



Photo of Wrightsville Beach, NC



Financial Resolutions for 2024: Prepare and Save

With another year in the books, it's a great time to look back at your finances from 2023 and set new goals for 2024. For many, 2023 was a year of unexpected increases in the costs of gas, groceries and almost everything in between. This created budget changes that may have caused you to deviate from your financial plan. As we begin a new year, now is the perfect time to get back on track with your financial and retirement goals but you may wonder where to begin.

- Start with **Creating or Updating your Budget**- and stick to it. Read more from TIAA on [How to Manage Bills and Expenses](#) and take advantage of their tools with this [Creating a Spending Plan worksheet](#).
- Establish an **Emergency Fund** account. Life happens and unexpected expenses arise so it's best to be prepared. Experts suggest having 3 to 6 months worth of essential expenses saved. CAPTRUST offers advice to getting you started with your emergency fund and where to place the funds [in this brief video](#).
- Put money towards **Retirement and Long-Term Savings**. Part of your retirement planning should consist of money from multiple sources. Consider boosting your retirement by contributing to a UNC Supplemental plan. For details about the UNC Supplemental Retirement plan offerings, review our Supplemental Retirement Guide by [clicking here](#).



As you are creating and updating your financial plan, UNC offers complimentary tools and resources, through CAPTRUST and TIAA, to help you along the way. CAPTRUST, our retirement investment advisors, provides unbiased investment advice and will help you create your Retirement Blueprint to track your progress. TIAA also offers one-on-one retirement planning with a TIAA Financial Consultant.

[Click here](#) to schedule your CAPTRUST Retirement Blueprint Appointment or to schedule your appointment with a TIAA Financial Consultant, [click here](#).

In addition to one-on-one consultations, both CAPTRUST and TIAA offer a wealth of information at your fingertips. To access resources and tools such as financial and retirement articles, on-demand webinars, and various calculators from TIAA, [click here](#). To access resources available from CAPTRUST, visit their Resource page by [clicking here](#).

Enhancements to the University of North Carolina Retirement Programs are coming soon

You are part of a collective of individuals whose passion and drive help shape what we are today. It's why we provide you with a retirement program designed with the tools, services and guidance that can be personalized to meet your individual goals and needs.

Earlier this year, after a careful review of its retirement program, the University decided to move from two retirement plan recordkeepers (TIAA and Fidelity) to a single recordkeeper (TIAA) for all five UNC Retirement Plans. The program enhancements will begin this spring. Highlights include:

- A single recordkeeper – TIAA.
- New accounts at TIAA.
- Some updated investment options.
- Increased fee transparency.

In the coming weeks you will receive detailed information on the upcoming enhancements to the retirement program. Please review this information carefully.

If you have any questions, please contact the University Benefit Representative at your constituent institution or TIAA at 800-842-2252.

Understanding Interest Rates

What are they and how are they calculated

We often hear about interest rates but have you ever wondered what they are and how they affect your finances?

An interest rate is reward for saving money or the cost of borrowing it. Interest is calculated as a percentage of the total money that you borrow or save. You will see this in many different areas of your finances. If you keep a savings account at your bank, they will pay you a percentage for saving your money. The higher the interest rate, the more you will earn.

You'll also hear about interest rates when it comes to borrowing money. This includes a mortgage, car loan, or credit cards. Your interest rate when borrowing money is based on your level of risk which is determined by your credit score. The higher your credit score, the more likely you are to pay back the borrowed funds which in turn, means a lower interest rate. For those with a lower credit score, they are considered a higher risk and results in a higher interest rate. Credit scores range from 300 to 850 with anything over 670 is considered good credit.

Lenders make their money off of interest. The example provided by CAPTRUST shows if you took out a one-year home improvement loan of \$10,000 at 6% interest, that interest rate would cost you \$600 over the course of the next year. The higher the interest rate and the higher the original amount of money borrowed, the more money you will pay in interest.

For more information on interest rates or to view CAPTRUST's short video, [click here](#).

“Money grows on the tree of persistence.”

-Japanese Proverb



University of North Carolina System
Retirement Plans:
Plan Investment Review | Performance
Summary
(for the period ending 9.30.2023)

Annual Retirement Contribution Limits

The Internal Revenue Service has announced its annual update to contribution limits for pension and retirement plans for the 2024 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 2024 to \$23,000 while catch-up contributions for employees age 50 and over remains at \$7,500.

To enroll or increase your UNC Supplemental Retirement Plan(s) contributions simply complete and provide one of the following forms to your constituent institution's Benefits Office.

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

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



How your Retirement Contributions Can Impact Your Taxes

Taking into consideration how taxes will impact saving for retirement and during retirement is important. As you are meeting with your tax professional, it may be a good time to discuss your tax strategy to save money while saving for retirement and also once you transition into retirement.

There are several types of retirement accounts available to meet your tax and retirement goals.

Tax-deferred: Pre-tax plans such as a 401(k), 403(b), and 457(b) take your deductions pre-tax, reducing your taxable income but will be taxed upon withdrawal at your normal tax rate.

Tax-exempt: Roth 401(k), Roth 403(b) and Roth 457(b) are post tax contributions that have a tax benefit at the time of withdrawal.

For some individuals, it may be beneficial to have a mix of Tax-Deferred and Tax-Exempt accounts. Talk to your tax professional and CAPTRUST or TIAA Financial Consultants to determine what is best for you!



Are You Saving Enough for the Retirement Lifestyle You Want?

We often think about saving for retirement but have you sat down and really thought about what you want your life to look like in retirement? This picture looks very different for everyone- there is no one size fits all. It's important that your retirement plan is tailored to your specific vision and at UNC, we have the resources to help.

While the UNC mandatory plans, along with Social Security, often provide the financial means to cover your basic needs in retirement, you may want to consider boosting your retirement savings to meet your retirement goals. The UNC System offers the Supplemental UNC 403(b) and 457(b) plans through TIAA that provide the opportunity for additional savings.

Reach out to CAPTRUST to set up your one-on-one Retirement Blueprint meeting and develop your customized plan to meet your retirement needs. TIAA also has Financial Consultants available for one-on-one consultants for UNC Retirement Plan participants which can be scheduled using the link in the chart below.



MAKE AN APPOINTMENT WITH A FINANCIAL CONSULTANT TO DISCUSS YOUR FINANCIAL GOALS AND FUTURE RETIREMENT PLANS

Vendor	Plan Options	Reservation Tool	Individual Advisory Service
CAPTRUST	Investment advice for all plans	www.captrustadvice.com/unc	www.captrustadvice.com/
FIDELITY	UNC ORP 401(a) UNC 403(b) and 457(b)	www.fidelity.com/reserve	1-800-642-7131
TIAA	UNC ORP 401(a) UNC 403(b) and 457(b)	www.tiaa.org/schedulenow	1-866-842-3519
EMPOWER <small>Previously Prudential</small>	State's 401(k) State's 457(b)	christy.kelly@empower.com	1-866-627-5267



INVESTOR CORNER

CAPTRUST

Understanding Beneficiaries

While thinking about naming a beneficiary isn't something most people like to do, it's a critical part of estate planning to ensure your loved ones are taken care of.

- A beneficiary is someone who benefits from receiving something. In most cases, a beneficiary is a spouse/partner, children, parents, or another loved one. For some, it could be an institution or charitable organization.
- Common assets that require a beneficiary are your retirement plan, IRAs, and Life Insurance.
- To set up a beneficiary, you will need information such as contact information, Social Security numbers, and addresses.
- You can name different beneficiaries for different assets.
- Determine what beneficiaries will receive which assets and how much of them. You may have a sole beneficiary, primary and secondary beneficiaries, and different percentages that different beneficiaries can receive.

For more information and to view this brief CAPTRUST video, [click here.](#)

TIAA

How to choose an executor for your estate

You've taken the important step of writing your will but just as importantly, you need to select the executor of your estate. Here are some questions to think about when choosing.

- *Do they have the time and inclination to deal with all the paperwork?* This could involve paying bills, dealing with insurance companies and tracking down financial accounts.
- *Do they have the ability to deal calmly and fairly with potential heirs and creditors?* It's important to select someone who is level headed and capable of resolving conflicts.
- *Do they have financial problems of their own?* It's important to choose someone with proven financial competence.
- *Are they well-organized and capable of juggling several tasks?* There is a lot of paperwork involved in settling an estate, it takes strong organizational abilities.
- *Do they have financial or legal experience?* It's not a requirement but it's a plus. If they don't have this level of experience, they can always consult a qualified attorney.

To review the full article from TIAA on selecting an executor, [click here.](#)

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.

Upcoming Webcasts & Webinars

TIAA: www.tiaa.org/webinars2024

January 10th @ 12pm ET: Quarterly Economic & Market Update	January 18th @ 3pm ET: Take Control of your Financial Life: 5 Steps to Managing Money and Debt
January 24th @ 1pm ET: Financial Exploitation of Older Adults	February 1st @ 3pm ET: Save in a 529 College Savings Plan
February 6th @ 12pm ET: Inside Money: Managing Money and Debt	February 15th @ 2pm ET: She's Got It: A Woman's Guide to Saving and Investing
February 21st @ 1pm ET: Gaining Insight: Navigating Debt Consolidation and Understanding the Mortgage Process	March 6th @ 12pm ET: The Starting Line
March 14th @ 1pm ET: Attention to Detail: Financial Finishing Touches for Women	March 20th @ 12pm ET: Paycheck for Life: Set Your Sights on Retirement Security
March 26th @ 3pm ET: Live with Confidence in Retirement: 5 Steps to Creating Your Retirement Income Plan	

Resource Center

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



Your Mandatory Retirement Plan 2024 Decision Guide



Your Supplemental Retirement Plan 2024 Decision Guide



More resources available at:

<https://myapps.northcarolina.edu/hr/benefits-leave/retirement/>

or contact the approved carriers directly.

Start Saving for your Future Today!



Frequently Asked Questions

Q: Where can I find more information about the upcoming transition of the retirement plans to TIAA?

A: More information will be available very soon! Watch your mail for a detailed Transition Guide from TIAA towards the end of January. This will include all information about the upcoming transition and what you can expect.

For more information about TIAA, visit tiaa.org/unc.

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”

ARE YOU ON TRACK?

TIAA offers 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?		
Current Age :	31	
Desired Retirement Age :	65	
Current Salary :	\$ 60000	
Savings So Far :	\$ 15000	
Current Contributions :	7.3 %	
Choose Your Future Lifestyle :		
The Simple Life	Stay the Course	Dreaming Big

Disclaimer

The information in this newsletter is general in nature and may be subject to change. Neither The University of North Carolina (UNC), Empower 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.