



Photo of: Bogue Inlet Fishing Pier

THE PIER

Planning | Investment | Engagement | Retirement

New Year and New Financial Wellness Goals

The start of the new year often means new resolutions, or for some, it's a fresh start with new goals. Kicking off January with Financial Wellness Month is the perfect opportunity to look at your personal finances. During this time of increasing inflation, you may wonder where your funds are going. Use this opportunity to re-assess your financial and retirement goals to stay on track. As they say, "the days are long, but the years are fast" and retirement will be here before you know it. The hardest part is getting started, here are some tips to get you going.

- **Create Your Financial Plan** – It is important to look at your financial goals and develop a plan to achieve them. To make it easier, break them down into the Short-Term (6 months to 5 years), Mid-Term (5-10 years), and your Long-Term Goals (10+ years).
- **Develop Your Budget** – Reviewing where your money goes is critical to keep your spending on track and to meet the goals of your financial plan. Assessing your budget regularly helps detect areas of deficiencies, achieve your savings and retirement goals, and build an emergency fund. CAPTRUST, TIAA, and Fidelity all have tools such as webinars, articles with tips, and worksheets to assist in developing your budget to help you live within your means.
- **Pay Down Your Debt** – After evaluating your budget, look into tackling your debt. There are two well known approaches known as the Snowball Method and the Avalanche Method that have helped many successfully pay down debt. [Click here](#) for the full article from Fidelity.
- **Contribute Money into Retirement and Long-Term Savings** – As a retirement eligible employee within the UNC System, you are required to contribute 6% of your salary to your elected mandatory retirement plan, either TSERS or the ORP. In addition to your contributions, your UNC Institution is also contributing an employer contribution on your behalf. (For employer vesting information, please see TSERS and ORP Plan Documents for additional information.) In addition to the mandatory plans, the UNC System also offers a supplemental 403(b) and 457(b) plan that offers the opportunity for additional retirement savings. Even a small amount each pay period compounded over time can make a significant difference at retirement.



Don't get overwhelmed by creating a financial plan. Reach out to a UNC System financial professional with [CAPTRUST](#), [FIDELITY](#), and/or [TIAA](#) to help you identify goals and get you on track for your financial future.

Putting It into Perspective

Why it is important to ride the waves of the market

Costs on most things we use in our daily lives are increasing, the stock market is all over the map, and we keep hearing about the possibility of a recession. The status quo almost makes you forget that in 2021, the S&P 500 regularly reached new records and the market hit 70 all-time highs. There has been only one other year when that has occurred.

These periods of unpredictable rises and falls in the market is called market volatility. This is something we have all heard of, especially these days but what does it mean to the average individual trying to put money away for retirement?

Since 2000 alone, our markets have seen plenty of growth, but they have also seen downturns triggered by events like the 9/11 attacks, the Great Recession, and the dot-com crash. For many, these situations spark fear and uncertainty. In this illustration provided by TIAA, we'll look back a few years as an example of why it's important to stay the course.

In 2005, you started investing just \$100 a week in your retirement account. You save \$100 a week for one year, that is a total of \$5,200. You decide to keep doing this annually.

In 2008, when the Great Recession hit, the federal government bailed out the banks. According to a historical investment calculator, it caused the S&P to plunge by almost 39%. That is almost twice the drop we have seen this year. At this time, you had been saving \$5,200 a year for four years, totaling \$20,800. But with the 39% drop, your \$20,800 is now barely worth \$15,000. At this point, many others have panicked and pulled out their money. But let's say you kept investing \$100 each week.



In your fifth year of saving \$100 a week, you have now set aside \$26,000. That year the S&P jumps 24%. That means on paper, your \$26,000 was worth a little more than \$24,000. The year before, your investment was down about 25% on paper but now it's narrowed, and it is barely down 6%. You decide to keep investing \$100 a week. Sometimes the investments were up and other times they were down. It's volatile.

After ten years, you have invested a total of \$52,000. And on paper, your investment return is now worth more than \$80,000. Your investment that was once a 25% loss on paper has grown into a 54% gain.

During your career and into your retirement, there will surely to be more market volatility and it's important to mention that past performance doesn't guarantee future performance, but each volatile period is only a snapshot in time. By staying the course, a market rebound is likely to put you back in good shape. Investing involves risk and you should take your own personal situation into consideration and talk to a financial professional. Schedule an appointment today to speak with a financial professional at CAPTRUST, TIAA, or Fidelity.

Take the first step toward achieving your financial goals by contacting the Financial Advisors
at CAPTRUST, TIAA or Fidelity

Vendor	Line	Reservation Tool	Individual Advisory Service
CAPTRUST	800-967-9948	www.captrustadvice.com/unc	www.captrustadvice.com
FIDELITY	877-862-4032	www.fidelity.com/reserve	800-642-7131
TIAA	800-732-8353	www.tiaa.org/schedulenow	866-842-3519
PRUDENTIAL	919-602-8226	Christy.kelly@prudential.com	866-627-5267

Annual Retirement Contribution Limits

The Internal Revenue Service has announced its annual update to contribution limits for pension and retirement plans for the 2023 tax year. Section 415 requires these limits to be adjusted annually for cost-of-living increases.

The limit on contributions by employees who participate in 401(k), 403(b), and most 457 plans increased in 2023 to \$22,500 while the catch-up contributions for employees age 50 and over increased to \$7,500.

To enroll or increase your UNC Supplemental Retirement Plan(s) contributions simply complete and provide one of the following forms to your University Benefits Administrator:



[UNC 403\(b\) Salary Reduction Agreement](#)

[UNC 457\(b\) Salary Deferral Agreement](#)

“It’s not about how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep it for.

– Robert Kiyosaki



University of North Carolina System Retirement Plans:

Plan Investment Review | Performance Summary

(for the period ending 09.30.2022)

INVESTOR CORNER

CAPTRUST

The 1% Challenge

Where to start saving for retirement can be overwhelming, especially when living paycheck to paycheck. In the 1% Challenge, CAPTRUST suggests starting with 1% of your pay and increasing by 1% every year following. Why 1%? Because for most, this is an amount that will not be missed.

For an individual making \$30,000 annually, that's roughly one cup of fancy coffee each week. For an individual making \$60,000 annually, that's the cost of a salad at lunch. This may not seem like much, but these savings compounded over time can have a huge impact on your retirement and will have you on your way to financial independence.

Check out this video from [CAPTRUST](#) to discover how easy it is to start.

For more resources from CAPTRUST, visit the [CAPTRUST](#) website.

TIAA

Why You Should Use TIAA's Advice Express Tool

A popular way to save for Retirement is with a Target Date Fund but these only take into account one thing, your age. This approach doesn't work for everyone. TIAA has a quick and easy tool to assist in how to allocate your retirement portfolio and here are 5 reasons you should use it.

1. Advice Express considers your whole financial picture.
2. You get the same caliber of advice that their financial advisors provide.
3. It takes a few minutes.
4. There's no additional cost.
5. There's no commitment.

[Click here](#) to read the full article. Find other valuable TIAA tools and resources to help you pursue your retirement savings goals by visiting TIAA.org/unc.

FIDELITY

The Power of Having Savings Goals

As Fidelity says, knowing your destination can help you map the best path to get there. Some of your goals may be fairly common, like having an emergency savings or saving for retirement but some may be specific to you and what you are looking forward to in your future.

Setting goals matters because they help you choose the right investment mix for your personal situation, how much you should be investing to reach those goals, and they help you track your progress.

There may be bumps along the way but having goals can help keep your long-term goals in sight.

[Click here](#) to read the full article. Find other valuable Fidelity information, tools, and resources to help you pursue your retirement savings goals by visiting UNC System [Fidelity Investments](#) website.

Engagement Corner

Various retirement readiness resources and tools will be provided each month to help you learn more about how to live a financially well life, save more toward a comfortable retirement future, and gain additional knowledge on many other key retirement topics (Social Security, Medicare, etc.). We encourage you to take advantage of all available resources.

Register for live webinars and webcasts online at:

FIDELITY: fidelity.com/webcasts

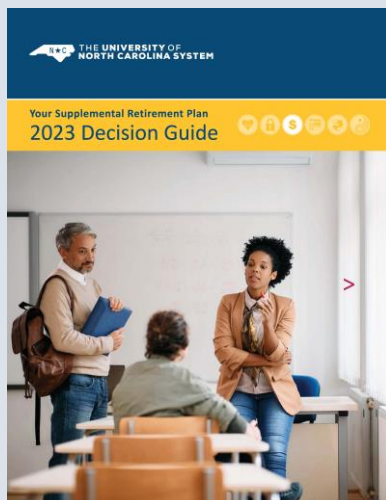
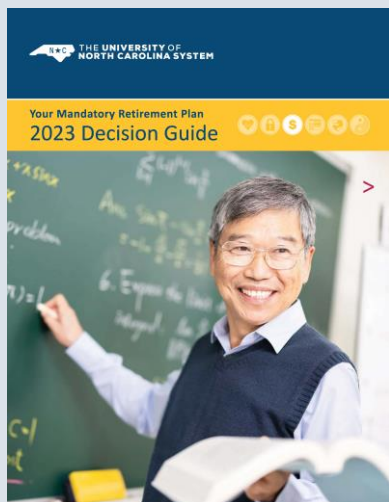
OR

TIAA: www.tiaa.org/webinars

Webinars and Webcasts	
TIAA	Help boost your financial know-how with TIAA's live webinars. To see currently scheduled live webinars or previously recorded on-demand webinars, visit http://www.tiaa.org/webinars
FIDELITY	Fidelity will be hosting live web workshops during the first quarter to help participants with preparing for future financial needs. Fidelity is offering the following: 01/19/2023- Tackle Debt and Understand Your Credit Score 02/16/2023- Investing for Beginners 03/16/2023- Organize, Plan, and Own Your Future

Resources Center

Below are two of the many great resources available to assist with preparing and educating you on your path to financial wellness.



Frequently Asked Questions

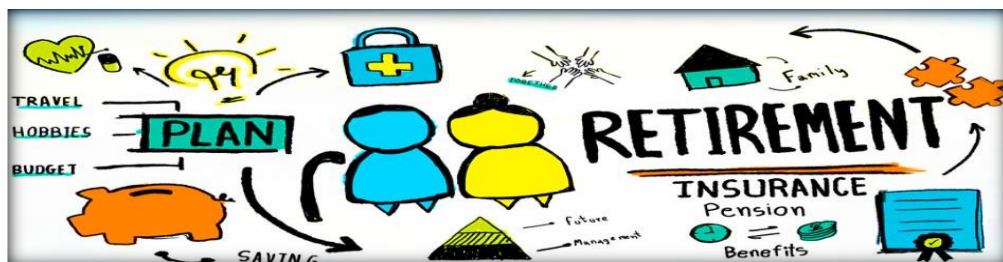
Q: Why can't I select CAPTRUST as my retirement vendor?

A: CAPTRUST is an independent retirement planning and advisory firm that provides services to the UNC System. You are not able to select them as an investment carrier as they do not sell products. Their services and tools are a benefit to you as a UNC benefits eligible employee. They offer education materials such as webinars, articles, and videos along with retirement and savings calculators and more. They also offer our employees one-on-one advice and can assist you in developing a retirement blueprint to get you on the right track.

Disclaimer

The information in this newsletter is general in nature and may be subject to change. Neither The University of North Carolina (UNC), Prudential Retirement, TIAA, Fidelity Investments, nor any of their agents, can give legal or tax advice. Applicable laws and regulations are complex and subject to change. For legal and tax advice concerning your situation, you should consult your attorney or tax adviser.

For more information about any of the authorized supplemental retirement carriers or their products, including investment options or charges and expenses, please contact a company representative for a prospectus. Please read the prospectus carefully before selecting a carrier or investment option. In the event of a conflict between this guide and the Plan documents, the Plan documents will take precedent. The UNC System reserves the right to amend the Plan documents.



ARE YOU ON TRACK?

TIAA and **Fidelity** offer various tools to provide you with a clear picture of your current retirement savings. Take action to see if you are adequately prepared to meet your long-term goals.

ARE YOU ON TRACK?
Are your long-term savings and retirement plans on track, or could they use some course corrections? Use the tracker to see if your retirement savings are on track.

Current Age: 31
Desired Retirement Age: 65
Current Salary: \$ 60000
Savings So Far: \$ 15000
Current Contributions: 3 %

Choose Your Future Lifestyle:

- The Simple Life (50% of salary)
- Stay the Course (70% of salary)
- Dreaming Big (80% of salary)



Need a Retirement Blueprint?

CAPTRUST has many great financial calculators to help you see where you stand with your future financial goals. Visit www.captrustadvice.com or call 800-967-9948 to talk with a certified Financial Counselor to create your future financial "Blueprint".



Start Saving for your Future Today!