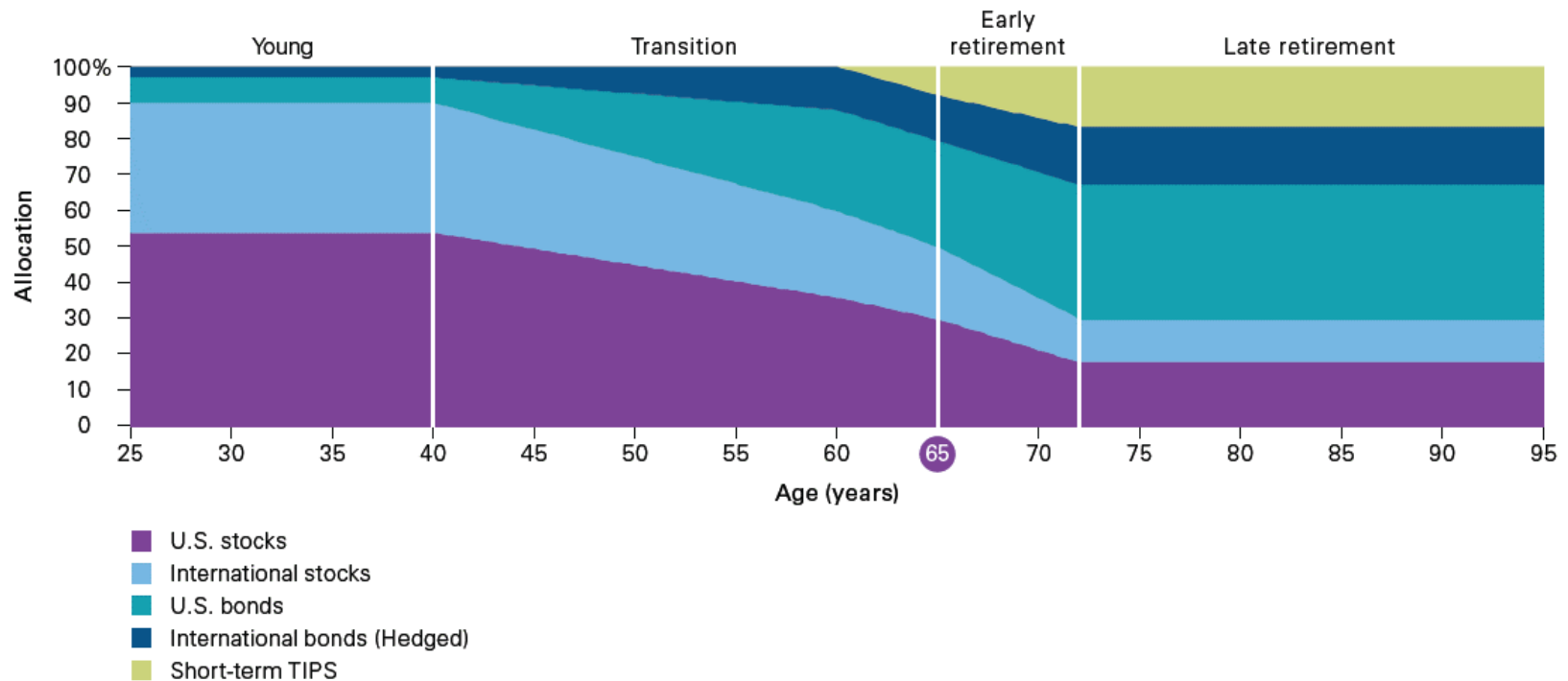


Target Date Funds

- Target-Date Funds (TDF) are diversified investment vehicles designed to provide a simpler solution for investors where a portfolio's asset allocation automatically adjusts based on one's age or proximity to retirement.
- The target date is the approximate date when investors plan to start withdrawing their money. Generally, the asset allocation of each fund will change annually with the asset allocation becoming more conservative as the fund nears the target retirement date.
- The principal value of a target date funds is not guaranteed at any time, including the target date.

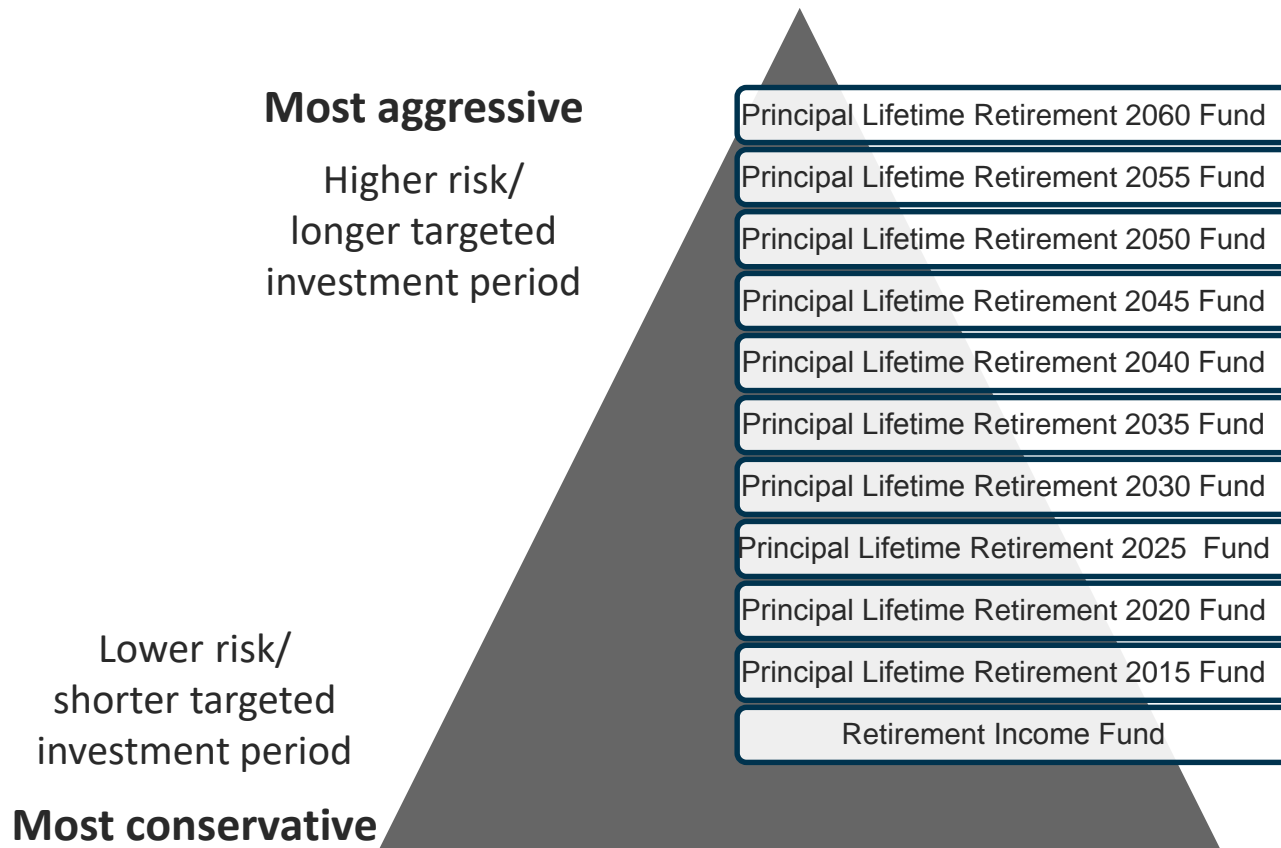
Target Date Funds

Your plan offers target-date portfolios. Each portfolio is: Diversified, Automatically Rebalanced, an Age-Based Allocation, meant to be an all or nothing investment option (One TDF) and has passive index funds underlying



For illustrative purposes only. Actual Glide path may vary. Source: Vanguard

Target Date Funds



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Questions?



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A photograph of an older couple sitting in a hammock. The woman, on the left, is wearing a floral patterned top and is pointing at a laptop screen. The man, on the right, is wearing a white t-shirt, sunglasses, and has a grey beard. They are both smiling. The background is a blurred outdoor setting.

Next Steps

- Review your personal financial situation
 - Enroll in the plan if you haven't already
 - Review your contribution rate and consider increasing it
 - Make sure you are taking full advantage of your employer's matching contribution
- Review your investment mix
- Review your beneficiary election and make any necessary updates
- Visit your plan website to take full advantage of tools & resources



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