

Signature NEWSLETTER



In this issue...

It is time to explore your retirement dreams. What kind of life do you envision for yourself in retirement? This issue will help you consider that important question — along with the reasons why saving more is important to help you finance retirement.

-  **What are *your* retirement dreams?**
-  **Save more now, relax later**
-  **Contribution limits increase for 2026**
-  **PIA: Participants in action**
-  **Investment basics: The North Carolina Small/Mid Cap Index Fund**

DEFINING TERMS



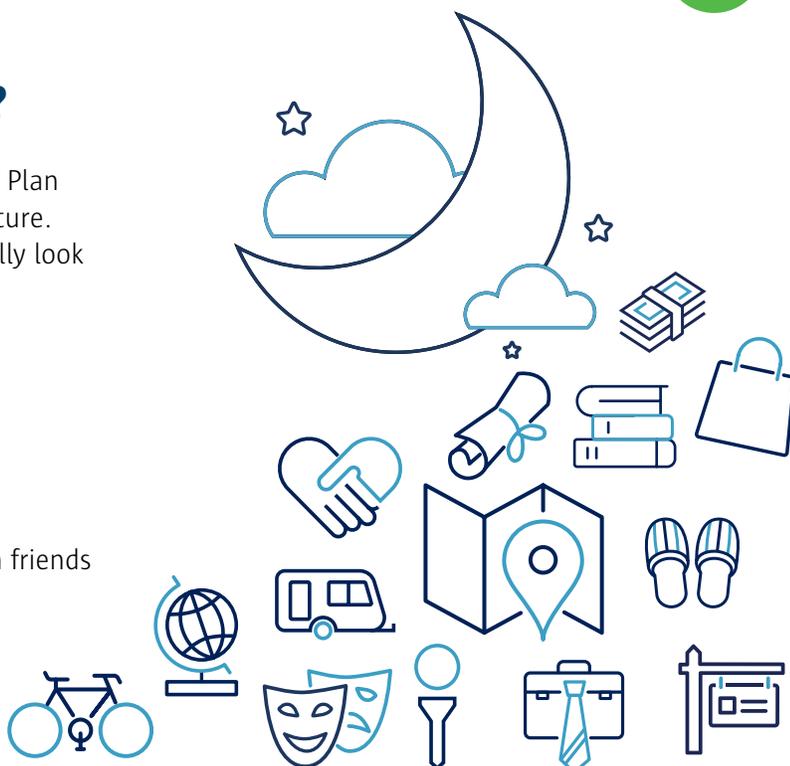
What are *your* retirement dreams?

Because you participate in the NC 401(k) and/or NC 457 Plan (the Plans), you know it is important to save for your future. But do you have a clear picture of what life might actually look like in retirement?

How do you envision your retirement?

Your options are endless.

- Relax... absolutely!
- Travel
- Take up a new hobby
- Learn to dance
- Do some long-overdue home improvements
- Start a new business
- Volunteer
- Spend more time with friends and family
- Go back to school
- Write a book



continued on next page



Why your retirement dreams are so important:

Having a clear vision of your retirement can help you understand the costs related to your desired lifestyle — and how much retirement income you may need.

It is important to take various factors into account, such as the age you will be eligible for an “unreduced benefit” from your pension and when you want to start collecting Social Security.

Need help along the way? Your NC 401(k)/NC 457 Plans’ Retirement Plan Counselor can help you make sense of it all. To contact your counselor, visit myNCPlans.gov and click on *Contact your counselor*.



Save more now, relax later

The more you contribute to the Plans, the closer you may be to creating your *best* retirement. Having more retirement savings may give you the freedom and flexibility to enjoy your time on *your* terms.

You may need to save more than you think



The cost of living has risen by about

60%

in the last 20 years. What cost \$100 then costs \$160 now.¹



Retirees can expect to spend

20-30

years in retirement — on average, nearly one-third of their lifetime.²



Healthy couples retiring at 65, back in 2021, can expect to spend

\$662K

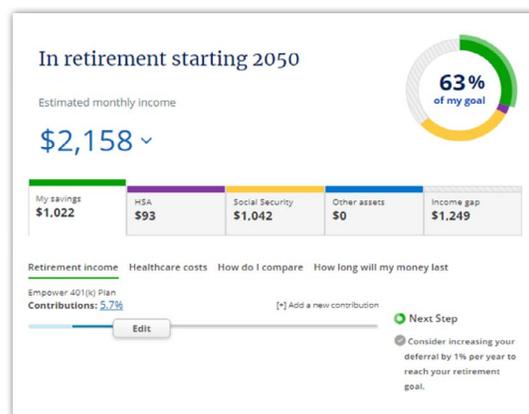
in healthcare costs³



Use the Retirement Income Estimator Tool to estimate your retirement income and model savings rates

Available when you visit myNCPlans.gov and log in to your account, the *Retirement Income Estimator Tool*⁴ is designed to help you track your retirement savings percentage to goal — and model any potential changes to your savings rate based on:

- Your current savings
- Saving more or saving less



FOR ILLUSTRATIVE PURPOSES ONLY

Once you have determined the contribution amount that works best for you and your estimated income amount, you may quickly change your contribution rate by clicking “Edit” on the bottom bar.

Contribution limits increase for 2026

The IRS contribution limits for the Plans have increased for 2026. Increasing your contributions may help you achieve the retirement of your dreams.

For each Plan: NC 401(k) and NC 457 ^{5,6}	Max. contribution
Standard contributions	\$24,500
Catch-up contributions (50 or older)	\$8,000
Super catch-up ages 60-63	\$11,250
NC 457 Plan specifically⁶	
Three-year catch-up contributions	\$49,000
Participating in BOTH the NC 401(k) AND 457 Plans^{5,6}	
Standard contributions	\$49,000
Catch-up contributions (50 or older)	\$16,000
Super catch-up ages 60-63	\$22,500

PIA: Participants in action



26,903

participants have increased their contributions



52,987

attended group meetings



16,573

NC 401(k)/NC 457 Plans' Retirement Plan Counselor meetings with individuals

*YTD data as of 9/30/2025.



Investment basics: The North Carolina Small/Mid Cap Index Fund^{7,8}

The North Carolina Small/Mid Cap Index Fund (the Fund) is a passively managed investment option within the Plans.

Investment objective

The primary investment objective of the Fund is long-term capital growth through a combination of dividend income and capital appreciation. The Fund is intended to track the performance of the Russell 2500 Index™. There can be no assurance the objective of the Fund will be met.

Investor profile & benchmark

This Fund may be attractive to those looking for an investment option that invests in both small- and mid-cap U.S. equities. The performance of the Fund is benchmarked to the Russell 2500 Index.⁹

Investment management

The Fund's assets are allocated entirely to a collective trust managed by BlackRock.

To view the fund fact sheets for the Plans' investments, visit myNCPlans.gov and click on *Information for Employees* and then *Investment Information*.

¹ 2025 CPI Inflation Calculator, U.S. Bureau of Labor Statistics. www.bls.gov/data/inflation_calculator.htm. This calculator uses the Consumer Price Index for All Urban Consumers (CPI-U) U.S. city average series for all items, not seasonally adjusted.

² Source: United States Life Tables, 2020; National Vital Statistics Reports, Vol. 71, No. 1, August 8, 2022.

³ Retirement Health Care Costs Data Report, December 2020. hvsfinancial.com. Excludes long-term care costs. The average projected life expectancy of 87 for the male, 89 for the female.

⁴ IMPORTANT: The projections or other information generated on the website by the investment analysis tool regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. The results may vary with each use and over time.

⁵ Employer contributions reduce the contribution limits in the NC 457 Plan, but not in the NC 401(k).

⁶ NC 457 Plan participants may not use age 50+ catch-up contributions or the super catch-up contributions for ages 60-63 in conjunction with three-year catch-up contributions.

⁷ *Carefully consider the investment option's objectives, risks, fees and expenses. Contact the Plans at 866-NCPlans (866-627-5267) for a prospectus, summary prospectus for SEC-registered products or disclosure document for unregistered products, if available, containing this information. Read each carefully before investing.*

It is possible to lose money when investing in securities.

⁸ Securities of small and mid-size companies may be more volatile than those of larger, more established companies.

⁹ London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group [2025]. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®", "Russell®", "FTSE Russell®", "FTSE4Good®" are trademarks of the relevant LSE Group companies and are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

Empower refers to the products and services offered by Empower Annuity Insurance Company of America and its subsidiaries.

Empower Retirement, LLC provides the communications and recordkeeping services for the NC 401(k) and NC 457 Plans. The investments offered to you within the NC 401(k) and NC 457 Plans are not offered by or affiliated with Empower Retirement, LLC.

North Carolina Total Retirement Plans and the North Carolina Total Retirement Plans logo are service marks of the North Carolina Department of State Treasurer.

Retirement counselors are registered with Empower Financial Services, Inc., Member FINRA/SIPC. EFSI is an affiliate of Empower Retirement, LLC; Empower Funds, Inc.; and registered investment adviser Empower Advisory Group, LLC. This material is for informational purposes only and is not intended to provide investment, legal, or tax recommendations or advice.

©2025 Empower Annuity Insurance Company of America. All rights reserved. RO4829981-1225