



# THE PIER

Photo of Avon Pier- Hatteras Island

Planning | Investment | Engagement | Retirement

## Retirement Plan Enhancements Coming Soon

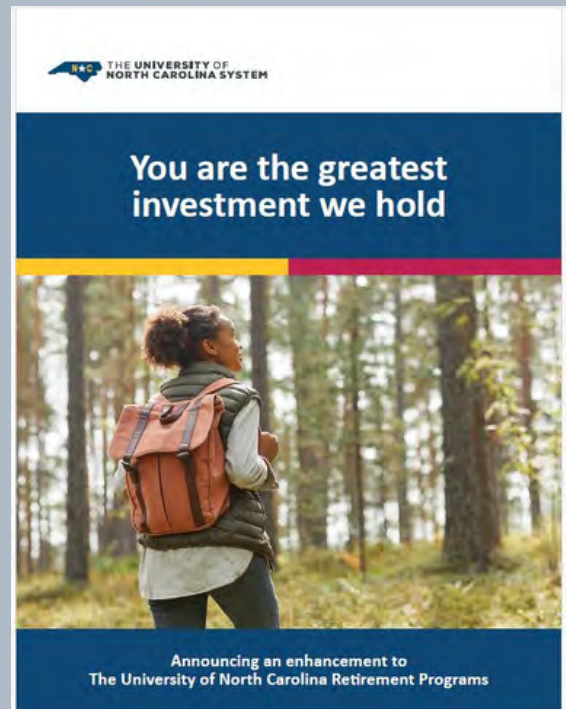
You are our greatest investment, and The University wants to support you by providing competitive retirement benefits. This November, we will introduce a new service in our retirement programs to help you plan and save for a more secure tomorrow. The University will replace the Vanguard Target Date Funds with a new, more customized target date option which includes an option for guaranteed income payments for life.

# COMING SOON

*Stay Tuned*

The UNC Target Date Models make it easier to plan and save for retirement by providing you with a professionally managed model portfolio. It's a convenient alternative to making your own choices from the retirement programs' investment lineup.

Participants in the UNC System Retirement Plans will receive a copy of the enhancement guide which will include specific details about the upcoming enhancements along with what to expect. When this guide becomes available, you can also find it at the [UNC System Retirement Website](#).



## Secure 2.0: Withdrawal Provisions for Natural Disaster and Emergency Expenses

In the wake of the destruction in Western North Carolina caused by Hurricane Helene, we wanted to remind those affected that the Secure Act 2.0 added plan provisions that may allow for new hardship withdrawal opportunities for natural disasters and emergency expenses from the UNC Supplemental 403(b) plan. Please note: this does not apply to the UNC Optional Retirement Program (ORP).

To see if you are eligible for a hardship withdrawal from your UNC Supplemental 403(b) plan, contact TIAA at 1-800-842-2888.

### 403(B) PLAN SPECIFIC PROVISIONS

The chart below outlines SECURE 2.0 provisions that **may apply** to the UNC 403(b) plan only.

What's Changing	Details and Timing
<b>Expanded contribution sources for a 403(b)-hardship withdrawal</b>	Effective for plan years beginning after December 31, 2023, amounts available for a hardship withdrawal can include earnings on any elective deferrals (both Pre-Tax and Roth).
<b>New withdrawal opportunities for certain hardship/emergency expenses</b>	<ul style="list-style-type: none"> <li>• <b>For natural disasters:</b> Participants can withdraw up to \$22,000 to pay for expenses related to a federally declared disaster without incurring a 10% early withdrawal penalty. Further, the participant can elect to spread the taxable income withdrawn over three years. These changes are effective for a disaster occurring after January 26, 2021.</li> <li>• <b>For domestic abuse survivors:</b> Beginning sometime in 2024, participants can withdraw the lesser of \$10,000 or 50% of their retirement account without the 10% early withdrawal penalty by self-certifying they experienced domestic abuse. Funds may be used for a variety of reasons, including to escape from an unsafe situation.</li> <li>• <b>For emergency expenses:</b> Beginning sometime in 2024, participants can withdraw up to \$1,000 per year for certain personal or family emergency expenses. The withdrawal would be taxable but not subject to the 10% penalty for early withdrawals. <b>Note:</b> The participant can elect to repay the withdrawal within three years. While repayment is not required, no additional emergency expense withdrawals are permitted during the three-year period until the first withdrawal is repaid.</li> </ul>

### 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	<a href="http://www.captrustadvice.com/unc">www.captrustadvice.com/unc</a>	<a href="http://www.captrustadvice.com/">www.captrustadvice.com/</a>
TIAA	UNC ORP 401(a) UNC 403(b) and 457(b)	<a href="http://www.tiaa.org/schedulenow">www.tiaa.org/schedulenow</a>	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



## Ask The Experts at CAPTRUST: How Do Elections Typically Impact Stock Markets?

**Q: What impact do you foresee the 2024 presidential election having on stock market returns this year? How much do elections matter to markets?**

A: While it's true that elections can drive market volatility and shifts in investor sentiment in the short term, history shows that, over the long run, fundamentals like economic growth and corporate earnings tend to be far more important drivers of stock returns.

That said, there are some interesting historical trends around stock market performance during election years, especially years when an incumbent president is running for reelection.

According to our analysis, for the last 10 election years in which an incumbent was running, the S&P 500 Index has ended the year in positive territory, with an average return of 17.4 percent. That's well above the average annual return of around 10 percent for all years.

Why might markets tend to perform better in incumbent reelection years? A big part of the answer likely comes down to the incentives for incumbents to take pro-growth policy actions to boost their reelection prospects. Fiscal and monetary policy may become more stimulative in these years, as incumbent administrations work to keep an economic expansion going.

We've already seen some of this dynamic play out, with large fiscal packages like the Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act, the Inflation Reduction Act, and the resumption of tax credits like the Employee Retention Credit injecting billions of dollars into the U.S. economy. Despite being an election year, the Federal Reserve has signaled that it will base its rate decisions solely on economic data rather than political calculations.

However, it's important not to overstate the impact of elections on markets based on these data points alone. Underlying economic fundamentals like consumer spending, the labor market, earnings growth, and productivity gains tend to be more powerful drivers of stock returns over time. The rollout of artificial intelligence tools and their potential productivity benefits could be a strong tailwind for markets this year, regardless of the presidential election's outcome.

Moreover, markets can certainly climb or sell off sharply in election years for reasons wholly separate from elections. For instance, the 2008 financial crisis triggered a major sell-off late in that election year, while the extraordinary stimulus response to the COVID-19 pandemic sent stocks soaring into year-end 2020 after the November election.

While elections tend to garner outside attention, they are just one of many inputs for markets. Investors would be wise to look past the political noise and partisan narratives and remain focused on the fundamentals that drive long-term returns. Diversification, discipline, and sticking to your plan should be top priorities, regardless of who occupies the White House.

For the full CAPTRUST article on the impacts of an election on the markets, [click here](#).

To view other CAPTRUST Resources, [click here](#).

You can also contact CAPTRUST to schedule your one-on-one appointment by [clicking here](#).

## Year-End Review: Is Your Retirement Account Diversified?

As we approach the end of the year, it's good time to review your accounts and determine if you have met your retirement goals for the year and review if your account is diversified. In TIAA's article below, TIAA reviews what a well diversified account includes.

### **Diversification in agriculture**

Throughout the history of agriculture, farmers have learned a few important lessons:

1. Growing the same crop year in and year out often depleted the soil and reduced their yields; and
2. Periodically rotating different types of crops would result in higher yields and less soil depletion.

Thus, the concepts of crop rotation and diversification were set in place as principles of good, responsible farming. Careful adherence to these principles would result in a greater harvest. Today you can take advantage of these agrarian fundamentals and apply them to your long-term investment strategy by appreciating the importance of diversification.

When it comes to investing, diversification means spreading your money across the spectrum of asset classes to provide more potential opportunity for growth, while protecting against the risks that come with putting all your money in one place.

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At a very high-level, a well-diversified portfolio could be composed of a mix of:

- **Equities** - includes individual company stock, mutual funds, and Exchange-Traded Funds or (ETFs). Equities provide the opportunity for higher growth, but are more volatile than other types of assets.
- **Bonds** - includes municipal, corporate and governmental bonds, which provide lower but more stable returns.
- **Cash** - such as a Money Market Fund, which typically provide a return similar to the prime lending rate.
- **Guaranteed Assets** - which often come in the form of Fixed Annuities and provide guaranteed growth during your saving years and the option for guaranteed income in retirement.
- **Real Estate** - which include options like real estate-based annuities or REITs (Real Estate Investment Trusts). Real Estate is typically less affected by the stock market, which helps lower portfolio risk and can enhance its diversification value.

Many retirement plans include Target Date Funds (TDFs), which themselves are diversified across many asset classes, including equities, bonds, real estate, and cash. These funds adjust automatically over time as you get closer to retirement. However, TDFs don't include guaranteed assets and the option for guaranteed income in retirement. In addition, TDFs aren't personalized, using just your age or retirement date to determine your investment mix.

You may have heard of the "60/40 Rule" (60% equities and 40% bonds). This continues to be an industry standard for building and maintaining a diversified portfolio. However, this approach doesn't always provide the diversification you might expect, as stocks and bonds can decline at the same time. For example, in 2022, this approach yielded a loss of 15%. Including each of the five asset classes is a much better way to diversify your portfolio.

For the full TIAA article, [click here](#).

## CAPTRUST

### Webinar: One Size Doesn't Fit All

Have you ever stretched out the seams of a one-size-fits-all shirt only to discover that no such thing exists? Well, the same holds true for planning for your financial independence in retirement. You will find that there are many shapes and sizes as you seek a financial future that suits your goals.

Watch this webinar recording with our panel of financial advisors as they discuss how CAPTRUST can help you find the plan that is the right fit for you.

To view the One Size Doesn't Fit All Webinar, [click here](#).

For additional on-demand webinars and resources from CAPTRUST, visit their website by [clicking here](#).

To schedule your one-on-one appointment with CAPTRUST, [click here](#).

## TIAA

### Financial Wellness: Impacts On Your Mental Health

The numbers don't lie: as many as 1 in 5 (or more than 57 million) U.S. adults live with a mental illness. 42% of U.S. adults say that money negatively impacts their mental health. Research suggests that worrying about debt, financial instability or the inability to meet basic needs triggers stress and can increase mental health challenges. How you feel about your financial situation can have a profound positive or negative impact on your mental health.

A discussion with a financial professional can help you talk through your finances and long-term investing strategy and give you a better sense of ownership over your financial future.

For TIAA's full article on Financial Wellness and it's Impacts on your mental health, [click here](#). To schedule your one-on-one appointment with a TIAA Financial Consultant, [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](http://www.tiaa.org/webinars2024)


<b>October 9th @ 12pm ET:</b> Quarterly Economic and Market Update	<b>October 23rd @ 3pm ET:</b> Myth-busting: Planning and Managing Healthcare Expenses
<b>November 5 @ 12pm ET:</b> Investing Essentials: 5 Principles to Invest with Confidence	<b>November 7th @ 2pm ET:</b> Naming Your Beneficiaries: Why It Matters
<b>November 13th @ 3pm ET:</b> How to Get the Most From Your Employee Retirement Plan	<b>November 19th @ 1pm ET:</b> Family Wealth Education
<b>December 4th @ 12pm ET:</b> Take Control of Your Financial Life: 5 Steps to Save Money and Manage Debt	<b>December 12th @ 1pm ET:</b> How Can I Afford College for My Kids or Grandkids


## 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



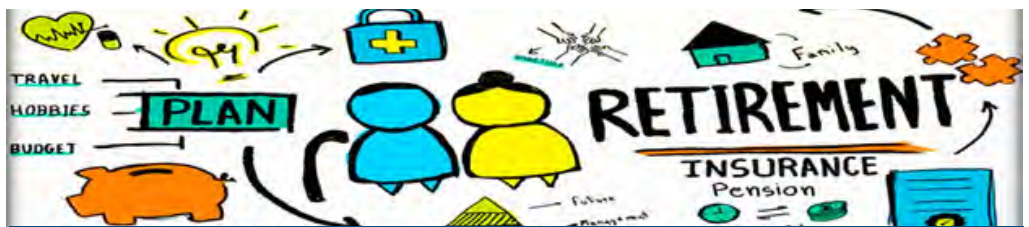


More resources available at:

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

or contact the approved carriers directly.

**Start Saving for your Future Today!**



## ARE YOU ON TRACK?

**ARE YOU ON TRACK?**  
Are your long-term savings and retirement plans on track, or could there be some course corrections? Take the time to ask if your retirement savings are on course. 

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

Choose Your Future Lifestyle :

 Stay the Course 70% of users	 Stay the Course 70% of users	 Dreaming Big 30% of users
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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.

## 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](http://www.captrustadvice.com) or call 800-967-9948 to talk with a certified Financial Counselor to create your future financial “Blueprint”

### 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, 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.