AIG Retirement Services

Thanks for joining

Principles to prioritize before retirement.

The workshop will start in **10** minutes.

AIG Retirement Services

FINANCIAL LITERACY EDUCATION PROGRAMS

Principles to prioritize before retirement.

FutureFIT® for Life

Agenda

Retirement is getting close

Catch up with catch-up contributions

Have a plan when your paycheck stops

Designating beneficiaries

New retirement-era risks

The high cost of healthcare

Action steps

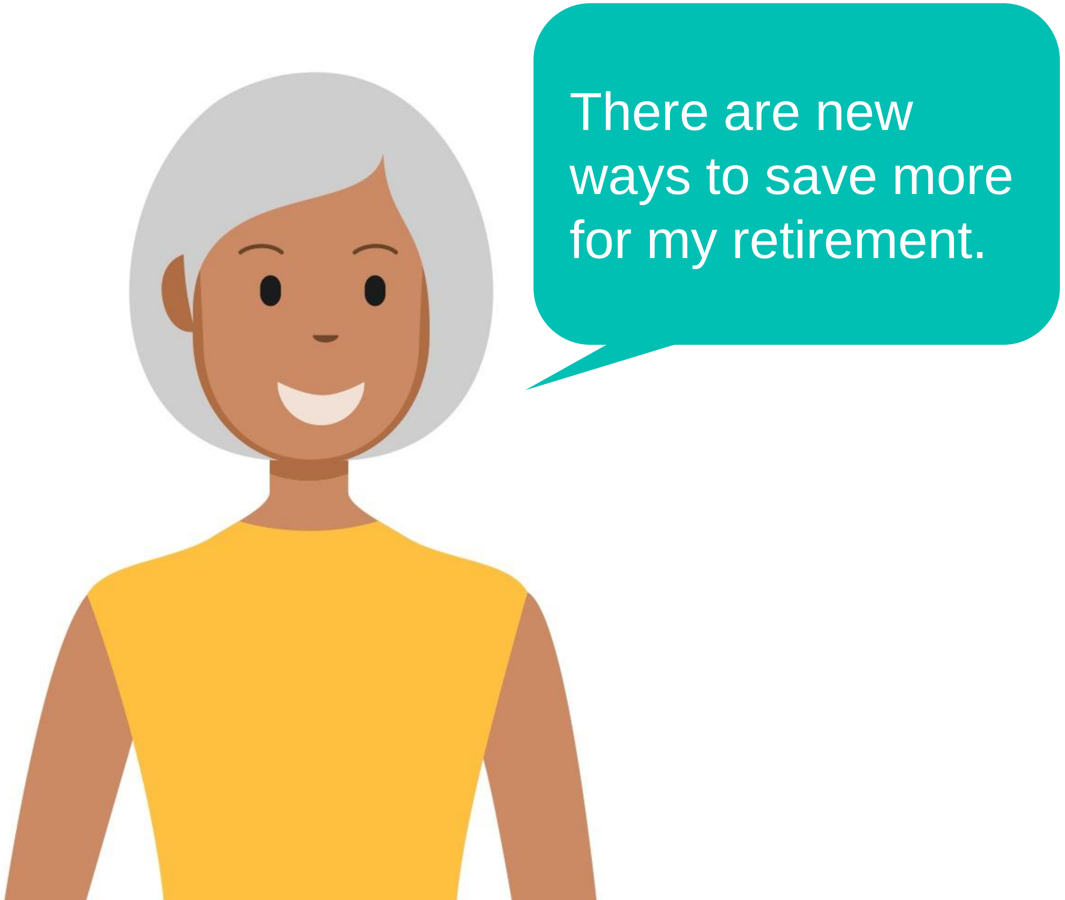
Retirement is getting close.

Retirement is getting close

How did that happen?

Retirement is getting close

There are many ah-ha moments you'll want to be ready for



50	Now, I can save more in my retirement plan and IRA?
55	I just became eligible to put more into my HSA?
59½	That extra 10% early-withdrawal penalty goes away if I need to take money from an IRA or other retirement account?
62	What do you mean I get a permanent reduction in my Social Security if I claim now?

Retirement is getting close

From age 50 on, knowing key principles and prioritizing can help you retire when you're ready

1. Catch-up contributions
2. Paycheck plans
3. Beneficiaries
4. Investments
5. Healthcare

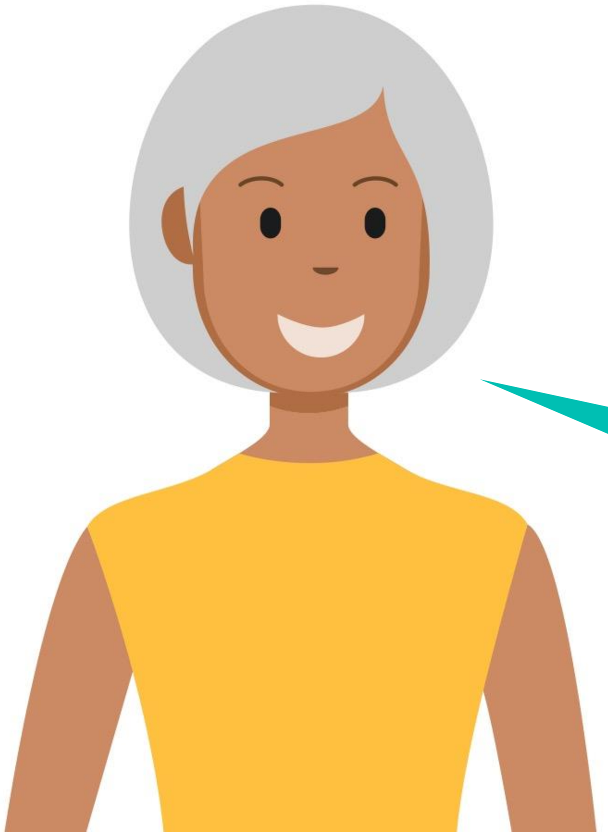
Catch up with catch-up contributions.

Catch up with catch-up contributions

You can save more than you may realize

Catch-up contributions

- Special amounts you can add to 401(k)s, 403(b)s, 457b(s) and an IRA
- Can start on January 1st of the year you will turn 50
- Can be traditional or Roth contributions



I didn’t get to save as much in my early career…good to know I can make up some lost ground now.

Catch up with catch-up contributions

How catch-ups work

In-plan

- You first contribute to your plan maximum
- Then, you designate additional ”catch-up” contributions
- $6,500 maximum catch-up (in 2022)
- Payroll deduction

In your IRA

- Make a regular $6,000 contribution
- Choose either traditional or Roth IRA (or combination, not to exceed $6,000)
- Then, add extra $1,000 to either IRA
- You can put on “auto pay” from bank account or write a check

Catch up with catch-up contributions

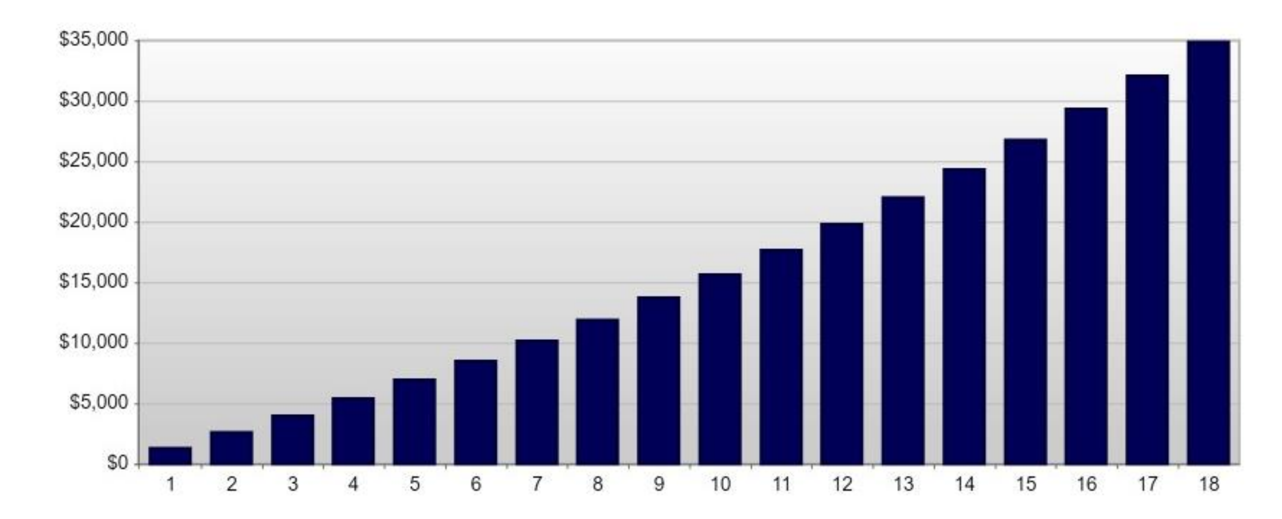
How much more can you save by retirement?

This calculation is a hypothetical example of an initial amount of $100 and saving an additional $100 per month for 18 years with a 5% annual rate of return.

Your savings could be worth $34,907.18 after 18 years

If you save $100.00 per month your savings may grow to $34, 907.18 after 18 years. This includes a starting balance of $100.00 and a 5% annual rate of return.

Balance by year



- Start with $100 in your 401(k), 403(b) or IRA
- Add $100 per month
- Save for 18 years
- Earn 5% return rate

This example is hypothetical, does not reflect the return of any specific investment and is not a guarantee of a specific rate of return. Figures are based on an initial deposit of $100 and saving $100 per month for 18 years, an annual 5% rate of return and a 25% federal marginal income tax bracket. Income taxes are payable upon withdrawal. Federal restrictions and a 10% federal early withdrawal tax penalty may apply to withdrawals prior to age 59½. Fees and charges, if applicable, are not reflected in this example and would reduce the results shown. Bear in mind investment involves risk, including possible loss of principal. Source: AIG Retirement Services online savings calculator

Catch up with catch-up contributions

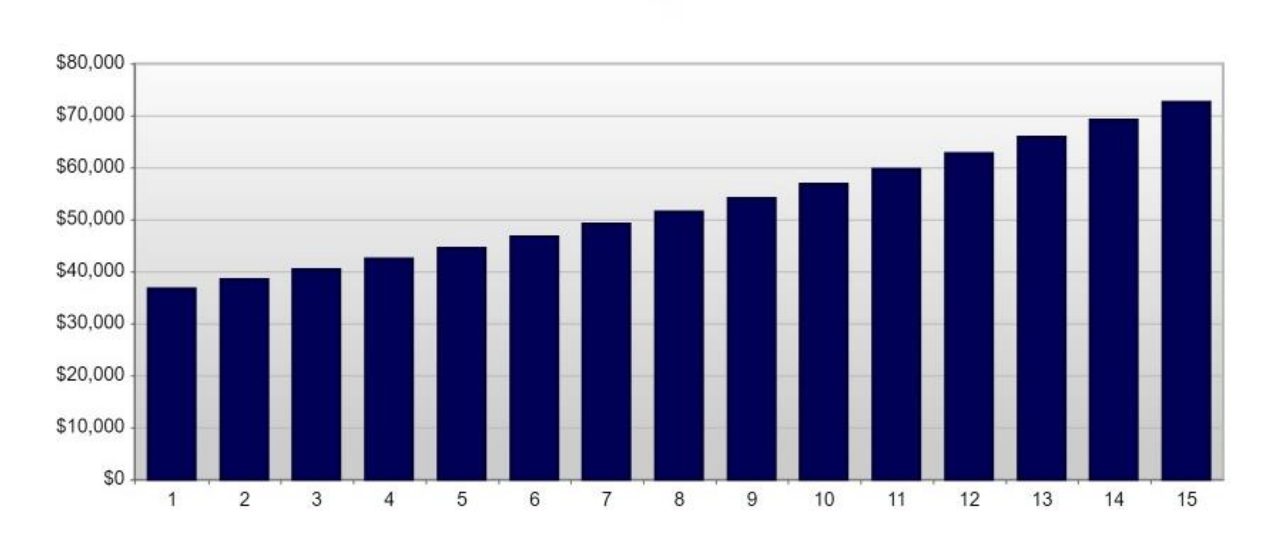
Compounding continues well after your retirement date

This calculation is a hypothetical example of an initial amount of $34,907 with an annual 5% rate of return for 15 years.

Your savings could be worth $72,569.16 after 15 years

If you save $0.00 per month your savings may grow to $72,569.16 after 15 years. This includes a starting balance of $34,907.00 and a 5% annual rate of return.

Balance by year



- Take that $34,907 and keep it invested for another 15 years
- Earn 5% return rate

This example is hypothetical, does not reflect the return of any specific investment and is not a guarantee of a specific rate of return. Figures are based on an initial deposit of $34,907 and saving $0.00 per month for 15 years, an annual 5% rate of return and a 25% federal marginal income tax bracket. Income taxes are payable upon withdrawal. Federal restrictions and a 10% federal early withdrawal tax penalty may apply to withdrawals prior to age 59½. Fees and charges, if applicable, are not reflected in this example and would reduce the results shown. Bear in mind investment involves risk, including possible loss of principal.
Source: AIG Retirement Services online savings calculator

Catch up with catch-up contributions

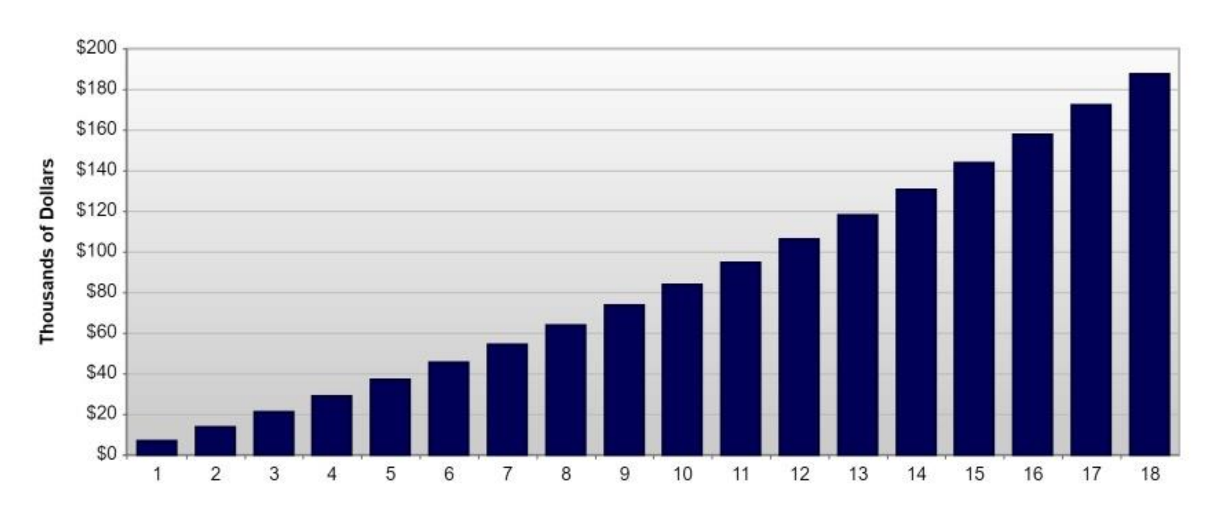
If you can maximize the catch-up, it may make a sizeable difference in your future retirement income

This calculation is a hypothetical example of an initial amount of $1.00 and saving an additional $541 per month for 18 years with a 5% annual rate of return.

Your savings could be worth $187,547.48 after 18 years

If you save $541.00 per month your savings may grow to $187,547.48.after 18 years. This includes a starting balance of $1.00 and a 5% annual rate of return.

Balance by year



- Start with $1 in your 401(k) or 403(b) catch-up "bucket"
- Add $541 per month
- Save for 18 years
- Earn 5% return rate

This example is hypothetical, does not reflect the return of any specific investment and is not a guarantee of a specific rate of return. Figures are based on an initial deposit of $1.00 and saving $541 per month for 18 years, an annual 5% rate of return and a 25% federal marginal income tax bracket. Income taxes are payable upon withdrawal. Federal restrictions and a 10% federal early withdrawal tax penalty may apply to withdrawals prior to age 59½. Fees and charges, if applicable, are not reflected in this example and would reduce the results shown. Bear in mind investment involves risk, including possible loss of principal.
Source: AIG Retirement Services online savings calculator

Have a plan when your paycheck stops.

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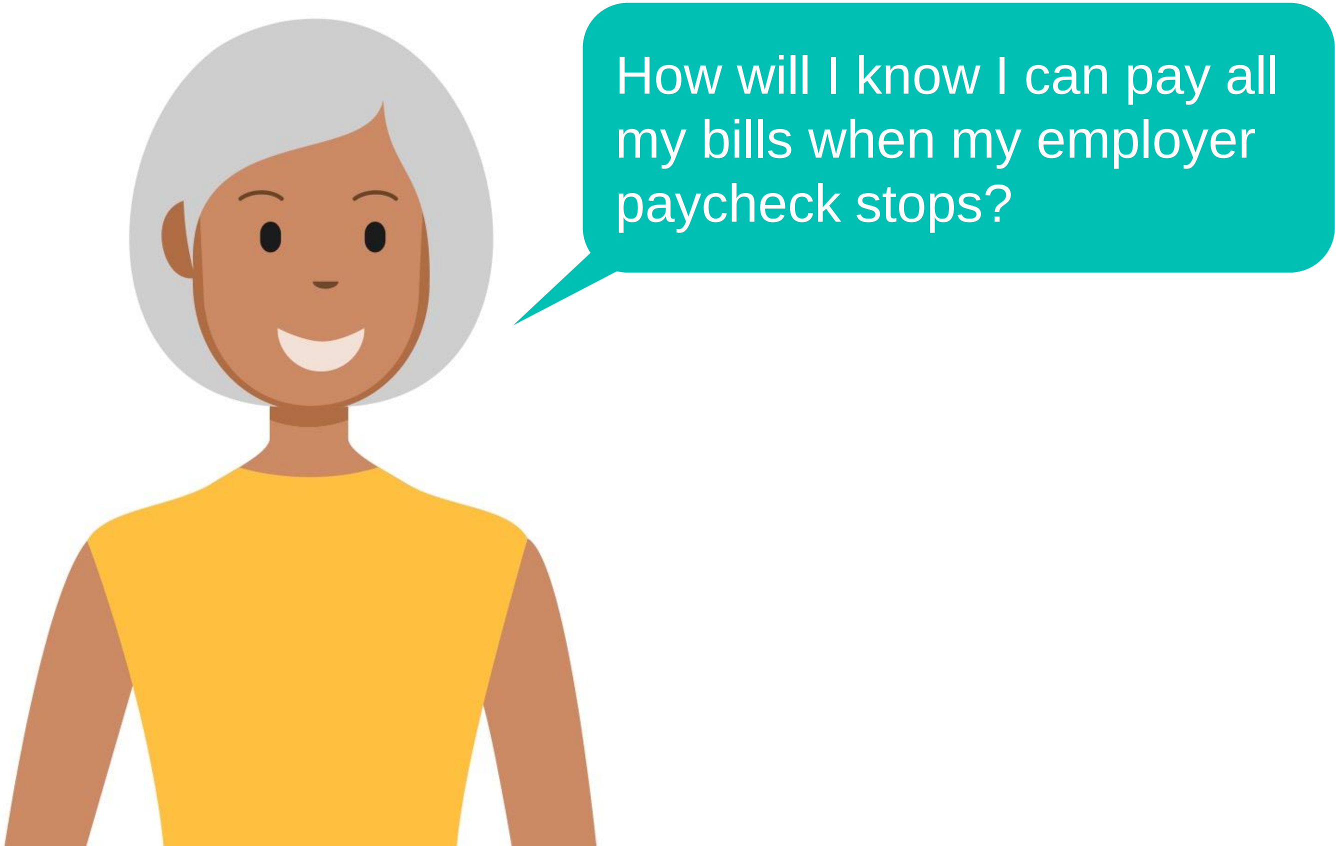
Seeing is believing – consider creating a written plan to map out your new "paycheck"



Have a plan when your paycheck stops

A written plan lets you see all your resources that can become your paycheck

Guaranteed Income

- Social Security
- Pensions
- Income annuities

Tax-Deferred Accounts

- 401(k), 403(b), 457(b)
- Traditional IRA
- Small business plans

Taxable Income

- Savings accounts / CDs
- Brokerage accounts & investments
- Work in retirement

Tax-Free Accounts

- Roth 401(k), 403(b)*
- Roth IRA
- Health Savings Accounts

* If it is a qualified distribution. A qualified distribution is one that is taken after the end of the five-year period beginning the first year in which a Roth contribution was made and reaching age 59½, death, total disability or a qualifying first-time home purchase.

Have a plan when your paycheck stops

A written plan also helps you see where you'll spend your money

Essential Expenses

- Food
- Shelter
- Healthcare
- Taxes

Discretionary Accounts

- Travel
- Gifts
- Memberships
- Entertainment

Designating beneficiaries.

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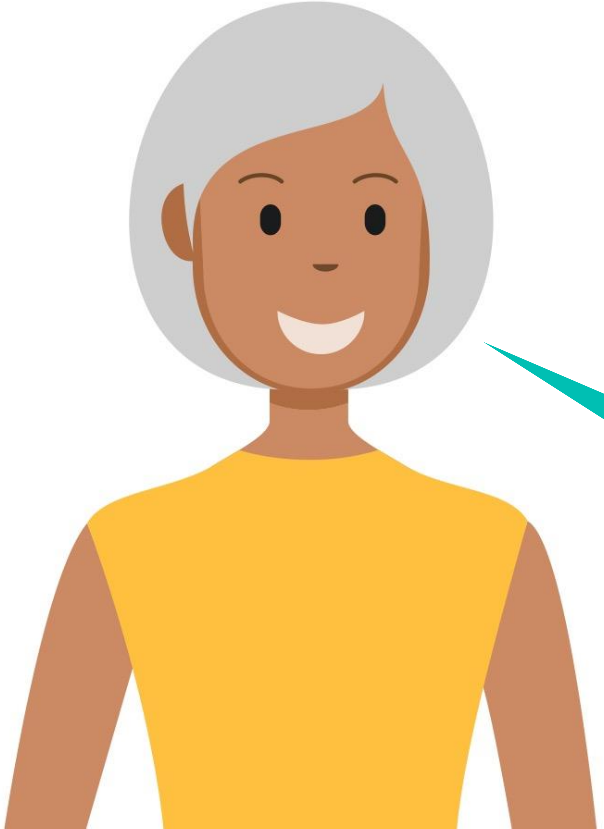
Directing your financials starts with a plan

Majority of those 55+ do not have affairs in order

59%	41%	33%
Current will	Healthcare proxy	Durable power of attorney



I didn’t realize my will won’t cover all my wishes.

Merrill Lynch, Leaving a Legacy: A Lasting Gift to Loved Ones. Published Oct 2020

Designating beneficiaries

Your last will and testament does not direct your retirement assets

Includes

- Bequests of your personal property including bank balances
- Direction for your prized possessions
- Names guardians for minor children
- Specifically disallow certain people from your assets
- Bequests to charities

Does not include

- Beneficiaries of life insurance policies
- Investment accounts where you’ve named a “transfer on death” beneficiary
- Employer plans: 401(k), 403(b), 457(b)
- IRAs: Traditional and Roth

New retirement-era risks.

New retirement-era risks

With retirement coming closer, new concerns often surface

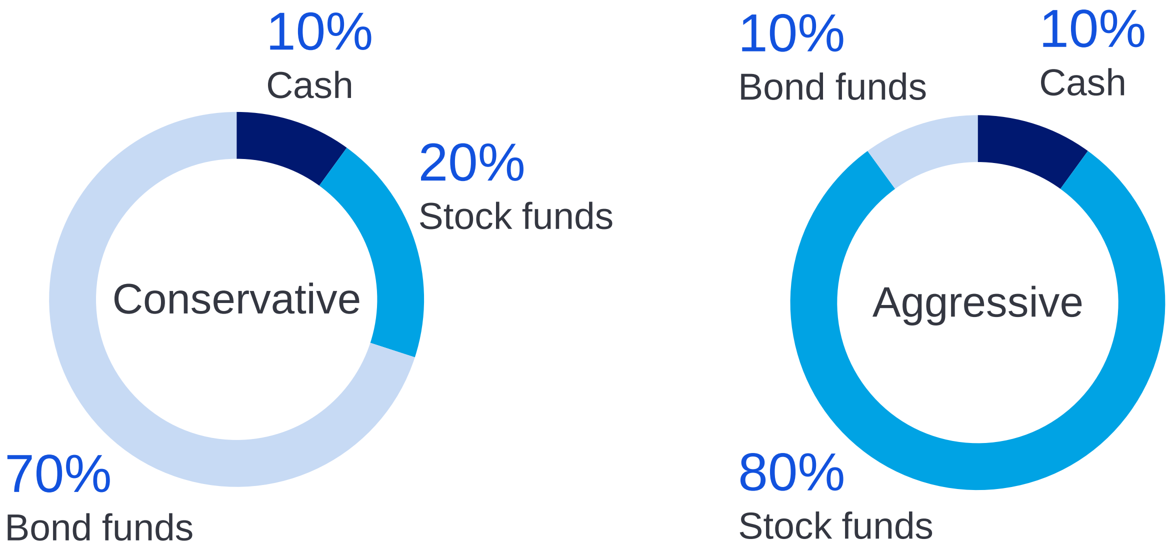
1. Could I run out of money?
2. Will Social Security be there for me?
3. Should I be more conservative with my investments?

New retirement-era risks

Should I be less aggressive with my retirement investments?

Remember

- Your goal is to stretch your assets over 30+ years
- You won't spend all your savings at once
- You need to beat inflation
- You'll still need an emergency fund
- You may have legacy goals you'd like to meet



Neither asset allocation nor diversification ensure a profit or protect against market loss.

Higher potential returns generally involve greater risk and short-term volatility is not uncommon when investing in various types of funds, including but not limited to sector funds, emerging market funds and small- and mid-cap funds. Risks for emerging markets include, for instance, risks relating to the relatively smaller size and reduced liquidity of these markets, high inflation rates and adverse political developments. Risks for smaller companies include business risks, significant stock price fluctuations and reduced liquidity. Investing in higher yielding, lower rated bonds has a greater risk of price fluctuation and loss of principal and income than U.S. government securities such as U.S. Treasury bonds and bills. Treasuries are guaranteed by the government for repayment of principal and interest if held to maturity. Investors should carefully assess the risks associated with an investment in the fund. Government securities are guaranteed by the timely payment of principal and interest if held to maturity. Fund shares are not insured and are not backed by the U.S. government and their value and yield will vary with market conditions.

New retirement-era risks

Whatever type of investor you are, assess your portfolio for future retirement-era risks

Hands-on	Hybrid	Hands-off
• Prefer to do your own investing • Have plenty of time to research • Keep up with latest economic and market activity	• Prefer to work with your AIG Retirement Services financial professional after doing own research • Don’t have as much time as you’d like, so rely on second opinion	• Prefer to meet directly with AIG Retirement Services financial professional • Do not have time to spend on investments • Looking for expertise to help with investment decisions

The high cost of healthcare.

The high cost of healthcare

Planning now for future healthcare costs can make a big difference

I thought when I got to Medicare, my healthcare was free?

Medicare was always a cost-sharing insurance program

- Part A: you pay with FICA taxes
- Part B: you'll pay a monthly premium
- Part D: you'll pay a monthly premium + cost of drugs
- Supplemental insurance: to cover your share of Part A and Part B costs

The high cost of healthcare

If you'll have high income in retirement, you'll pay more for Medicare

Married Filing Jointly MAGI	Part B Premium PER PERSON PER MONTH	Single Filer MAGI
$182,000 or less	**$170.10**	$91,000 or less
$182k – $228k	**$238.10**	$91k – $114k
$228k – $284k	**$340.20**	$114k – $142k
$284k – $340k	**$442.30**	$142k – $170k
$340k - $750k	**$544.30**	$170k - $500k
$750k+	**$578.30**	$500k+

MAGI = Adjusted Gross Income + any tax-exempt income

Source: Medicare for 2022

The high cost of healthcare

If you retire before 65, you may have to pay for other health insurance

COBRA

State Healthcare Exchanges

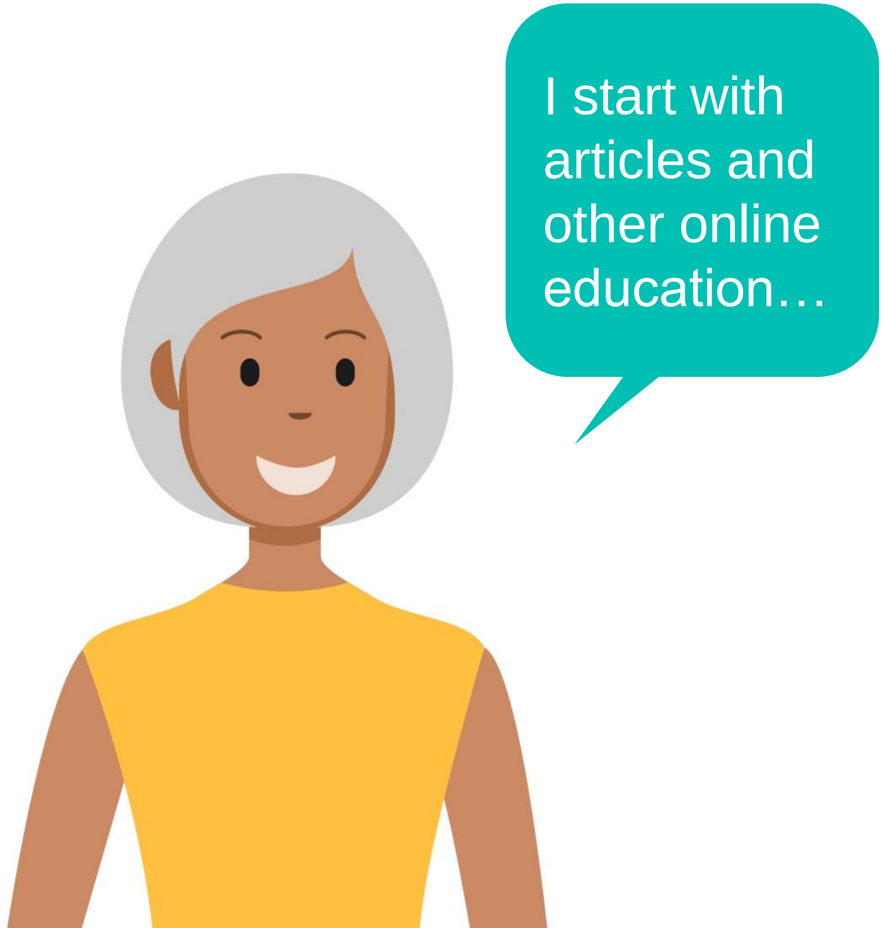
Join a spouse's or partner's company plan

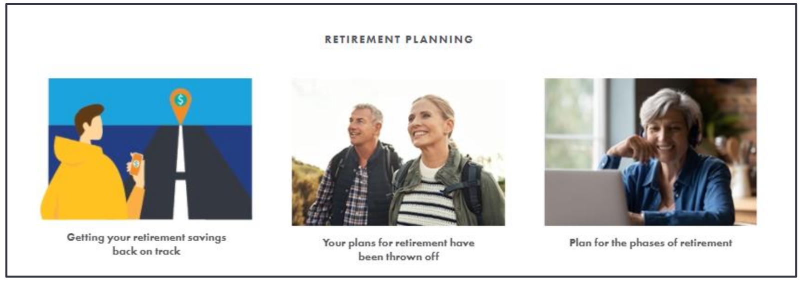
Private Insurance

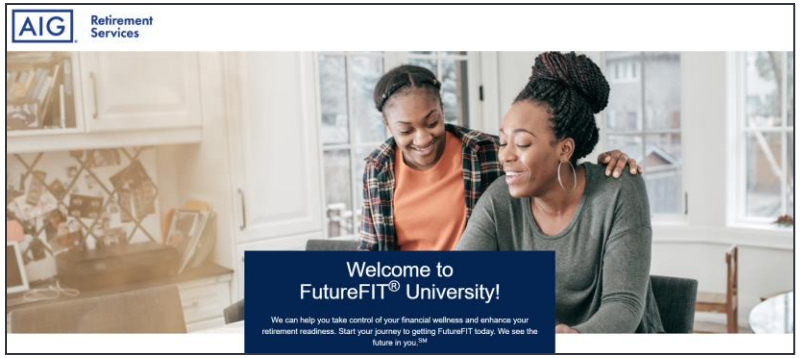
Action steps.

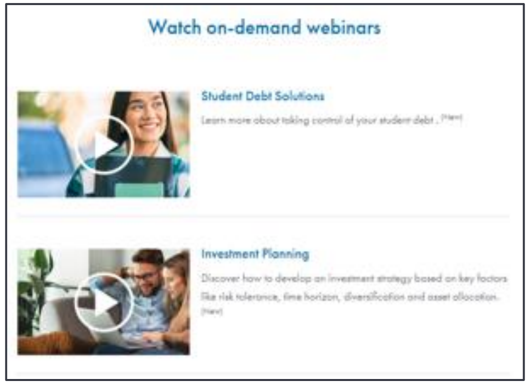
Action steps

Read, watch, calculate and participate









Action steps

Retirement Pathfinder® Get answers to your questions:

- Can I retire when I planned?
- How much monthly income will I need?
- Am I currently saving enough?
- Is it possible to guarantee my retirement income?
- Will I outlive my retirement savings?
- What happens if I die prematurely?

Action steps

How can I help you right now?

Help you find and update your beneficiaries?

Show you some examples from our online tools?

Walk you through our webinar library?

Action steps

TEXT XXX-XXX-XXXX

Your Name

Worksite Name

ENROLL

REVIEW or

RETIRE

Action steps

Schedule an appointment today!

Sign up to benefit from personal attention and get answers to help you plan for a more secure financial future.

Visit our website at www.aig.com/RetirementServices/workshop

Enter this Registration Code: [REGISTRATION CODE]

Financial Professional Name

[FINANCIAL PROFESSIONAL PHONE]

[FINANCIAL PROFESSIONAL EMAIL]

Financial Professional Name

FINANCIAL PROFESSIONAL PHONE]

[FINANCIAL PROFESSIONAL EMAIL]

Important considerations before deciding to move funds either into or out of an AIG Retirement Services account
There are many things to consider. For starters, you will want to carefully review and compare your existing account and the new account, including: fees and charges; guarantees and benefits; and, any limitations under either of the accounts. Also, you will want to know whether a surrender of your current account could result in charges. Your financial professional can help you review these and other important considerations.

This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. Please consult with your financial professional regarding your situation. For legal, accounting or tax advice consult the appropriate professional.

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We see the future in you.℠ — AIG

AIG Retirement Services

Thank you!