



Photo of: Atlantic Beach, NC



“A good financial plan is a road map that shows us exactly how the choices we make today will affect our future.” - Alexa Von Tobel

## What's in Your Retirement Income Pie

A carefully followed recipe is key to creating a perfectly delectable pie. If you fail to plan, or measure your ingredients poorly, your pie could be a real flop. The same can be said for financial planning and preparing for your future.

Experts suggest you'll need at least 70% - 90% of your pre-retirement income to maintain your current lifestyle when you retire. To consider your employer retirement plan as your only source of income in retirement is like baking a pie but only eating one slice. You also need to consider other sources that will make your retirement income pie the winner of the legendary blue-ribbon award.

Follow these simple steps and you'll be rewarded with a delightful retirement:

1. **Start with a delicious crust** - Your TSERS or ORP benefits are only one of the sources of income for retirement. Your employer retirement plan will provide approximately 45% - 50% of income in your retirement.
2. **Mix and bake the secret ingredients** - While it is not a secret, many forget that Social Security will provide approximately 30% - 40% of an employee's pre-retirement income. Just drop in some simple information and the SSA "**Retirement Estimator**" uses past earnings and estimated future earnings to project about how much you'll get when you retire. You can experiment and drop in different projected future earnings and retirement dates to view future estimates regarding your financial security in retirement.
3. **Complete with garnish of choice** - Other sources of income such as supplemental retirement plans and personal savings (e.g. savings accounts, CDs, IRAs, etc.) should be consider completing your delicious retirement income pie.



When your retirement pie is ready, enjoy it! You deserve a comfortable retirement. If you need more recipes for a long and healthy retirement contact a financial consultant to find the best retirement recipe for your future financial needs.

Fidelity ([schedule-a-meeting](#) or 800-343-0860) and TIAA ([www.tiaa.org/unc](http://www.tiaa.org/unc) or 855-400-4294)

## The Tax Impact

When you're thinking ahead to retirement, tax planning should be part of your decision-making process.

Many investors have several types of accounts that can be aligned with specific investing goals. Some are subject to taxes, while others have tax advantages. Here are two employee contribution types to consider:

- **Tax-deferred**, such as traditional pre-tax 403b, 457b, and 401k plans, allow you to realize immediate tax deductions up to the full amount of your contribution, but future withdrawals from the account will be taxed at your ordinary-income rate.
- **Tax-exempt**, such as Roth 403b, Roth 457b, and Roth 401k plans, don't deliver a tax benefit when you contribute to them. Instead, they provide future tax benefits; withdrawals at retirement are not subject to taxes.

Both types of retirement accounts minimize the amount of lifetime tax expenses someone will incur, which provides incentives to start saving for retirement at an early age. Make sure to contact a financial consultation to determine which tax advantage will work best for you.



Fidelity ([schedule-a-meeting](#) or 800-343-0860) and TIAA ([www.tiaa.org/unc](http://www.tiaa.org/unc) or 855-400-4294)

## Annual Retirement Contribution Limits

The tax law places limits on the dollar amount of contributions to retirement plans and IRAs and the amount of benefits under a pension plan. IRC Section 415 requires the 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 remains unchanged in 2021 at \$19,500.

The catch-up contribution limit for employees aged 50 and over who participate in these plans remains unchanged at \$6,500.

See chart or visit <https://www.irs.gov> for more details on historical and current contribution limits.

<b>401(k), 403(b), Profit-Sharing Plans, etc.</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Elective Deferrals	19,500	19,500	19,000
Catch-up Contributions	6,500	6,500	6,000
Defined Contribution Limits	58,000	57,000	56,000



**University of North Carolina System Retirement Plans:**  
**Plan Investment Review | Performance Summary**  
**(for the period ending 09.30.2020)**

## 2021 FINANCIAL RESOLUTIONS

Many people make resolutions on New Year's Day. However, no matter what your resolutions are, the key isn't making the list, it's sticking to it. Here are four resolutions that can help increase your financial fitness today and in the new year.

- 1) **Create a budget for life** - Creating your own budget and net worth statement can help you build your retirement road map and stay on track.
- 2) **Manage your debt** – Be the master of your debt, not the other way around. Identify your good debt and work to pay down and eliminate your bad debt.
- 3) **Optimize your portfolio** – Work with a financial consultant to ensure your portfolio has diverse investment mix to best achieve your future retirement goals.
- 4) **Prepare for the unexpected** – If 2020 has taught us anything it is that life can be upended by all kinds of surprises. Work with your financial advisor to create an emergency financial savings plan.



**“Having a plan with money doesn’t just help you right now, it also gives you vision and hope for the end goal.”**

**- Dave Ramsey**

Take the first step in the right direction by contacting a UNC Retirement vendor (FIDELITY or TIAA) or CAPTRUST for one-on-one counseling sessions or use their Individual Advisory Service line to get started on a clear plan to achieve your financial goals toward retirement security.

## **MAKE A RESERVATION WITH A FINANCIAL COUNSELOR TO DISCUSS YOUR FINANCIAL GOALS AND FUTURE RETIREMENT PLANS**

Vendor	Line	Reservation Tool	Individual Advisory Service
CAPTRUST	800-967-9948	<a href="http://www.captrustadvice.com/unc">www.captrustadvice.com/unc</a>	<a href="http://www.captrustadvice.com">www.captrustadvice.com</a>
FIDELITY	800-642-7131	<a href="http://www.fidelity.com/reserve">www.fidelity.com/reserve</a>	866-343-3548
TIAA	800-732-8353	<a href="http://www.tiaa.org/schedulenow">www.tiaa.org/schedulenow</a>	866-842-3519
PRUDENTIAL	919-602-8226	<a href="mailto:Christy.kelly@prudential.com">Christy.kelly@prudential.com</a>	866-627-5267





# INVESTOR CORNER

## CAPTRUST

## TIAA

## FIDELITY

### Post-Election Financial Planning Considerations

CAPTRUST notes several year-end financial planning strategies to consider and post-election considerations in light of proposed tax changes under the new administration. Listed below are a few of those considerations:

- Realize losses or take gains in investment accounts
- Evaluate your retirement plan contributions
- Examine your investment plan
- Review your estate planning selections

Check out this article from [CAPTRUST](#) to learn more post-election considerations.



### 7 Smart Money Moves for 2021

TIAA reflects on some of the most important financial lessons learned in 2020, and 2021 actions we can take to further strengthen and optimize our planning in the year ahead. Listed below are just a few of those lessons learned and recommended actions:

#### 2020 Lessons Learned

- Change is inevitable
- Emergency Savings is priority
- Spending needs can change

#### 2021 Action Items

- Anchor yourself in a plan
- Reinforce your safety net
- Update your budget

Visit [TIAA](#) to learn more about making smart money moves you can make in 2021.

### How to Invest Tax-Efficiently

FIDELITY expresses investing tax-efficiently doesn't have to be complicated, but it does take some planning.

There are several different financial levers to pull to assist you with taking advantage of managing, deferring or reducing your taxes. Your financial strategy involves a lot more than just taxes, but by being strategic with potential opportunities you could potentially improve your bottom line.

Visit this article from [FIDELITY](#) to learn more about making small changes for a big difference.



## 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](https://www.fidelity.com/webcasts)

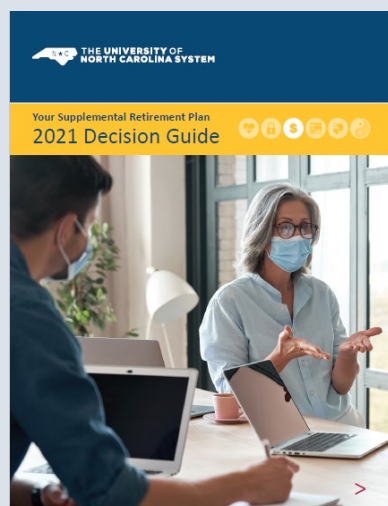
OR

TIAA: [www.tiaa.org/webinars](https://www.tiaa.org/webinars)

Webinars and Webcasts	
TIAA	Help boost your financial know-how with TIAA's live webinars. There is something for everyone including TIAA participants and guests with a variety of personal finance topics— saving for life's milestones, investing in your future and more.
FIDELITY	Fidelity will be hosting live web workshops during the first quarter to help participants with preparing for future financial needs. Fidelity will cover topics that touch on <a href="#">Create a Budget</a> , <a href="#">Ditch Your Debt</a> , and <a href="#">Start Building for the Future</a> ; <a href="#">Identify and Prioritize Your Savings Goals</a> ; as well as <a href="#">Take the First Step to Investing</a> .

## Resources Center

Below are just two of many great resources available to assist with educating, preparing, and getting you started down the path to future financial wellness.



## Frequently Asked Questions

My employment with the UNC System has ended but I am not sure when or where my next position will be. I have submitted my ORP-3 form as a 12-month delay, what are the next steps?

The 12-month delay option is good for 12-months immediately following termination from your UNC System Institution. This option places your ORP-3 on hold for those 12-months until you notify us of your new permanent, non-seasonal position prior to the end of your delay. If your 12-month delay expires and we have not received any additional information, we will proceed with a forfeiture of the employer contributions and allow you to access your employee contributions. To provide your new employment information, email [orp@northcarolina.edu](mailto:orp@northcarolina.edu).

## 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. UNC System reserves the right to amend the Plan documents.



## ARE YOU ON TRACK?

TIAA and Fidelity have great tools available to provide you with a clear picture of your current retirement savings. Take action to see if you are adequately preparing for your long-term goals.

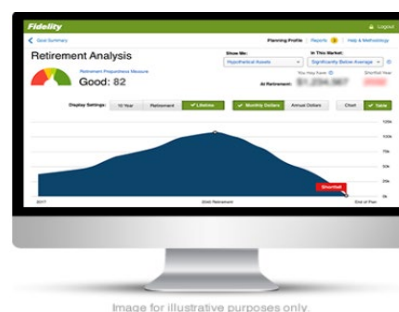
A screenshot of the "ARE YOU ON TRACK?" tool. The tool has a blue header and contains several input fields with plus and minus buttons for adjustment. The fields are: Current Age: 31, Desired Retirement Age: 65, Current Salary: \$ 60000, Savings So Far: \$ 15000, and Current Contributions: 3%. Below the input fields, there are three icons representing different lifestyle goals: "The Simple Life (60% of salary)", "Stay the Course (70% of salary)", and "Dreaming Big (80% of salary)".

Image for illustrative purposes only.

## 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".



More resources available at:

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

or contact the approved carriers directly.

**Start Saving For Your Future Today!**