

ENROLLMENT GUIDE

You Have Time.
Make the Most of It.

One of the best things you can do for
your future is to begin saving now.

Savings Plus is with you for life.




savingsplus
CALIFORNIA STATE EMPLOYEE 401(k) & 457(b) PLANS

Who We Are

Savings Plus is complementary to your CalPERS pension and a valuable state benefit offered by The California Department of Human Resources (CalHR).

We offer plans that allow you to save money for your retirement. Our plans help bridge any gap between what you have in your pension, savings, and Social Security and how much you will need in retirement.

Make the most of your participation by using the many tools and resources developed to help you on your path to retirement.

Savings Plus is with you for life

You are eligible to enroll in a Savings Plus 401(k) and 457(b) Plan if you:

- Are currently employed by the State of California or the California State University (CSU) system, and you are eligible for membership in CalPERS, the Legislators' Retirement System, or the Judges' Retirement System
- Separate from State and CSU system employment and return to service as a "rehired annuitant" (the term "rehired annuitant," used in the CSU system, is also known as "retired annuitant" among State employees)
- Are an active participant in the Part-time, Seasonal, and Temporary (PST) Employee Retirement Program

Welcome

Your two major sources of income through retirement will probably be your pension and Social Security benefits.

On average, state retirees earn \$38,184 per year from their pension,¹ and Social Security benefit assessments vary. Most industry experts agree that you'll need to supplement these benefits with savings or investments.² Experts suggest you may need 70% to 90% of your current income just to maintain your standard of living in retirement, so you may be looking at a gap between the income you need and what your other income may provide.

Additionally, you may want to consider how the following could impact where and how you think you will spend your retirement income:

- Increases in medical and long-term care costs
- Benefits not keeping up with inflation
- Possibility of career changes before qualifying for a full pension
- Outliving your resources

This interactive guide can help you make decisions about saving for retirement with Savings Plus. Saving a little every payday could potentially fill that gap.

Let's get started!



¹ Facts at a glance - Public employees' retirement fund. Retrieved January 28, 2022 from <https://www.calpers.ca.gov/docs/forms-publications/facts-pension-retirement.pdf>

² Retirement Planner: Learn About Social Security Programs, Prepare For Your Financial Needs, <https://www.ssa.gov/benefits/retirement/>

A Few Great Reasons to Enroll in Savings Plus

Easy to contribute

Pre-tax and Roth contributions to 401(k) and 457(b) Plans are automatically deducted from your paycheck.



The power of compounding



The earlier you start saving, the less it may cost per pay period to reach your goal.

Your contributions and any earnings are continually reinvested. This process, called compounding, uses time to help your money make money for you. While compounding doesn't guarantee that you will have enough money through retirement, it can be a powerful engine for potential asset growth, especially through long-term savings programs such as the Savings Plus 401(k) and 457(b) Plans.

Flexible contributions

There are two ways to contribute: Select Percentage of Pay or identify a dollar amount. When you select Percentage of Pay, your contribution amount automatically increases each time you receive a salary increase. That makes it easy to contribute more! Plus, you can change your investment mix and contribution amount at any time.



Automatic service features

When you use our Auto Increase feature, your contribution amount automatically increases when you want it to. When you use our Auto Asset Rebalancing feature, your account automatically rebalances quarterly based on the date it's initiated.

Lower fees and investment operating expenses



Because of the size of Savings Plus, we can negotiate lower fees than may be available to participants through other retirement plans. In fact, the administrative charge is only \$6 per quarter per plan,³ and new accounts may qualify for a four-quarter fee waiver after the initial contribution.

Personal assistance

Licensed and noncommissioned Retirement Specialists, located throughout the state and in our Sacramento-based Walk-In Center, are ready to assist you every step of the way, up to and through retirement.



Diverse investment options

Savings Plus offers a diverse lineup of investment choices from which to build your portfolio.



³ In addition to an annualized 0.04% asset-based fee assessed at 0.01% quarterly on the first \$600,000 of your account balance.

What Are the Plan Types?



401(k) allows you to contribute on both a pre-tax and Roth basis. Distributions can begin without a 10% early withdrawal tax after age 59½ while still employed by the state or at age 55 if separated from state service. Note: Public safety employees age 50 or older who retire or separate from service aren't subject to the additional 10% early withdrawal tax on their 401(k) plan account.

457(b) allows you to contribute on both a pre-tax and Roth basis. Distributions can begin after age 59½ while still employed by the state. You're eligible to receive a distribution when you separate or retire, regardless of age, without being subject to an early withdrawal tax.

Contribution Types — Pre-Tax vs. Roth

Savings Plus offers you flexibility in how you save for retirement. You may choose to make pre-tax, Roth, or both types of contributions to the 401(k) and 457(b) plans.

Pre-Tax Contributions

- Come out of your pay before taxes are deducted (meaning more money goes into your account than comes out of your take-home pay)
- Lower your taxable income now
- Earnings grow tax-deferred until withdrawn
- Withdrawals are taxed as ordinary income

Roth Contributions

- Come out of your pay after taxes are deducted
- Contributions and related earnings may be withdrawn tax-free during retirement if certain criteria are met
- Participation has no income restrictions (like a Roth IRA)
- Can be used for estate planning
- Offer tax planning flexibility in retirement



Contributions can be specified as a percentage of your pay or a dollar amount.

Investing Styles

You decide how involved you want to be with selecting and managing your funds. Whether you need a little help, a lot of help, or no help at all, Savings Plus has you covered.

When you enroll using the **Enrollment Form**, your contributions will post to the Target Date Fund (TDF) that most closely aligns with the year you turn 62. More investment options are available if you choose to enroll online. Consider the investing approaches below to help you make your decisions.

Do It For Me

Our TDFs are custom-built investment portfolios that are designed and managed by investment professionals to maintain a well-diversified investment portfolio that appropriately keeps pace with each stage of life. The fund aligns with the year you turn 62, (the qualified default investment alternative) and automatically rebalances to maintain the target allocation of the underlying investment strategies. The fund gradually shifts to become more conservative over time.

TDFs invest in a wide variety of underlying funds to help reduce investment risk. Like other funds, TDFs are subject to market risk and loss. Loss of principal can occur at any time, including before, at, or after the target date. There is no guarantee that target date funds will provide enough income for retirement.

Do It Myself

Build and manage a customized portfolio by using the Savings Plus core investment funds.

If you prefer a hands-on approach, but also want help when you need it, use our free **My Investment Planner** online advice tool to create a more guided investment strategy. Implement the recommended strategy or modify it to meet your needs. You can also use our Automatic Asset Rebalancing feature to ensure your investment selections remain allocated the way you initially intended.

The **Personal Choice Retirement Account (PCRA)**, a **self-directed brokerage account (SDBA)** administered by Charles Schwab & Co., offers a larger variety of investment choices. An auto transfer feature is available to establish recurring transfers from your payroll contributions to your PCRA account.

Manage It For Me

Nationwide ProAccount® is a fee-based, managed account service that creates and maintains a personalized retirement investment strategy.

Nationwide ProAccount is comprised of the Savings Plus core investment funds. Savings Plus's investment lineup features a range of asset classes with differing levels of risk/reward potential.

Before investing, carefully consider the fund's investment objectives, risks, charges, redemption fees, and expenses. You may download Fund Fact Sheets and find more detailed investment information on **savingsplusnow.com** under Investment Information or request them by contacting us at (855) 616-4776.

Small Increases Can Make a Difference

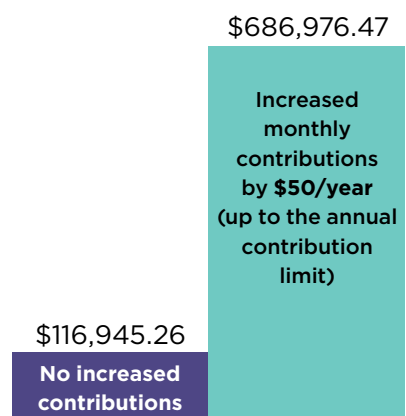


Increasing contributions to your Savings Plus account can help you feel confident that what you're doing now can positively impact your longer-term goals.

It's Easier to Save More with Auto Increase

Our Auto Increase feature lets you increase contributions to your retirement plan account little by little each year automatically.

Simply select a date you want your increased contribution to begin, indicate the amount or the percentage of your increase, and your contributions will automatically increase each year. You can even set a reminder of when your increase will occur each year with our text or email alert feature.



Starting with \$100 contribution

This illustration is a hypothetical example that reflects allowable contributions over a 30-year period and assumes 12 pay periods per year. The nominal annual rate of return is 7%, compounded monthly. Investment returns are not guaranteed and will vary depending on investments and market experience. If fees, taxes and expenses were reflected, the hypothetical returns would be less.

Are You Ready to Enroll?

Get started with this easy enrollment checklist.

☐ **Choose plan type(s)**

- ☐ 401(k) ☐ 457(b)

You may contribute up to the annual limit to each plan type; however, it's not necessary to enroll in both plans unless you expect to exceed the annual limit in one plan. Each plan has certain advantages and limitations, but both offer the same investment options. You'll pay the quarterly \$6.00 administrative charge for each plan type you establish. However, new accounts may qualify for a four-quarter fee waiver after your initial contribution.

Important note: If you separate from employment before age 55 and withdraw from your 401(k) account or from 401(k) funds previously rolled into your 457(b) account, you may be subject to an additional 10% early withdrawal tax.

☐ **Choose contribution type**

- ☐ Pre-tax
☐ Roth

You may contribute on a pre-tax basis, Roth basis, or both. See Page 5 for details. Total combined contributions into pre-tax and Roth accounts cannot exceed the IRS limit for each plan type. See limits on Page 10.

☐ **Decide how to contribute**

- ☐ Percentage of Pay
☐ Dollar amount

There are two ways to make contributions: selecting Percentage of Pay or identifying a dollar amount. **For consideration:** When you select Percentage of Pay, your contribution amount automatically increases each time you receive a salary increase. That makes it really easy to contribute more!

☐ **Decide how much to contribute**

\$ _____ or
_____ %

Our tools and resources on [savingsplusnow.com](https://www.savingsplusnow.com) may help you determine how much you should contribute from each paycheck in order to meet your goals.

☐ **Select investing style**

- ☐ Do it for me
☐ Do it myself
☐ Manage it for me

Do it for me: You'll be defaulted into the Target Date Fund that most closely aligns with the year you turn age 62. However, you can select a different TDF.

Do it myself: Select your funds if you enroll online using the core investment options.

Manage it for me: Rely on a professional manager to select and manage your funds for an additional fee.

Enroll

Online at savingsplusnow.com

On paper by completing our **Enrollment Form**, available online or from your Retirement Specialist

Over the phone at (855) 616-4776

Via text by texting the keyword “savingsplus” to 877697

Establish an online account and select other easy account service options

☐ Use My Interactive Retirement PlannerSM

☐ Auto Increase

☐ Paperless Delivery

☐ Automatic Asset Rebalancing

☐ Designate a Beneficiary

☐ Sign up for eAlerts

Once you’ve enrolled, you can set up an online account. Go to **savingsplusnow.com** and follow the prompts in the LOGIN box (Login Help & Sign Up).

Get a personalized Retirement Readiness Report by using the My Interactive Retirement Planner on **savingsplusnow.com**.

Sign up for the **Auto Increase** feature.

Sign up for **paperless delivery** to receive account confirmations and notifications regarding the availability of your quarterly statements and newsletters.

Take advantage of **Auto Asset Rebalancing**. This service for “Do it myself” investors will restore the investment mix to the original designated investment allocation on a quarterly basis.

Designate your **beneficiary(ies)** to specify who will receive your plan assets in the event of your death.

By setting up **text or email alerts** on your account, you have easy access to verify account activity anytime and anywhere.



Scan this QR code to enroll online today.



You can enroll online or by phone any time. Visit **savingsplusnow.com**, text “savingsplus” to 877697, or contact a representative about enrollment.



Online Tools

Visit **savingsplusnow.com**
Tools & Calculators for:

- Paycheck Impact
- Roth Analyzer
- My Investment PlannerSM
- Asset Aggregation
- My Interactive Retirement Planner

Use **My Interactive Retirement Planner (MIRP)** after you log in to your account to discover how your financial decisions, assets, and planning may affect your retirement future. You can model different contribution amounts to determine how changes may impact overall retirement readiness.

When you use this tool, you'll generate a personalized Retirement Readiness Report that updates each time you make contribution changes to your account. This report includes key information to illustrate whether or not you're on track to meet your projected retirement income needs.

These tools are for informational purposes only. They are not intended to project or predict the results of any specific investment.



401(k) and 457(b) plan contribution limits for tax year 2022

	Maximum contribution limit	Contribution limit plus Age-based Catch-Up
	If you're under age 50 this year, you may defer as much as ...	If you're 50 or older this year, you may defer as much as ...
401(k)	\$20,500	\$27,000
457(b)	\$20,500	\$27,000
TOTAL	\$41,000	\$54,000*

*The total 457(b) limit may be higher if Traditional Catch-Up is utilized.
Note: Contributions to PST and 457(b) in the same year are subject to the same limit. Participants with both 403(b) and 401(k) contributions must not exceed \$20,500 (or \$27,000 if using Age-based Catch-Up).
Source: IRS.gov



Once enrolled, you can change your contribution amount(s) or investment allocations at any time online, by phone, or via mobile device.



How to Reach Us



Website
savingsplusnow.com



**Savings Plus Solutions
Center**
(855) 616-4776
5 a.m. to 8 p.m. PT



Savings Plus Walk-In Center
1810 16th Street, Room 108
Sacramento, CA 95811
8 a.m. to 5 p.m. PT



Investment advice for Nationwide ProAccount is provided to plan participants by Nationwide Investment Advisors LLC (NIA), an SEC-registered investment advisor. NIA has retained Wilshire Associates Incorporated (Wilshire®) as the independent Financial Expert for Nationwide ProAccount. Wilshire is a service mark of Wilshire Associates Incorporated, which is not an affiliate of NIA or Nationwide.

Information provided by Retirement Specialists is for educational purposes only and is not intended as investment advice.

Investing involves market risk, including possible loss of principal. Actual investment results will vary depending on your investment and market experience, and there is no guarantee that fund objectives will be met.

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