

PATHFINDER: A Road to Retirement

Retirement plan orientation

Presented by the
Oklahoma Public Employees Retirement System



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Materials

- Slideshow handout
- Plan Features and Highlights
- Asset Allocation flyer
- Roth 457 flyer
- Incoming Rollover flyer



opers.ok.gov/seminar-materials

Pathfinder History

The Pathfinder plan is a defined contribution retirement savings plan designed to put you on a path toward your retirement goals.

Eligibility Requirement

- First hired by a State agency on or after November 1, 2015, no prior service in OPERS.
- and**
- Full-time-equivalent position; or
 - Any position less than full-time but more than a half-time that includes employee benefits.

What Is a Defined Contribution Plan?



Contributions



Investment
Options



Time



Distributions

Enrollment

- Your retirement coordinator will enroll you in Pathfinder effective the first day of the month following your start date.
 - Choose contribution rate
 - Default investment option – Vanguard Balanced Fund
- Once account is created (after first payroll processed):
 - Will receive a letter from Empower.
 - Will receive a Welcome email from OPERS.

Contributions

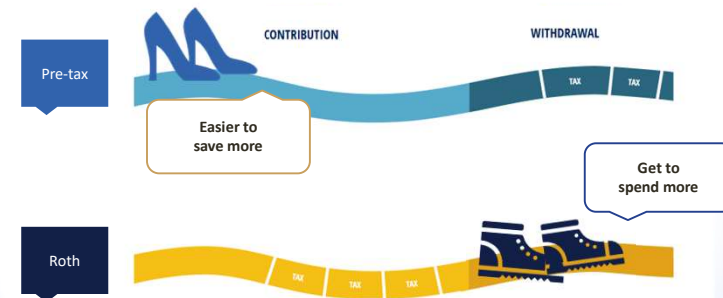
Employee Contribution	Employer Match	Total Contribution
Mandatory 4.5%	6.0%	10.5%
Less than 7.0%	6.0%	Up to 12.9%
7.0% or Above	7.0%	14% +

- Mandatory 4.5% employee and employer matching contributions are pre-tax.
- Employee voluntary contributions (above 4.5%) choice of pre-tax, Roth or both.

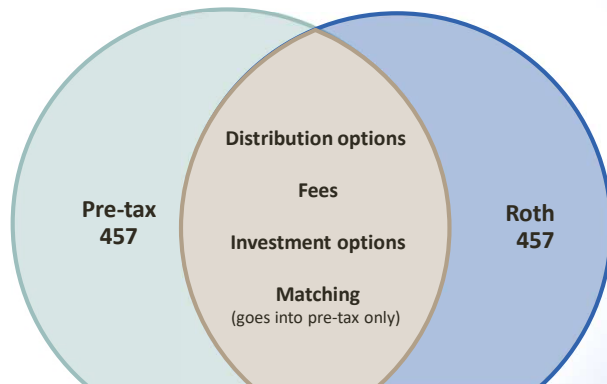
Parts of the Plan

Pathfinder Contributions	
401(a) Plan	457(b) Plan (Pre-tax or Roth)
<ul style="list-style-type: none"> • Employee mandatory (4.5%) • Employer matching (6% or 7%) 	<ul style="list-style-type: none"> • Employee voluntary (above 4.5%)

What is the Difference Between Pre-tax and Roth 457



What are the Similarities Between Pre-tax and Roth 457



Vesting

Vesting = Your right of ownership to a benefit

Vesting Schedule

Your Contributions (Employee)

100% vested at all times.

Employer Matching Contributions

Vesting Period	Vesting Percentage
1 Year	20%
2 Years	40%
3 Years	60%
4 Years	80%
5 Years	100%

Vesting (continued)

- Vesting begins as of date you were hired
- Vesting calculated based on complete years
 - 365 days elapsed = 1 complete year toward vesting
- Termination is the only thing that “stops the clock”
- Non-vested employer matching contributions are forfeited after 90 days
- If you return, your vesting period picks up where you left off

Fees

- \$2.61 per month participant account fee
 - Automatically deducted from your account, prorated across all your investments
- Investment management fee (expense ratio)
 - Deducted before the daily price or performance is calculated



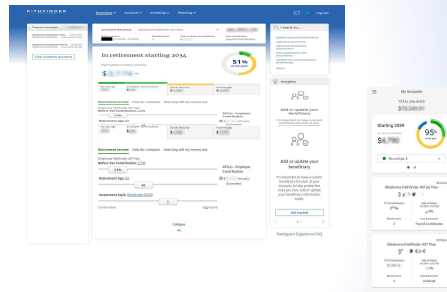
Hands-on retirement plan

MANAGING YOUR ACCOUNT

Access Your Account

Monitor your progress with:

- www.okpathfinder.com
- (844) 465-7284
- Empower App



Manage Your Account

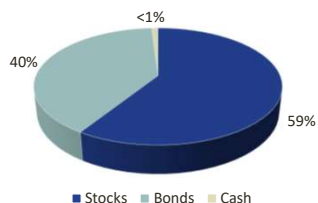


- What is my balance?
- How much am I contributing?
- Am I meeting my match?
- What am I invested in?
- Am I on track to reach my goals?

Investments

Participants have investment discretion over all contributions, matching funds, and the gains or losses on those amounts.

Default Investment Option
Vanguard Balanced Fund



Investment Mix

International

American Funds EuroPacific Growth A
BNY Mellon ACWI ex-U.S. Instl
T. Rowe Price Emerging Markets Stock

Small Cap

BlackRock Adv Small Cap Growth Instl
BNY Mellon Small Cap Stock Index Instl
Janus Henderson Small Cap Value N

Mid Cap

Baird Mid Cap Growth SMA
Vanguard Selected Value Inv

Large Cap

American Century Disciplined Core Value
iShares S & P 500 Stock K
T. Rowe Price Blue Chip Growth

Balanced

Vanguard Balanced Index Fund - Instl

Bond

BNY Mellon Aggregate Bond Index Instl
T. Rowe Price Instl High Yield

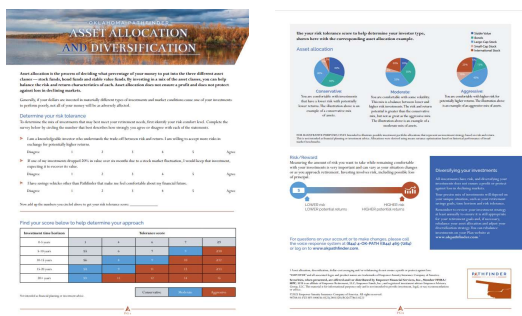
Fixed

Stable Value Fund



Asset Allocation

Asset Allocation and Diversification Flier

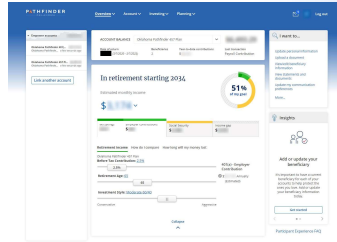


Target Date Funds

- Simple investment solution, tailored to a retirement date.
- Asset mix becomes more conservative toward retirement
 - Vanguard Target Retirement 2020 Trust II
 - Vanguard Target Retirement 2030 Trust II
 - Vanguard Target Retirement 2040 Trust II
 - Vanguard Target Retirement 2050 Trust II
 - Vanguard Target Retirement 2060 Trust II

Selecting Investment Options

- Log-in to www.okpathfinder.com
- Select an account to update.
- Click *View/Manage My Investments*.



Withdrawals from Pathfinder

You can withdraw when you

- Retire
- Terminate employment*
- Die (your beneficiary receives your account)

Note: You must be off payroll 45 days before payment will be made.

Withdrawals could be considered as ordinary income and taxes may apply

- **NOTE: 401(a) - penalty for withdrawal prior to age 59½, unless rollover to IRA or qualified plan**

*As defined by the Internal Revenue Code and/or your Plan's provisions.

Leaving Employment

You maintain control of your vested deferrals and investment income

- You can withdraw funds once you leave employment (not required).
- No additional deferrals once you leave State employment, but funds may still be rolled into Pathfinder after retirement.
- You can withdraw funds in a number of ways:
 - Lump sum or partial payment
 - Periodic payments
 - Rollover to qualified retirement plan [457, IRA, 401(a/k), 403(b)]

Required Minimum Distribution

You can delay distribution until the latter of:

- The year you turn age 73* or
- The year you retire from a Pathfinder-participating employer.

**Failure to receive required minimum distribution
could lead to a tax penalty.**

* Age 72 if you were born before January 1, 1951, or age 70½ if you were born before July 1, 1949

*Required minimum distributions do not apply to Roth contributions

Beneficiaries

- Before you select a payment distribution method
 - Beneficiary(ies) will receive the full value of your account(s) at the time they elect a distribution
- After you have selected a payment distribution method
 - Beneficiary(ies) will receive the amount of your remaining account balance (if any) to which they are entitled
- Can be any person(s), trust, charity, etc...
- Update at www.okpathfinder.com or Empower app



Use time to leverage the growth of your savings

SAVING FOR RETIREMENT

What Are the Streams of Retirement Income?

- Employer-Sponsored Plan
- Personal Savings
- Social Security
- Post-Retirement Employment



Understanding Your Expenses

- Shelter
 - Rent/Mortgage
 - Utilities
- Groceries
- Clothing
- Taxes
- Insurance

- Traveling
- Hobbies
- Eating out
- Movies
- Gifts

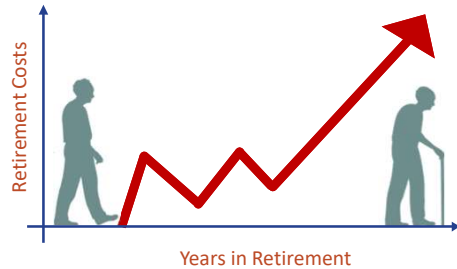
How are you spending your time in retirement?

Essential Expenses

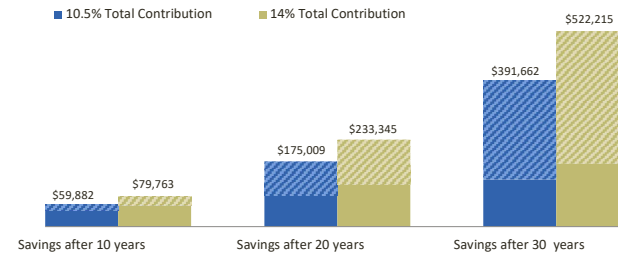
Discretionary Expenses

Retirement Risks

- Inflation
- Healthcare
- Longevity

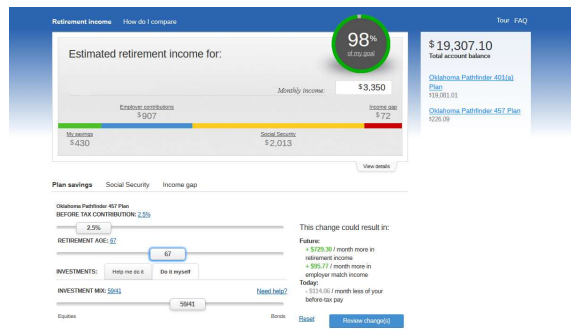


Leverage Time to Grow Savings



* FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It assumes a \$40,000 annual salary with a 1% annual increase, a 6% annual rate of return and reinvestment of earnings with no withdrawals. Rates of return may vary. The illustration does not reflect any associated charges, expenses or fees. The tax-deferred accumulation shown would be reduced if these fees were deducted.

Savings: How Much?



Schedule a meeting with Chad Guest

- One-on-one counseling
- Group seminars/webinars
- In-depth discussion of plan benefits and retirement savings



Thank You!

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