



# Plumbers' Retirement Savings Fund, Local 130, U.A.

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PURSUING THE FUTURE YOU IMAGINE

# Key takeaways

Your retirement income

New! Saving through your 401(k) plan  
beginning January 1, 2024

Investment strategies and options

Resources



# Your retirement income

Where can your money come from after you retire, and will you have enough to live the retirement you imagine?



# Where your income in retirement can come from

Social Security may not be enough. For many, Social Security will only replace a portion of income in retirement.



Social Security



Pensions and retirement plans



Income from assets



Income from earnings



Other

Many financial planners say you'll need between 70% and 90% of your pre-retirement income to live comfortably in retirement.

# A look at monthly Social Security benefits examples

Average annual salary	\$25,000	\$45,000	\$65,000	\$85,000	\$105,000	\$142,800 and up
<b>SAMPLE MONTHLY BENEFIT AT FULL RETIREMENT AGE</b>	\$1,227	\$1,735	\$2,242	\$2,653	\$2,891	\$3,434

**Like most people, you're probably thinking "I'm going to need more than that."**

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Source: 2022 Guide to Social Security.

Assumptions: This table assumes the projections are based on a person at age 50 in 2022, worked steadily since age 22 and received average pay raises. Wages and salaries will remain constant until retirement.



# Coming soon! Saving in the 401(k)

Effective **January 1, 2024**,  
the 401(k) will be added to  
the plan. Saving in the  
401(k) is one of the simplest  
ways to save for retirement.



# How 401(k) pretax contributions work

Contributions are made before taxes are taken out.

## On the plus side

- Any growth is tax-deferred.
- Your current taxable income may be lowered.
- You may pay lower taxes later.

**The 401(k) option will be added to the Plan effective January 1, 2024.**



# The beauty of compounding

With the potential of compounding, not only could your investments have the potential to grow, but any earnings could also produce earnings.

\$ Today

\$2X 12 years

\$3X 19 years

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# Investing in the plan

Different investment strategies may impact how your savings potentially grow.



# Becoming a smarter investor starts by understanding the language

Understanding the terminology and principles of investing, as well as how they work together, may help set you up for success.

## Terms you need to know

### Asset classes

- ▶ A grouping of similar types of investments such as stocks, bonds, cash alternatives or stable value funds.

### Asset allocation

- ▶ Choosing how much to invest in each asset class to create your portfolio.

### Diversification

- ▶ Mixing your investments among the different asset classes or within an asset class.

### Rebalancing

- ▶ Adjusting your asset allocation to align with your evolving investment strategy.

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



# How age and risk tolerance influence investment strategy

Generally speaking, the further people are from retirement, the more aggressive they are able to invest.



# Why diversification matters

Diversification matters because all your investments will react differently in any given economic situation.

## Sample of diversified investments



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# Target date model portfolios

- The date in a target date fund name is the approximate date when investors are expected to start withdrawing their money (generally assumed to be at age 65). The principal value of the fund is not guaranteed at any time, including at the time of the target date and/or withdrawal.

## Target Date Funds

- Are professionally managed.
- Provide a diversified investment in a single option.
- Have return potential ranging from low to high.
- Automatically become more conservative over time.



- Asset allocation and balanced investment options and models are subject to the risks of their underlying investments.

# Building your portfolio on your own

You can choose from the individual core funds included as part of your plan to create a diversified mix of investments to match your risk tolerance.

- ▶ Select your own mix of individual funds.
- ▶ Decide how much to invest in each fund.
- ▶ Manage and monitor your account accordingly.



# Target date portfolios

Target Date Portfolios
MM Sel T. Rowe Price Ret 2005
MM Sel T. Rowe Price Ret 2010
MM Sel T. Rowe Price Ret 2015
MM Sel T. Rowe Price Ret 2020
MM Sel T. Rowe Price Ret 2025
MM Sel T. Rowe Price Ret 2030
MM Sel T. Rowe Price Ret 2035
MM Sel T. Rowe Price Ret 2040
MM Sel T. Rowe Price Ret 2045
MM Sel T. Rowe Price Ret 2050
MM Sel T. Rowe Price Ret 2055
MM Sel T. Rowe Price Ret 2060

Investing involves risk, including possible loss of principal.

Lifestyle Fund
Wellesley Income (Vanguard)
Vanguard Wellington Fund

# Domestic equity funds

	Value	Blend	Growth
Large	Vanguard Windsor II Fund	Vanguard Total Stck Mkt Idx Fd	JPMorgan Large Cap Growth R5
Mid			Mid Cap Growth (MassMutual)
Small	T. Rowe Price Small-Cap VI Fd		

Investing involves risk, including possible loss of principal.

- Investments in companies with small market capitalization ('small caps') may be subject to special risks given their characteristic narrow markets, limited financial resources, and less liquid stocks, all which may cause price volatility.
- Indexes are unmanaged, do not incur fees or expenses and cannot be purchased directly for investment.

# Short-term, stable value, fixed income and foreign / global funds

## Short-Term / Stable Value

- Fixed Interest Fund

## Fixed Income

- Baird Core Plus Bond Fund

## Foreign / Global

- EuroPacific Growth (American)
- American Funds Sm Cap World Fd

Investing involves risk, including possible loss of principal.

- Guarantees are subject to the terms and conditions of the contract and the claims-paying ability of the insurer.
- Bond prices generally fall when interest rates rise (and vice versa) and are subject to risks, including changes in credit quality, market valuations, inflation, liquidity, and default. High-yield bonds have a greater risk of default.
- Foreign securities involve risks, such as currency fluctuations, economic changes, and political developments. These risks may be heightened in emerging markets, which may also experience liquidity risk.
- A stable value fund is not federally guaranteed and has interest rate, inflation, and credit risks. Guarantees are subject to the terms and conditions of the group annuity contract or funding agreement and the claims-paying ability of the insurer.

# Take a deep breath

During big swings in the market, it's only natural to be concerned about your personal financial circumstances and your retirement savings.

- ▶ You're in it for the long term.
- ▶ Keep your goals in mind.



# A case for sticking with your plan

The data below shows how missing the market's best days can affect your return on investment.

## Costs of missing the market's best days 2001 - 2020



WITH 10 BEST DAYS



WITHOUT  
10 BEST DAYS

FOR ILLUSTRATIVE PURPOSES ONLY. Refers to the S&P 500 TR USD. Source Morningstar Direct S&P 500 returns January 1, 2001 through December 31, 2020. Returns expressed as total returns. This chart is intended for illustrative purposes only it is not investment advice. Past performance is not a guarantee of future results. Calculations relating to lost investment return created by Empower Advisory Group LLC, a registered investment adviser and wholly owned subsidiary of Empower Annuity Insurance Company of America. An index is not actively managed, does not have a defined investment objective, and does not incur fees or expenses. Performance of an index fund will generally be less than its benchmark index You cannot invest directly in an index.

Our goal is to help  
you reach yours



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**Call center:** 833-569-2433

*Weekdays from 7 a.m. to 9 p.m. and Saturdays from 8 a.m. to 4:30 p.m. Central time.*

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