

Make the Most of your 403(b) Plan

Brian's House 403(b) Retirement Plan

Presented by:

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FRS Advisors



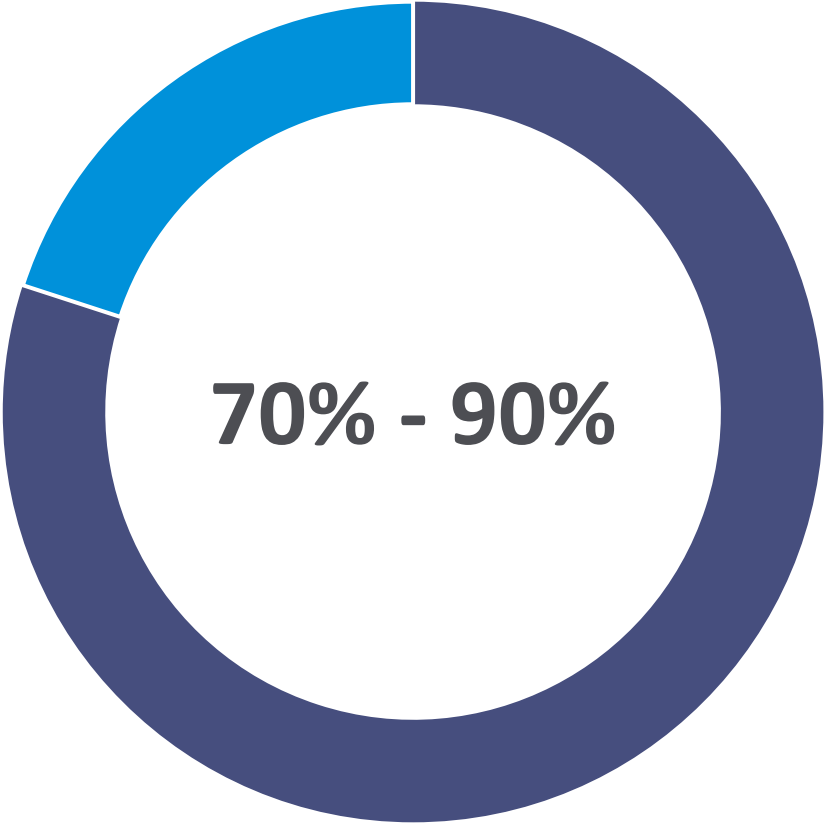
What we will cover today:

- Retirement Saving Guidelines
- Brian's House 403(b) Plan Highlights
- Your Investment Options
- Principal's Website, Tools & Resources
- Next Steps & Contact Information

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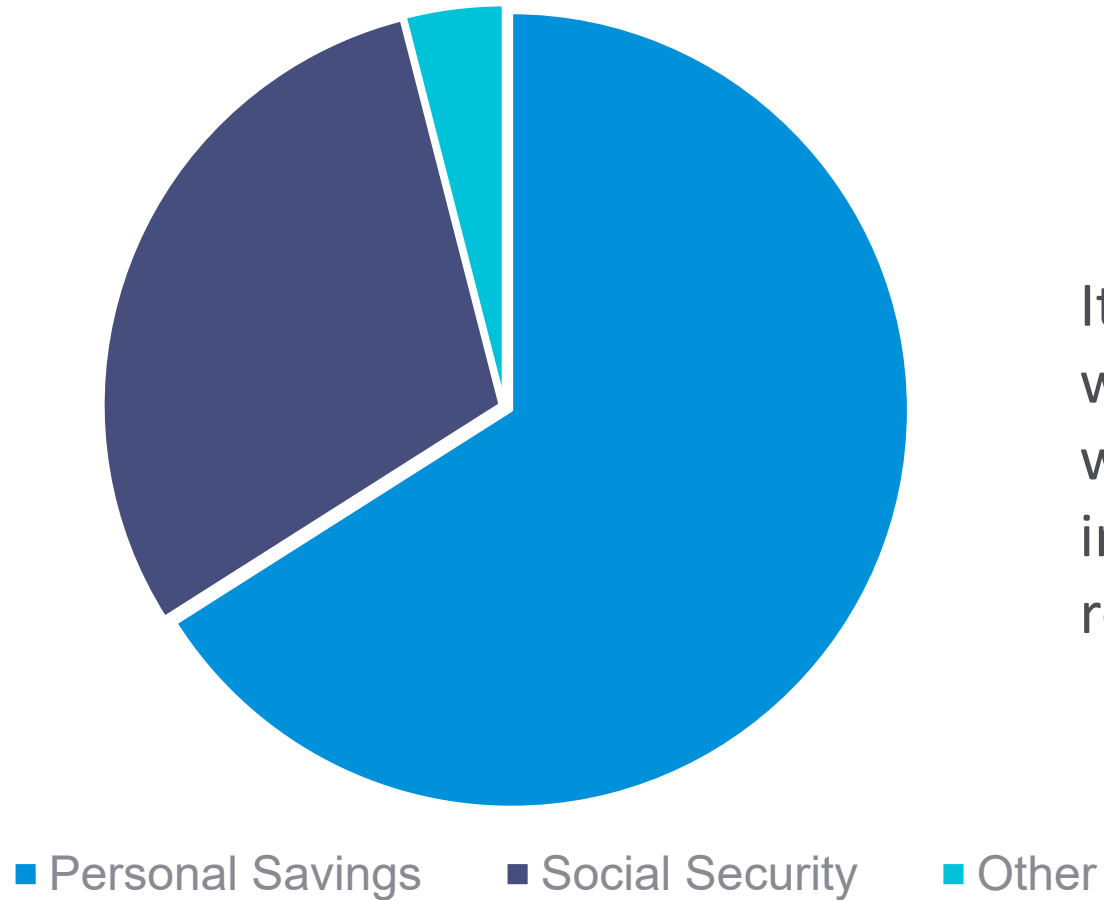
Retirement Saving Guidelines

How much income will you need in retirement?



Financial professionals estimate that you will need to be able to replace between **70-90%** of your pre-retirement annual income to maintain your standard of living in retirement.

Sources of retirement income



It's estimated that Social Security will provide the average worker with approximately **20-40%** of the income they will need in retirement.

How much will you need to save for retirement?

It's recommended that you save

10%-15%

throughout your career*

*Based on analysis conducted by the Principal Financial Group®, November 2019. The estimate assumes a 40-year span of accumulating savings and the following facts: retirement at age 65; 10-15% individual plus employer contributions; Social Security providing 40% replacement of income: 4.5% withdrawal of retirement savings; 6% annual market returns; 2% annual inflation; and 3% annual wage growth over 40 years in the workforce. This estimate is based on a goal of replacing about 80% of salary. The assumed rate of return for the analysis is hypothetical and does not guarantee any future returns nor represent the return of any particular investment. Contributions do not take into account the impact of taxes on pre-tax distributions. Individual results will vary. Participants should regularly review their savings progress and post-retirement needs as savings depends on many factors, including lifestyle, social security replacement, and retirement age.



Consider saving as much as you can, as early as you can

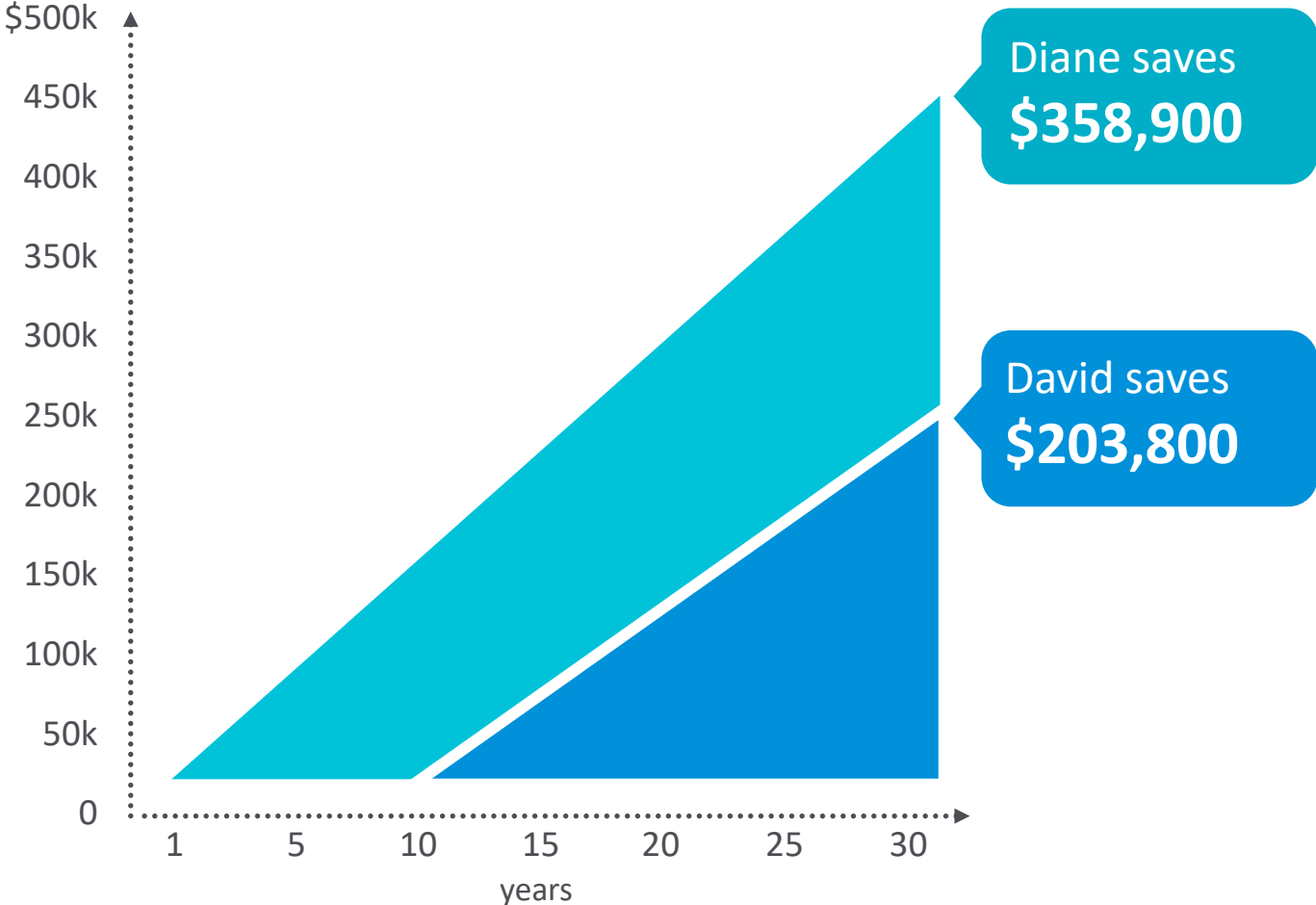
Potential savings

Diane begins to contribute 6% of her pay right away.

Total contributions
\$149,800*

David begins to contribute 6% of his pay after 10 years. Total

contributions
\$113,700*



This chart assumes a starting salary of \$35,000, 3% annual salary raise, a 50% organization match on up to 6% salary contribution (providing an additional 3%) and a 6% annual rate of return on investment, compounded biweekly. This example is for illustrative purposes only. The assumed rate of return is hypothetical and does not guarantee any future returns nor represent the return of any particular investment option. Amounts shown do not reflect the impact of taxes on pre-tax distributions. Individual taxpayer circumstances may vary.

*Total contributions include employee and organization match contributions.

Make small increases over time



Source: John Hancock. For illustrative purposes only. It assumes a \$40,000 salary and a starting contribution rate of 8%, beginning balance of \$0, as well as an annual 5% rate of return, a salary increase of 3% per year, and a contribution increase of 1% per year for the first five years. Individual circumstances may vary. There is no guarantee that the results shown will be achieved or maintained over any time period. This example assumes no withdrawals; does not take into account fees associated with investing, which, if included would reduce the account balance; and assumes reinvestment of earnings. Taxes are due on withdrawal.

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Brian's House 403(b) Plan Highlights

- **Eligibility:**
 - Immediate
- **Automatic Enrollment:**
 - 3% pre-tax contribution rate, unless you opt out of participation or you choose an alternative contribution rate
- **Employee Contributions :**
 - 2026 IRS Contribution Limits:
 - Under Age 50: \$24,500
 - Age 50-59 & 64+: \$32,500
 - Pre-tax & Roth Contributions Allowed

The legal plan document governs the employer's plan. If any feature discrepancies, the legal plan document will govern.

*Contributions are limited to the lesser of the plan or the IRS limit as indexed.

**Check information online for Plan's default investment.



- **Employer Match:**
 - Eligibility: 1 year of service
 - Non-elective contribution: 2% of pay
 - Matching contribution: 50% up to 4% of pay (contribute 4% of pay, receive 2% match)
- **Vesting:**
 - Employee & Employer contributions: 100%/Immediate
- **Withdrawals :**
 - Retirement, Age 59.5 In-service, Hardship, Termination of Employment, Death, Disability
- **Loans:**
 - Allowed (Maximum of 1 outstanding loan)
- **Rollover Contributions:**
 - Allowed

The legal plan document governs the employer's plan. If any feature discrepancies, the legal plan document will govern.

*Contributions are limited to the lesser of the plan or the IRS limit as indexed.

**Check information online for Plan's default investment.



Pre-tax vs Roth contributions

Pre-tax Contributions: Pay taxes later



ROTH Contributions: Pay taxes now



*A qualified distribution is one that is made after a participant reaches age 59½, death or disability and must be made at least five years after the first Roth 401(k) contribution was made.
Deferrals limited to the lesser of the plan or IRS limits as indexed for the current calendar year.
See IRS website for annual limits for deferrals.

Are you a good candidate for Roth?

Pre-tax Contributions:

- If your tax bracket will be lower in retirement, you may pay less taxes at withdrawal.
 - Potentially lower your current taxable income = may mean more money in your pocket today.
-

ROTH Contributions:

- If your tax bracket will be higher in retirement, you may save by paying taxes now.
- Who may benefit from a ROTH?
 - Younger employees who have a longer retirement horizon and more time to accumulate tax-free earnings.
 - Employees who earn too much to contribute to a ROTH IRA but want a pool of tax-free money to draw on in retirement.

Mandatory Roth Catch-up Contributions

Effective 2026:

- If you are over age 50 and earned more than \$150,000 (FICA wages) in 2025, your catch-up contributions must be made in the form of ROTH
- Your ROTH catch-up contributions will be taxed now but will be tax-free when you withdraw the money down the road
- If you are over age 50 and earned less than \$150,000 (FICA wages) in 2025, you can choose to make catch-up contributions on a Pre-tax or ROTH basis

*A qualified distribution is one that is made after a participant reaches age 59½, death or disability and must be made at least five years after the first Roth 401(k) contribution was made. Deferrals limited to the lesser of the plan or IRS limits as indexed for the current calendar year. See IRS website for annual limits for deferrals.



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Review your
investment options

Your Investment Options

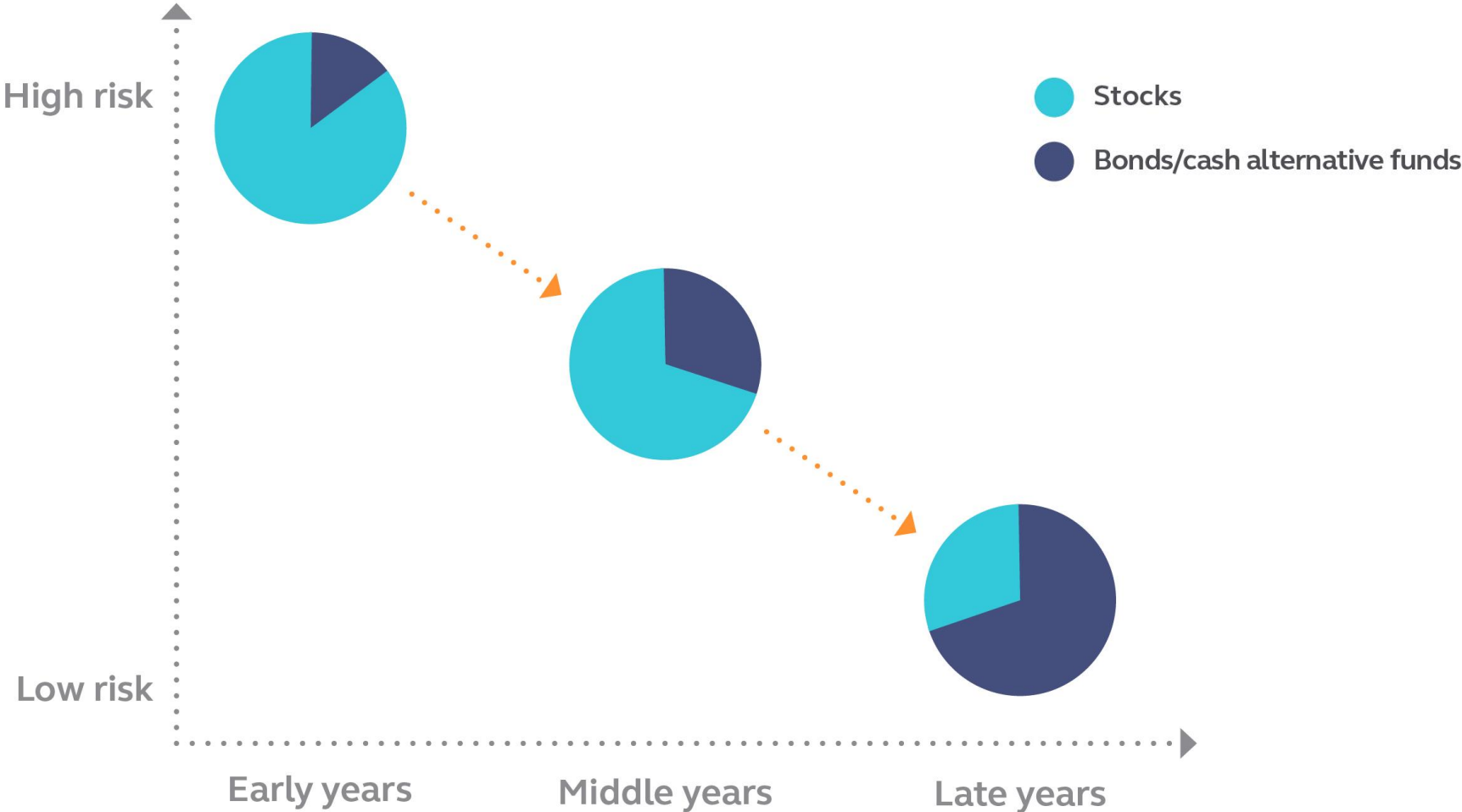
Help me Do it: Target Date Funds

- One fund with diversified asset mix
- Professionally Managed by American Funds
- Becomes more conservative as you approach your “Target Date” (Retirement Date)
- Plan Default Investment Option

Do it Myself: Build your own Portfolio

- Select investments from plan menu
- Manage your asset mix
- Rebalance your portfolio to keep it in line with your time horizon and risk tolerance

Retirement Glide Path



For illustrative purposes only.
Asset allocation and diversification do not ensure a profit or protect against a loss.

Target Date Funds

Normal Retirement Date	American Funds Target Retirement Fund R6
2012 or earlier	American Funds 2010 Target Date Retirement R6 Fund
Between 2013 and end of 2017	American Funds 2015 Target Date Retirement R6 Fund
Between 2018 and end of 2022	American Funds 2020 Target Date Retirement R6 Fund
Between 2023 and end of 2027	American Funds 2025 Target Date Retirement R6 Fund
Between 2028 and end of 2032	American Funds 2030 Target Date Retirement R6 Fund
Between 2033 and end of 2037	American Funds 2035 Target Date Retirement R6 Fund
Between 2038 and end of 2042	American Funds 2040 Target Date Retirement R6 Fund
Between 2043 and end of 2047	American Funds 2045 Target Date Retirement R6 Fund
Between 2048 and end of 2052	American Funds 2050 Target Date Retirement R6 Fund
Between 2053 and end of 2057	American Funds 2055 Target Date Retirement R6 Fund
Between 2058 and end of 2062	American Funds 2060 Target Date Retirement R6 Fund
Between 2063 and end of 2067	American Funds 2065 Target Date Retirement R6 Fund
2068 or later	American Funds 2070 Target Date Retirement R6 Fund


Build your own Portfolio



Remember to:

- Diversify
- Rebalance
- Stay invested
- Monitor investment choices

Take the Investor Profile Quiz



Need Help? 1-800-547-7754
Monday through Friday, 7 a.m. - 9 p.m. CT


Investor Profile Quiz

Not sure what type of investor you are? No problem.
Knowing how comfortable you are with risk and the number of years to retirement can help.
Please take a moment to answer eight simple questions to help determine your investor profile which suggests what mix of investment options may be right for you.

1 of 8

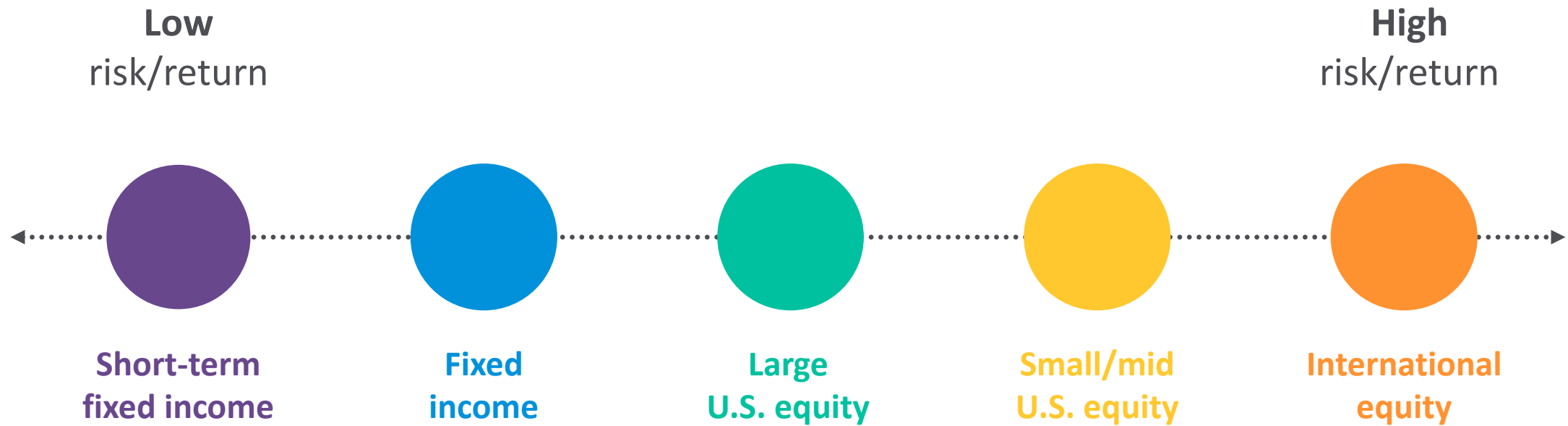
How much do you know about investing?

- Just learning the ropes
- Somewhat knowledgeable
- An Expert

 Next

Please keep in mind that information provided in the Investor Profile Quiz is educational and just a guideline—it isn't meant to tell you how to invest.

Levels of risk/asset classes



Asset allocation and diversification do not ensure a profit or protect against a loss.

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Principal's Website, Tools & Resources

Principal's Website

Brian's House 403(b) Plan

John Customer - Sample Group Defined Contribution Plan



[Overview](#) [Contributions](#) [Investments](#) [My options](#) [Rollovers](#) [Planning Resources](#)

[Guided tour](#) [Search](#)

Your account

December 8, 2025

\$40,915.98

Vested balance [?](#) \$23,529.41 [>](#)

Loan balance [?](#) \$6,285.00 [>](#)

Personalized rate of return [?](#) 6.52% [>](#)
since 1/1/2025

Gain/loss [?](#) \$2,667.72 [>](#)
since 1/1/2025

Most recent deposit on December 7, 2025 \$157.61 [>](#)

Your current salary \$39,900.00 [✎](#)

Desired retirement age Age 65 [✎](#)

Need investment help?

We know not everyone is an investment pro, and that's why your plan has wide range of options. See what kind of help you can get when it comes to your investment options.

[Check out your options now >](#)

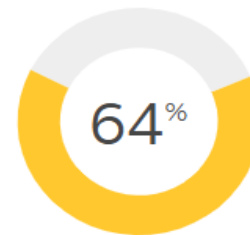
[My progress](#)

[Performance](#)

[Compare me](#)

Am I saving enough to replace my income?

Your Retirement Wellness Score shows your progress towards your goal of replacing 80% of your income in retirement. See everything that goes into calculating your score and make adjustments in the [Retirement Wellness Planner](#).



You're projected to replace 64% of your income in retirement. [?](#)

You'll need
\$3,593 / month

You'll have
\$3,280 / month

You may be short
\$313 / month

Principal Retirement Wellness Planner

Retirement Wellness Planner

Retirement outlook report

Print

Great news! If you have a health savings account (HSA) with **Sample Group HSA Provider** that you're using for long-term planning, it's even easier to include information on it in your Retirement Wellness Score. See what kind of impact it might have in just a few clicks. [Add your HSA now >](#)

Working on your plan for retirement is a great idea, John! Simply adjust information below and watch how your Retirement Wellness Score can improve. It only takes a few minutes to see how simple changes now can help boost your financial security in retirement.

Planning & Account Inputs

Pre-Tax Contribution Amount ⓘ ⚙️
\$46.04 every two weeks

3% 6% 10%

⚠️ You're not contributing enough to get the full employer match!

Roth Contribution Amount ⓘ
\$30.69 every two weeks

2%

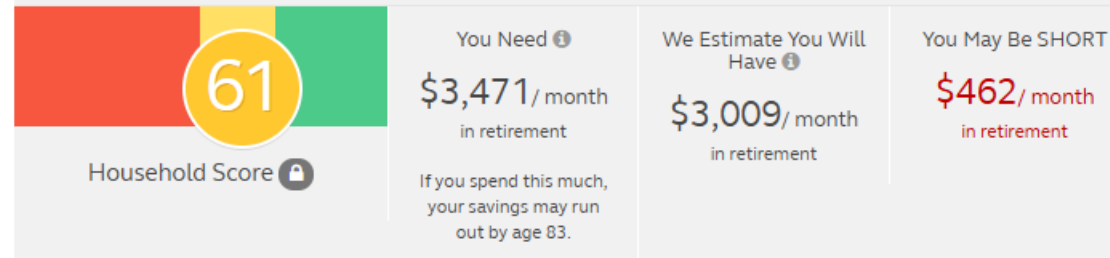
Your Current Annual Pay ⓘ
[Paid Hourly? Try our annual pay calculator >](#)

\$ 39,900

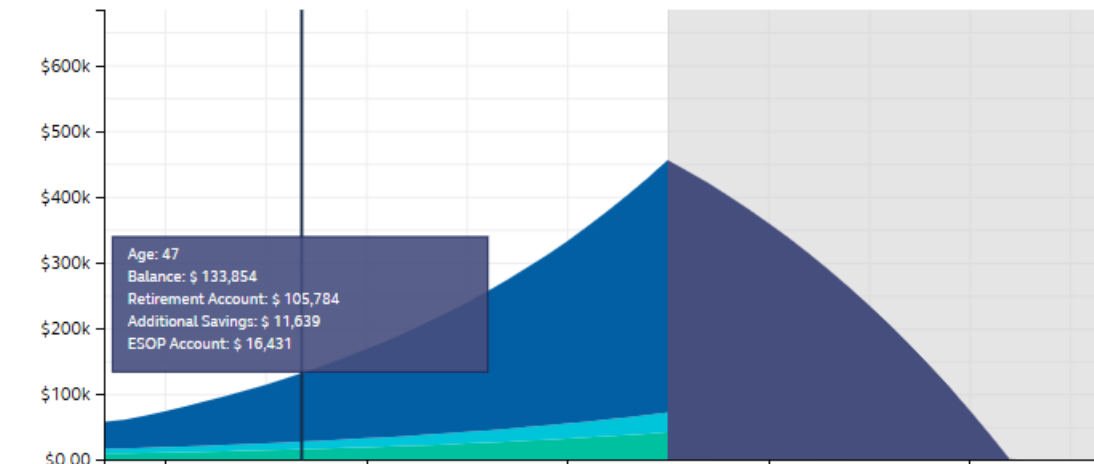
How Often Are You Paid?

Every Two Weeks

Retirement Wellness Score ?



Account Balance



Principal® Milestones

Enhance today. Embrace tomorrow.

Live well today and plan well tomorrow with financial wellness resources from Principal® Milestones, including:

From ARAG:

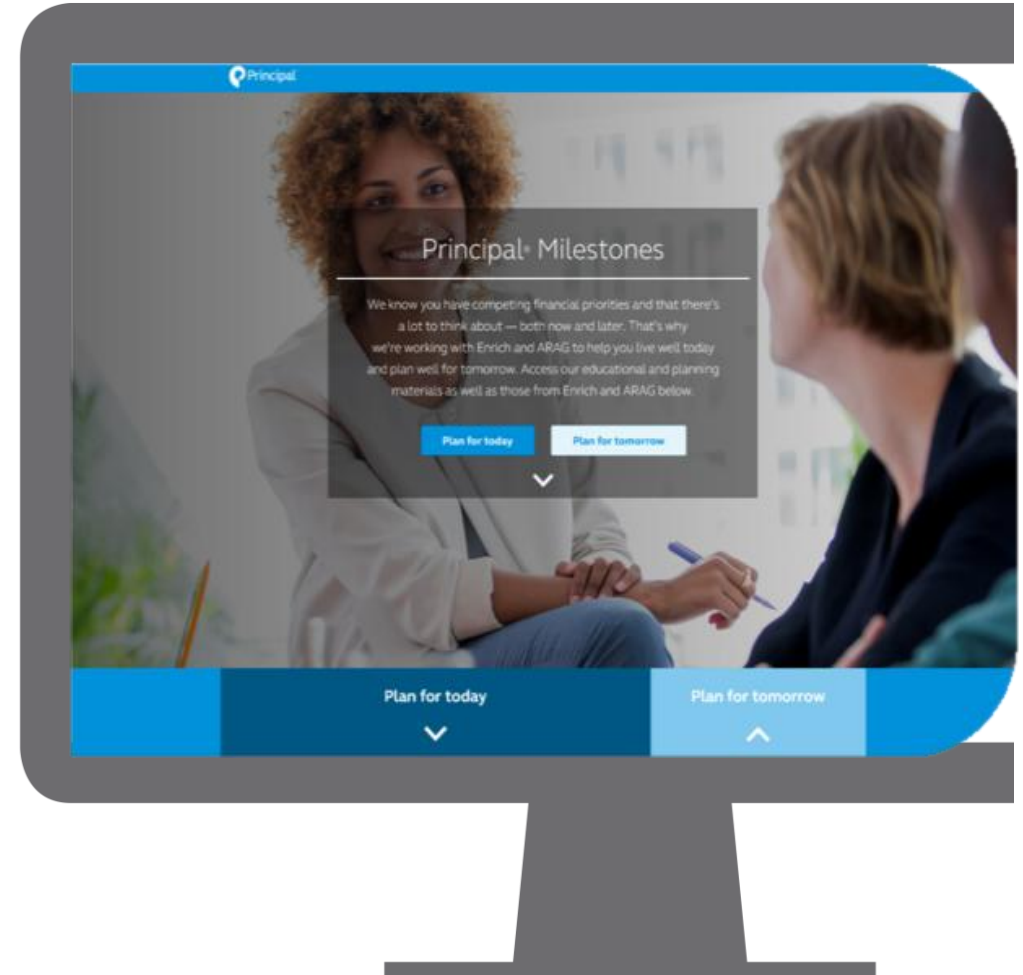
- Prepare a standard will or another legal document

From Enrich:

- Compare student loan repayment options
- Build a budget and use the emergency savings calculator
- Learn about managing debt
- Take interactive courses on saving for health care & more



Get started at principal.com/Milestones



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Next Steps & Contact Information

Register for Online Access to your Account

- Visit principal.com/welcome
- Set up your account log-in credentials
- Select a contribution rate & type
 - Stay at the 3% pre-tax rate or choose an alternative amount and type
- Choose your investment election
 - Choose a Target Date Fund or create your own portfolio by choosing from the list of available investment options
- Set up your beneficiary designation
 - Set up Primary & Contingent Beneficiaries



If you are already registered for online access...

- Review your contribution rate
 - Auto-enrolled at 3% Pre-tax
 - Consider Pre-tax and/or Roth Options
 - Increase 1% to take full advantage of employer match
- Review Investments
 - Target Date Fund or Build your own Portfolio
- Set up/Review Beneficiary Designation:
 - Primary & Contingent



Beneficiary Designations

- **Primary:**
 - The first person to claim & receive the money in your account if you pass away.
 - If you are legally married, you must designate your spouse or partner as your primary unless they provide written, notarized consent.
- **Contingent:**
 - The next person to claim & receive the money in your account in the event the primary pre-deceases you or cannot be located.
- **Make sure to update your designations as life events happen (marriage, divorce, child)**

Beneficiary designations are legal designations that are needed whenever a qualified retirement plan provides benefits to beneficiaries of deceased participants. They state who is to receive the benefits and how benefits are to be paid in the event of a plan participant's death. Certain beneficiary designations cannot be completed online. Instead, a paper form must be completed and signed. If needed, you will be given the option to print the paper beneficiary form from the website. Based on your marital status, your designation may require spousal approval.



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We can help with.....

- Enrollment
- Contribution Rate Selection
- Investment Guidance & Selection
- General Retirement Planning
- Income Stream Generation

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Principal
Principal.com/welcome
800-547-7754

Thank you

Important information

Investing involves risk, including possible loss of principal.

Asset allocation and diversification does not ensure a profit or protect against a loss. **Equity** investment options involve greater risk, including heightened volatility, than fixed-income investment options. **Fixed-income** investments are subject to interest rate risk; as interest rates rise their value will decline. **International and global investing** involves greater risks such as currency fluctuations, political/social instability and differing accounting standards. These risks are magnified in **emerging markets**.

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