

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

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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.

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Plan



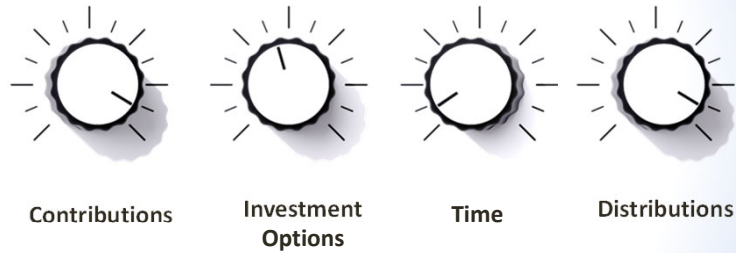
Administrator



Recordkeeper

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What Is a Defined Contribution Plan?



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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.

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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.

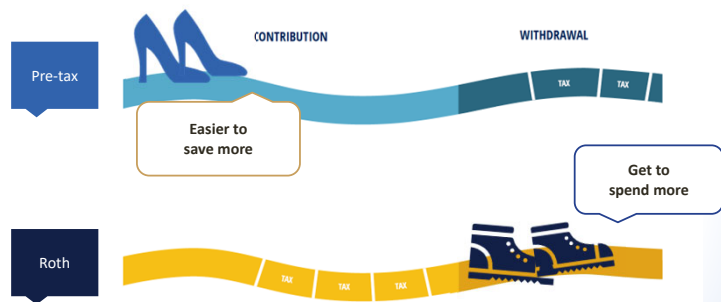
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Parts of the Plan

| 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%) |

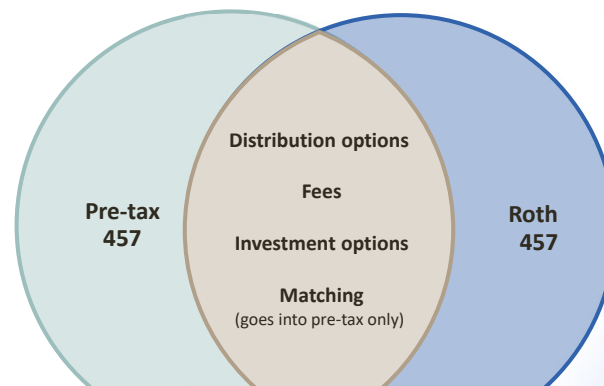
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What is the Difference Between Pre-tax and Roth 457



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What are the Similarities Between Pre-tax and Roth 457



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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

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Vesting

Vesting = Your right of ownership to a benefit

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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

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Consolidating Retirement Accounts

- Roll in retirement account(s) from your previous employer(s)
- One account to manage
- Call 888-737-4480

Incoming Rollover Flyer

PATHFINDER **EMPOWER**



Simplify your saving strategy

We can help consolidate your retirement savings accounts.

Advantages of consolidation

- Simplify your retirement savings strategy by consolidating multiple accounts into one.
- Consolidate your retirement savings into one account, making it easier to manage.
- Consolidate your retirement savings into one account, making it easier to manage.

One view

See all your retirement accounts in one place, giving you a clear view of your total savings. This helps you make informed decisions about your future.

Get started today! Call 888-737-4480 to speak to an experienced advisor.

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Hands-on retirement plan

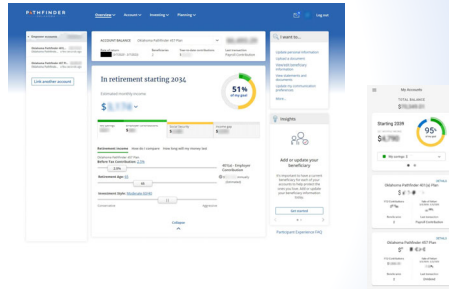
MANAGING YOUR ACCOUNT

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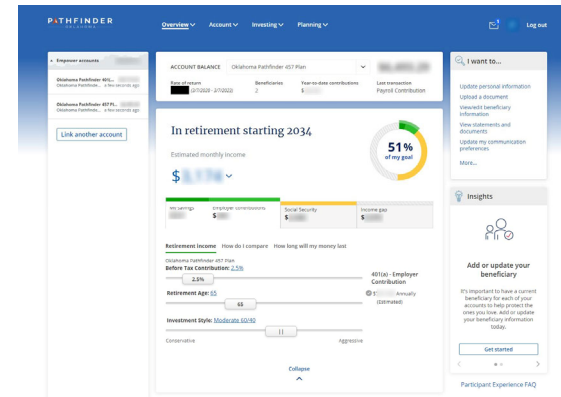
Access Your Account

Monitor your progress with:

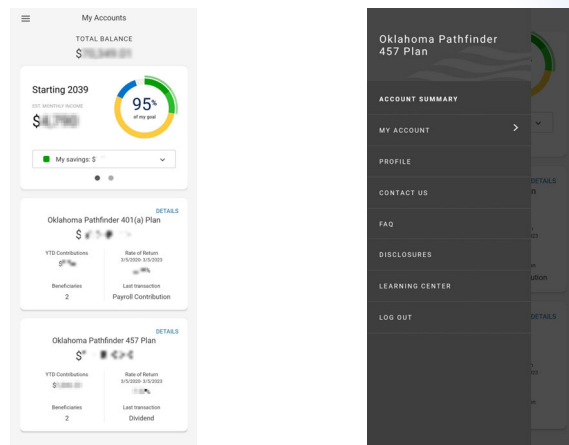
- www.okpathfinder.com
- (844) 465-7284
- Empower App



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Manage Your Account

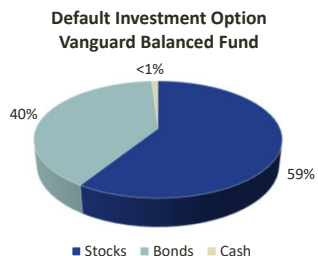


- What is my balance?
- How much am I contributing?
- Am I meeting my match?
- What am I invested in?
- Am I on track to reach my goals?

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Investments

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



Investment Mix

International

American Funds EuroPacific Growth A
BNY Mellon ACWI ex-U.S. Instl
BNY Mellon NSL

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

Balanced

Vanguard Balanced Index Fund - Instl

Bond

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

Fixed

Stable Value Fund

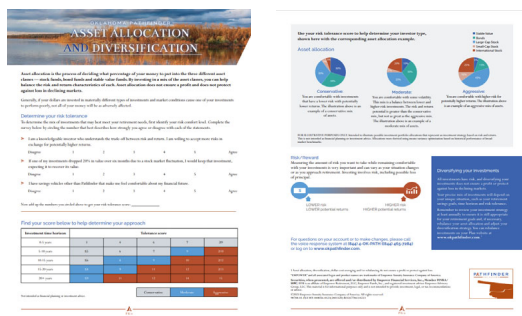


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Asset Allocation

Asset Allocation and Diversification Flier



Target Date Funds

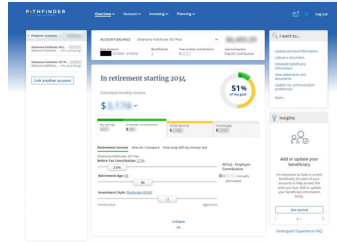
- Simple investment solution, tailored to a retirement date.
- Asset mix becomes more conservative toward retirement
 - Vanguard Target Retirement 2020 Trust II
 - Vanguard Target Retirement 2030 Trust II
 - Vanguard Target Retirement 2040 Trust II
 - Vanguard Target Retirement 2050 Trust II
 - Vanguard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

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Selecting Investment Options

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



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Withdrawals from Pathfinder

You can withdraw when you

- Retire
- Terminate employment*
- Pass away (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.

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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)]

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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

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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

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Use time to leverage the growth of your savings

SAVING FOR RETIREMENT

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What Are the Streams of Retirement Income?

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



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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

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Retirement Risks

- Inflation
- Healthcare
- Longevity

The graph illustrates the increasing and fluctuating nature of retirement costs over time. The y-axis is labeled 'Retirement Costs' and the x-axis is labeled 'Years in Retirement'. A red line represents the cost trajectory, showing an overall upward trend with periodic fluctuations. A large red arrow emphasizes the significant increase in costs towards the end of the retirement period. Two silhouettes of people are shown: a younger person on the left and an older person with a cane on the right, both positioned below the x-axis.

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Leverage Time to Grow Savings

A stacked bar chart titled 'Leverage Time to Grow Savings' comparing the growth of savings over 10, 20, and 30 years for two contribution rates: 10.5% Total Contribution (blue) and 14% Total Contribution (yellow). The chart shows that higher contributions and longer time periods result in significantly higher savings totals. The 14% contribution rate consistently results in higher savings than the 10.5% rate at all time intervals.

| Time Period | 10.5% Total Contribution | 14% Total Contribution |
|------------------------|--------------------------|------------------------|
| Savings after 10 years | \$59,882 | \$79,763 |
| Savings after 20 years | \$175,009 | \$233,345 |
| Savings after 30 years | \$391,662 | \$522,215 |

* 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?


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Next Steps on the Road to Retirement

- Log in to the website
- Add your beneficiaries
- Meet your employer match
- Research Pathfinder investment options

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Resources

- Empower App 
- Website: www.okpathfinder.com
- Voice Response System: (844) 465-7284
- Plan documents, education, and videos: opers.ok.gov/pathfinder

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Schedule a meeting with Chad Guest

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



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Thank You!

Visit the Pathfinder website | www.okpathfinder.com

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