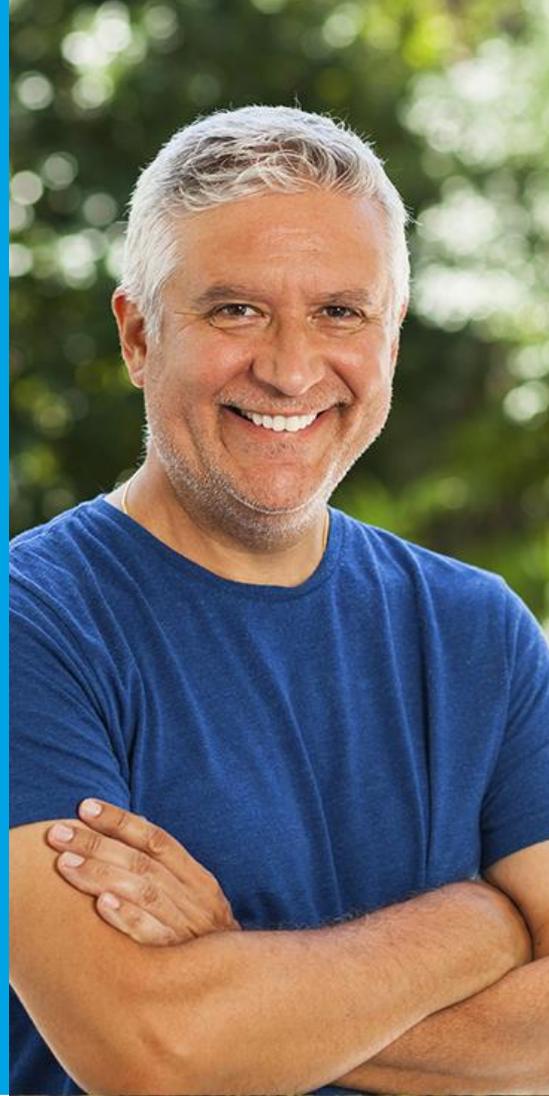




# District U-46 403(b)/457(b) Plan



AIG Retirement Services



# AIG Retirement Services

**AIG Retirement Services** is the right partner for U-46. Our retirement plans offer a flexible mix of services, technology and support, allowing us to easily customize plans for sponsors both large and small.

- 60 years of experience

- Serving more than 5,000 K-12 plan sponsors

- Leading plan provider in the K-12 education market

- Our goal is to help your employees live retirement on their terms

# Agenda

- 1** District U-46 403(b)/457(b) Plan

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- 2** 2019 Contribution Limits

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- 3** Currently Contributing or Not Contributing?

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- 4** How To Enroll In The Plan

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- 5** Post Enrollment

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District U-46  
403(b)/457(b) Plan

# School District U-46 Program

## Procurement

- Proposals were reviewed, evaluated, and ranked in accordance with the evaluation criteria
- AIG Retirement Services was selected as the new exclusive provider to provide the full scope of services:
  - Low cost fee structure
  - Investment management services
  - Open architecture platform
  - Administrative services
  - Overall compliance

# What is a 403(b)/457(b) plan?

- Allows employees to save money on a pre-tax or post-tax (Roth) basis through on going payroll reduction
  - Roth 403(b) allows you to contribute after tax dollars, then withdraw tax-free dollars when you retire
- Helps to fill income “gaps” that may exist with TRS or IMRF pensions
- A simple and convenient way to build wealth for your retirement

# What Happens Next?

- Contributions will continue into existing program and be redirected to new program effective November 1<sup>st</sup>
- New employees will be able to enroll in AIG Retirement Services immediately with current program
- You may schedule a one-on-one meeting immediately with an AIG Retirement Services financial advisor if you have any questions. Local advisor contact information will be provided
- The advisor can assist with establishing a new account, changing your contribution amount and answering your questions

# What is the difference between a 403(b) plan and a 457(b) plan?

## 457(b)

- No 10% IRS penalty following separation of service
- Loans available
- Age-based catch-up contribution
- In-service distributions from your contributions are not permitted until age 70 ½

## 403(b)

- 10% IRS penalty may apply to withdrawals prior to age 59 ½
- Loans available
- If you meet certain requirements, you may make age-based catch-up contributions
- In-service distributions from your contributions may be distributed for certain events:
  - Age 59 ½
  - Death or disability
  - Financial Hardship

# 2019 Contribution Limits

# 2019 Contribution Limits

	Traditional and Roth	
	403(b)	457(b)
Annual limit	\$19,000	\$19,000
Contribution method	Deferral via salary-reduction agreement	
Age-based catch-up (50+)	\$6,000	\$6,000

# What You Need to Know

- Contributions to all current providers will cease after 10/18/2019.
- All current participants with existing providers will have their contributions redirected to AIG Retirement Services, automatically effective November 1<sup>st</sup>
- Redirected contributions will be invested in age based target date funds
- Existing balances with existing providers will NOT move automatically. Participants will make that decision individually

# If You Have an existing Provider Account Balance

- You may keep your funds in your current plan.  
(these accounts may have higher fees)
- You may rollover your current plan's assets into the new plan construct
- Existing providers may/may not have surrender charges/fees to rollover your money
- AIG Retirement Services Financial advisors can assist you with this process

# New Mutual Fund Line-Up

## Mixed-Asset Funds

Target Date Funds	Vanguard Target Retirement Income Inv	VTINX
Target Date Funds	Vanguard Target Retirement 2020 Inv	VTWNX
Target Date Funds	Vanguard Target Retirement 2025 Inv	VTTVX
Target Date Funds	Vanguard Target Retirement 2030 Inv	VTHRX
Target Date Funds	Vanguard Target Retirement 2035 Inv	VTTHX
Target Date Funds	Vanguard Target Retirement 2040 Inv	VFORX
Target Date Funds	Vanguard Target Retirement 2045 Inv	VTIVX
Target Date Funds	Vanguard Target Retirement 2050 Inv	VFIFX
Target Date Funds	Vanguard Target Retirement 2055 Inv	VFFVX
Target Date Funds	Vanguard Target Retirement 2060 Inv	VTTSX
Target Date Funds	Vanguard Target Retirement 2065 Inv	VLXVX

## Passive Asset Class Funds

Core Fixed Income	Fidelity: U.S. Bond Index (FXNAX)	FXNAX
US All Cap Stocks	Fidelity: Total Market Index (FSKAX)	FSKAX
US Large Cap Stocks	Fidelity: 500 Index (FXAIX)	FXAIX
US Small/Mid Cap Stocks	Fidelity: Extended Market Index (FSMAX)	FSMAX
Non-US Stocks	Fidelity: Total International Index (FTIHX)	FTIHX

## Active Asset Class Funds

Fixed Account	VALIC Fixed Interest Option	N/A
Core Fixed Income	Baird Aggregate Bond Fund Class Institutional	BAGIX
Core Plus Fixed Income	PGIM Total Return Bond Fund -Class R6	PTRQX
US Large Cap Stocks	AQR Large Cap Defensive Style Fund Class R6	QUERX
US Small Cap Stocks	BlackRock Advantage Small Cap Core Fund Class K	BDSKX
Non-US Stocks	American Funds EuroPacific Growth Fund Class R-6	RERGX

## Self-Directed Brokerage

# Product Comparison

Provider	Balance	Average Fund Expense	Mortality and Expense	Admin Fee	Approximate fees paid
Current	\$10,000	1.03%	1.20%	\$30	\$253
AIG Retirement Services	\$10,000	0.16%	0%	0.215%	\$38

Currently Contributing or  
Not Contributing?

# If You Are Currently Contributing to AIG...

- Future contributions will continue and flow into the new mutual fund platform
- Contributions will be directed to an appropriate age based target date fund
- Current account balances will not be moved automatically and employees will have the option to move to new plan at their discretion
- Encouraged to meet with an advisor to better understand new plan and options with existing account balance

# What Happens Next?

- Contributions will continue into existing program and be redirected to new program effective November 1st
- New employees will be able to enroll in AIG Retirement Services immediately with current program
- You may schedule a one-on-one meeting immediately with a AIG Retirement Services financial advisor if you have any questions. Local advisor contact information will be provided
- The advisor can assist with establishing a new account, changing your contribution amount and answering your questions

# The New 403(b)/457(b) Plan Details

- No Mortality and expense fees, sales charges or sales loads
- No surrender charges
- Choice of 14 leading name brand mutual funds at significantly lower expenses
- Loan provision

# If You Are Not Contributing To Your 403(b)/457(b)

- This is a great opportunity to start saving for your retirement!
- Can enroll now and take advantage of a disciplined retirement savings into a 403(b)/457(b) or Roth 403(b) plan
- Local advisors available to help get you started
  - Advisor contact sheets will be provided.
  - Advisors will be providing group education sessions and one-on-one consultations.

# How To Enroll In The Plan

# How To Enroll In The Plan

Between TODAY and October 21st:

- Complete a Salary Reduction Agreement with a local advisor and submit it to Lori Nommensen

After October 25th:

- Enroll Online: [aig.com/RetirementServices](http://aig.com/RetirementServices)
- Enroll by Phone: Call 1-888-569-7055
- Enroll with a local advisor
  - Sandi Arko, CFP: (815) 355-2756
  - Jimmy Valle: (312) 877-2232
  - Erik Lindgren: (224) 343-3422
  - Dylan Hernandez: (312) 350-4506

# How To Enroll In The Plan

In person:



Sandi Arko, CFP  
(815) 355-2756



Jimmy Valle  
(312)-877-2232



Erik Lindgren  
(224) 343-3422



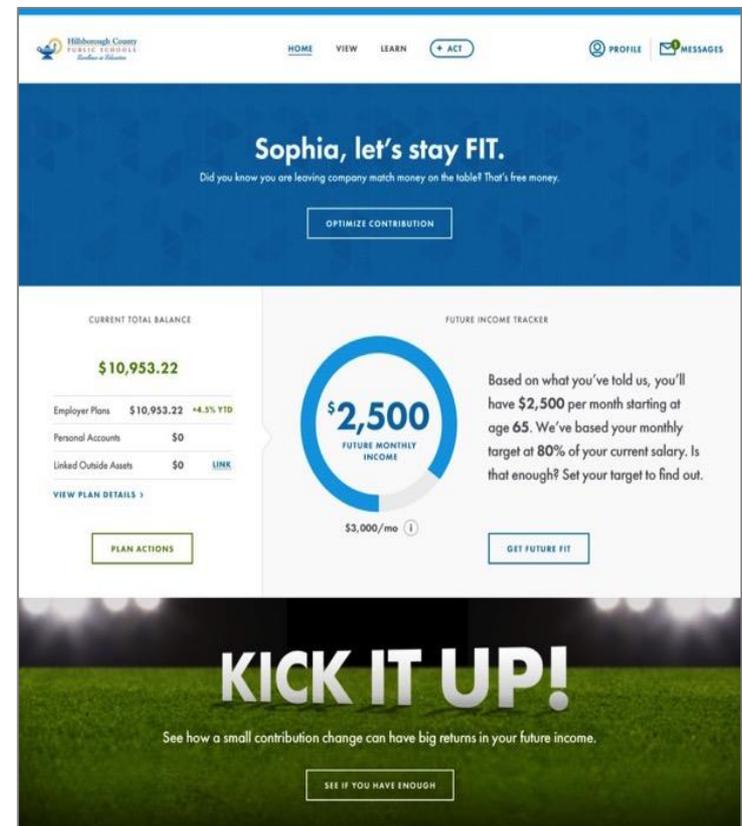
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# Post Enrollment

# Post Enrollment

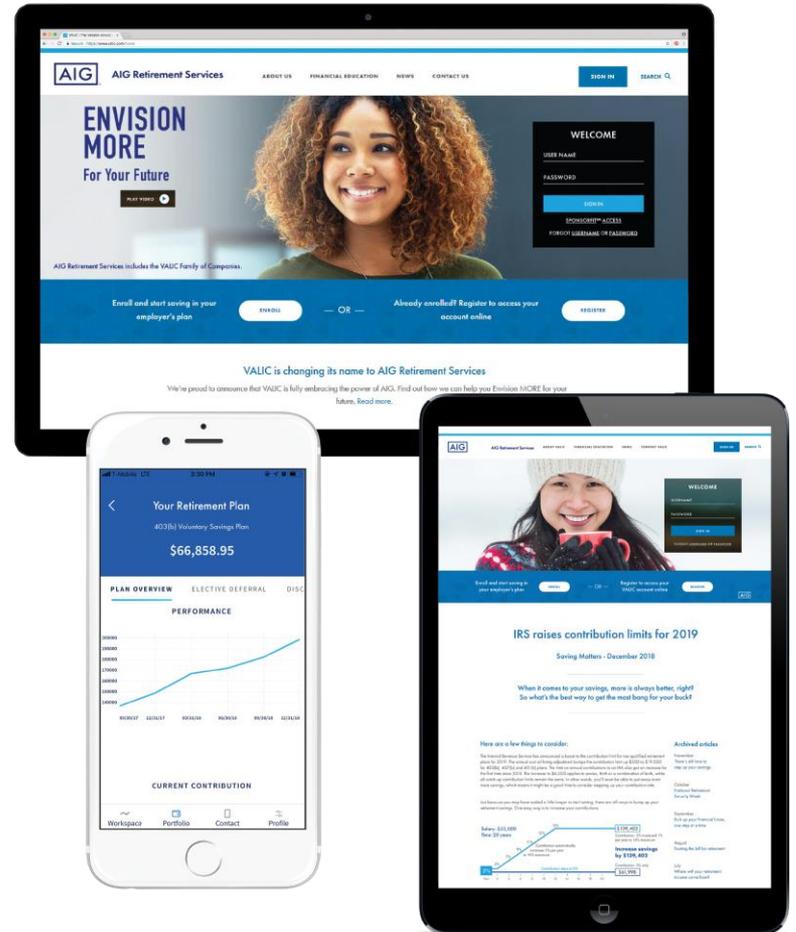
## Post enrollment: FutureFIT Income Tracker

- Access account information and tools from your workspace
  - Plan details
  - Account balance
  - FutureFIT calculator
  - Smart videos that display personal information
  - Curated educational content
  - Perform change contributions
  - Portfolio asset rebalancing
  - ...and much more



# Putting It All Together

- Access anywhere
- Mobile



# One-On-One Assistance

## Benefits to working with a VALIC Financial Advisor

- Understand your overall financial picture
- How much savings do you need on top of your pension?
- Advice and information to make more confident financial decisions



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

# Personalized Advice

## Retirement Pathfinder<sup>®</sup>

### ■ Get real-time 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?



# Rollover Decision Making Process

	Comparison plan #1 Rollover from: MetLife Traditional IRA Performance Plus B	Comparison plan #2 Rollover from: Lump-sum pension option	Comparison plan #3 AIG/VFA Traditional IRA Power Index Elite with income rider
Value of retirement account	\$100,000 (amount to roll over or transfer)	\$100,000 (amount to roll over or transfer)	\$200,000 (amount to roll over or transfer)
Have these funds previously been invested in any AIG product?	No	N/A	N/A
Currently contributing to this account	No	N/A	N/A
Original purchase date	11/2017		N/A
<b>Fees and expenses</b>			
Expense ratio, including <ul style="list-style-type: none"> <li>Mutual fund or sub-account expenses</li> <li>If applicable, M&amp;E expenses</li> </ul>	2.09% (actual)	N/A	0% (average)
Administrative expenses	\$95 per year	N/A	None
Managed account expenses	None	N/A	None

# Rollover Decision Making Process (continued)

	Comparison plan #1 Rollover from: MetLife Traditional IRA Performance Plus B	Comparison plan #2 Rollover from: Lump-sum pension option	Comparison plan #3 AIG/VFA Traditional IRA Power Index Elite with income rider																
<b>Annuity Information</b>																			
Surrender charge years remaining	2	N/A	7																
Estimated charges upon immediate full surrender	\$2,000	N/A	N/A																
Surrender charge schedule	N/A	N/A	<table border="1"> <thead> <tr> <th>Year</th> <th>Percent</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>8.00%</td> </tr> <tr> <td>2</td> <td>7.00%</td> </tr> <tr> <td>3</td> <td>6.00%</td> </tr> <tr> <td>4</td> <td>5.00%</td> </tr> <tr> <td>5</td> <td>4.00%</td> </tr> <tr> <td>6</td> <td>3.00%</td> </tr> <tr> <td>7</td> <td>2.00%</td> </tr> </tbody> </table>	Year	Percent	1	8.00%	2	7.00%	3	6.00%	4	5.00%	5	4.00%	6	3.00%	7	2.00%
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Cost of living benefit rider	1.20%	N/A	0.95%																
Living benefit base value	\$150,000	N/A	\$200,000																
Death benefit value	\$200,000	N/A	\$200,000																
Cost of enhanced death benefit	1.00%	N/A	N/A																

This information is general in nature, may be subject to change and does not constitute legal, tax or accounting advice from any company, its employees, financial professionals or other representatives. Applicable laws and regulations are complex and subject to change. Any tax statements in this material are not intended to suggest the avoidance of U.S. federal, state or local tax penalties. For advice concerning your individual circumstances, consult your professional attorney, tax advisor or accountant.

Securities and investment advisory services offered through VALIC Financial Advisors, Inc. (VFA), member FINRA, SIPC and an SEC-registered investment adviser.

Annuities are issued by The Variable Annuity Life Insurance Company (VALIC), Houston, TX. Variable annuities are distributed by its affiliate, AIG Capital Services, Inc. (ACS), member FINRA.

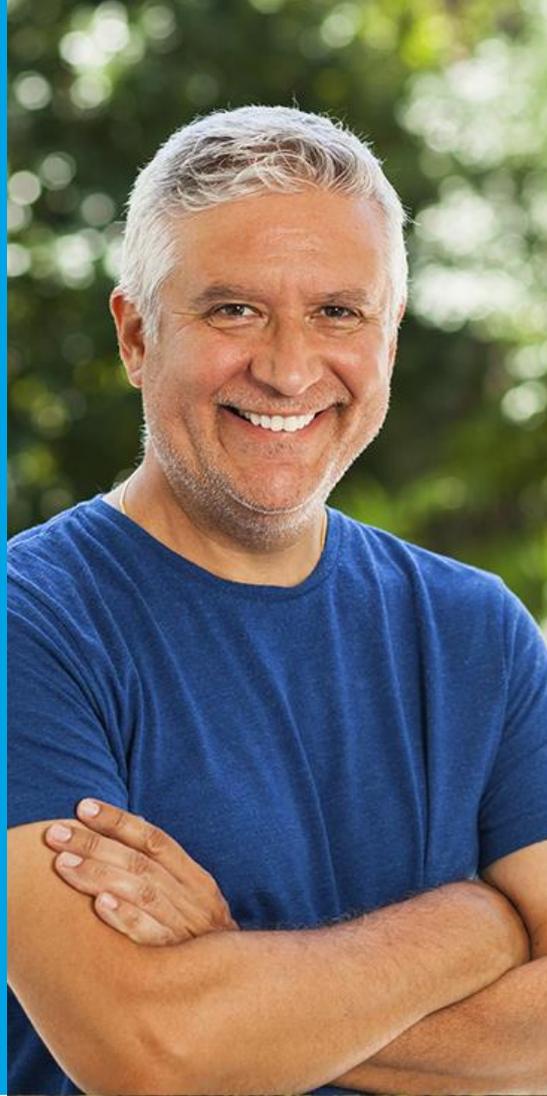
AIG Retirement Services represents AIG member companies — The Variable Annuity Life Insurance Company (VALIC) and its subsidiaries, VALIC Financial Advisors, Inc. (VFA) and VALIC Retirement Services Company (VRSCO). All are members of American International Group, Inc. (AIG).





# District U-46 403(b)/457(b) Plan

Thank you!



AIG Retirement Services

