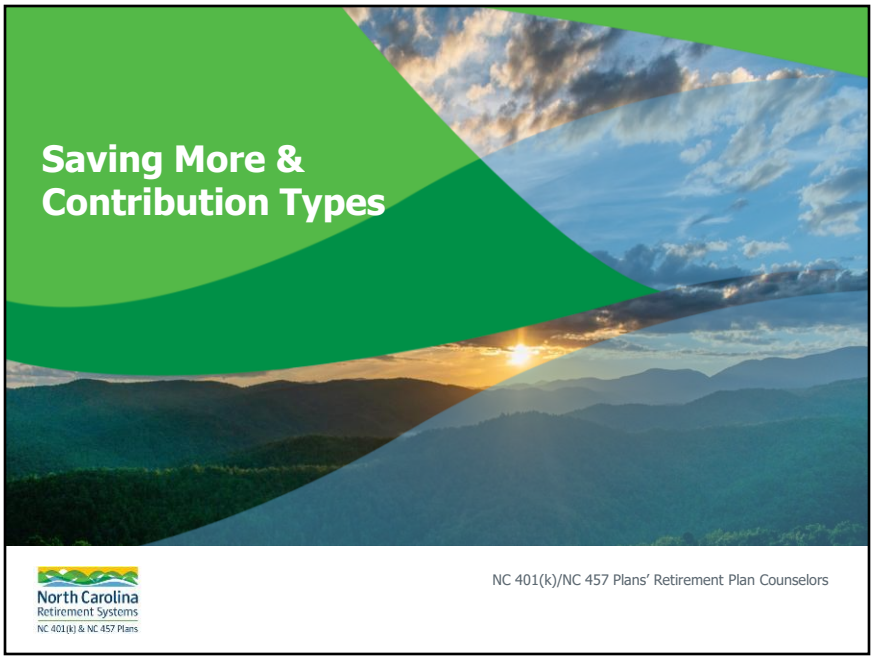


Speaker Text:

Hello and welcome to our presentation today.

My name is **[speaker]** and I'm an NC 401(k)/NC 457 Plans' Retirement Plan Counselor.



Here are the topics we'll be covering today:

- How much money you will need in retirement and where will it come from
- Enrolling in the Plans can make a difference
- The impact of saving more over time
- Understanding the features of your NC 401(k) Plan & NC 457 Plan
- Types of Plan contributions
- Understanding investments
- Plan investment options
- Accessing and consolidating savings
- How to enroll today
- Resources
- Ongoing account management
- Naming your beneficiary
- Cybersecurity



Speaker Text:

[Read slide]

NC 401(k) and NC 457 Plan Features

	NC 401(k) Plan	NC 457 Plan
State-sponsored	Yes	Yes
Eligibility	Full-time, temporary or part-time employees[1]	Full-time, temporary or part-time employees[2]
Employer contributions[3]	Possibly, check with your Employer	Possibly, check with your Employer
Contribution types	Pre-tax, Roth	Pre-tax, Roth
No minimum	Yes	Yes
Contribution flexibility	Yes – changes anytime	Yes – changes anytime
Vesting	100%	100%
Rollovers	Yes	Yes
Age 50+ catch-up	Yes	Yes
Three-year catch-up provision	No	Yes
GoalMaker®	Yes	Yes
Investment oversight by DST and Board	Yes	Yes
Withdrawals while working	At or after age 59½	At or after age 59½
Loans/hardship withdrawals	Yes	Yes
Purchase of service credits	Yes	Yes
Multiple distribution options	Yes	Yes
Transfer benefit	Yes	Yes
Early withdrawal tax penalty	Possibly, depending upon age at separation from service and withdrawal method	Never incur 10% early withdrawal penalty regardless of age

[1] Also eligible: elected or appointed officials, rehired retired employees and contributing members to one of the North Carolina Retirement Systems, including TSERS, LGERS, LRS and CJRS.
[2] Also eligible: elected or appointed officials and rehired retired employees. Employer must offer the Plan.
[3] Employer contributions, if offered, are discretionary and may reduce the amount that an employee can contribute.

[Speaker] This chart gives you a side-by-side comparison of many of the NC 401(k) and NC 457 Plan features.

Differences between the NC 401(k) and NC 457 Plans

	NC 401(k) Plan	NC 457 Plan
Three-year catch-up provision	No	Yes
Loans/hardship withdrawals	Yes, under seven conditions, as approved by IRS	Yes, under four conditions, as approved by IRS
Early withdrawal tax penalty	Possibly, depending upon age, years worked for some, and withdrawal method	No early withdrawal penalty, regardless of age at separation of service

And this chart shows you the *differences* between the two plans.

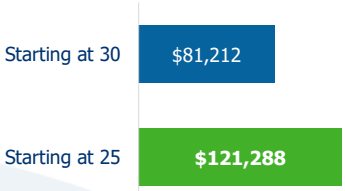


[read slide]

Start saving now

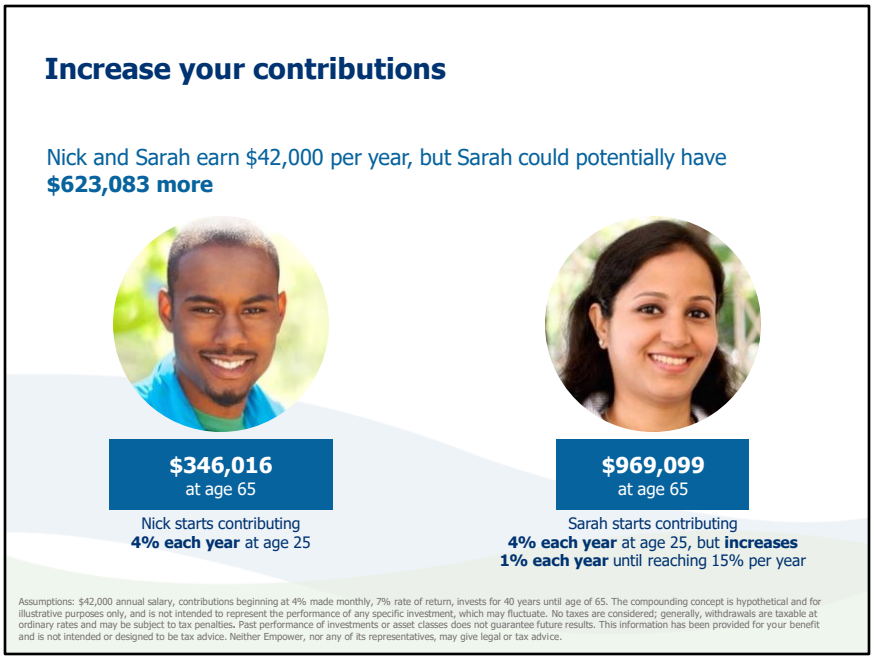
If Sarah started saving $100 per month **5 years sooner**, she could potentially have saved **$40,076 more** by **age 55**





Assumptions: Started saving at age 25 compared to age 30. Rate of return 7%, compounded annually, saved $100 a month for 30 years and 25 years, respectively.
The compounding concept is hypothetical and for illustrative purposes only, and is not intended to represent the performance of any specific investment, which may fluctuate.
Withdrawals are generally taxable at ordinary rates. Past performance of investments or asset classes does not guarantee future results. Neither Empower Retirement, LLC nor any of its representatives are tax or legal advisors and encourage you to consult your individual legal or tax advisor with any specific questions.

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Speaker Text:

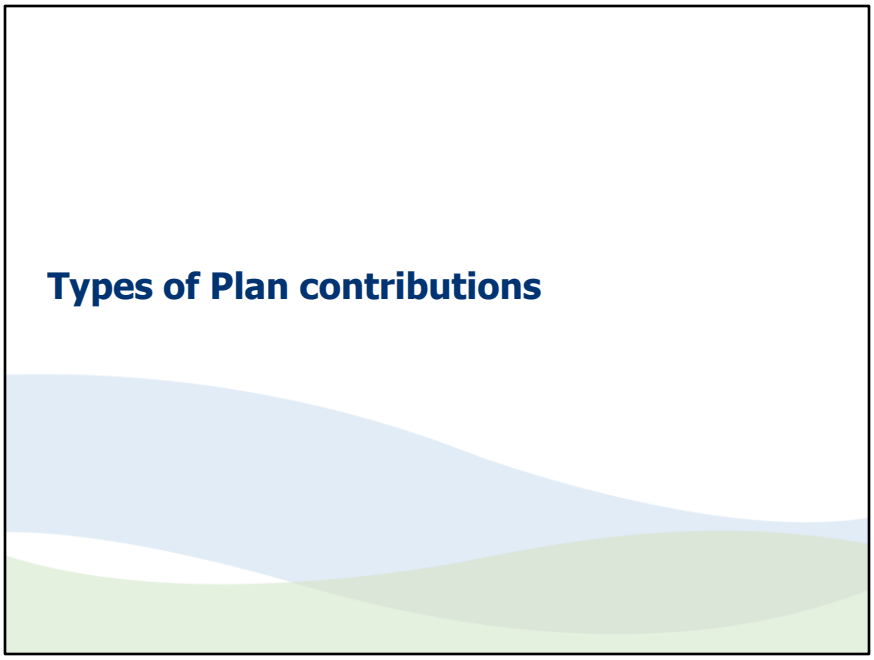
Before we close, I'd like to make one final note about the importance of increasing your contribution rate gradually over time—and the difference that these small changes can have on your retirement savings over the years.

Let's look again at Nick and Sarah…

After seeing how it wouldn't cost him as much as he thinks, Nick decides to start saving now, at age 25.

After seeing what a difference it makes for her to not put off starting to save, Sarah also starts at age 25. But then she takes it one step further and uses the fact that she has plenty of time to her advantage by increasing her contribution rate by just 1% each year.

Now—look at the difference that makes over time compared to Nick, who kept the same rate of contributions. A huge difference over time by making small sacrifices each payday.



[read slide]

Less impact on your pay with pre-tax contributions



	Not Contributing $	Contributing $
Nick's salary per month	$3,000	$3,000
Voluntary contribution	**$0**	**$90**
Taxable income	3,000	2,910
Taxes (NC state & federal income tax)	923	895
Nick's take-home pay	**$2,077**	$2,015

Paycheck is only **$62 less**

For illustrative purposes only. Assumes 5.75% NC State Tax, single filing status, one allowance and a federal income bracket of 25%. Retirement plan distributions will be taxed upon withdrawal. Amounts withdrawn are subject to income taxes. This information has been provided for your benefit and is not intended or designed to be tax advice. Neither Empower Retirement, LLC nor any of its representatives, may give legal or tax advice.

Speaker Text:

One of the major benefits of investing in an employer-sponsored retirement plan is that your contributions are tax deferred. This means that each dollar you save is one less dollar that your employer reports to the IRS as income. This lowers your current federal tax liability and, as a result, does not impact your pay as much as you might think.

Let's take a look at an example. Here's how Nick's paycheck looks before he starts saving in the Plan. What happens to his paycheck after he starts saving 3 percent of his pay? His take-home pay is only $62 *less* than before he started saving. That's the power of tax-deferred investing.

Save on current taxes with pre-tax contributions



Contribution Amount	Estimated Tax Advantage	Reduction in Take-Home Pay
$25	$ 7.69	$ 17.31
$35	$ 10.76	$ 24.24
$50	$ 15.38	$ 34.62
$75	$ 23.06	$ 51.94
$100	$ 30.75	$ 69.25
$150	$ 46.13	$ 103.87
$200	$ 61.50	$ 138.50
$300	$ 92.25	$ 207.75
$500	$ 153.75	$ 346.25

For illustrative purposes only. Assumes 5.75% NC State Tax, single filing status, one allowance and a federal income bracket of 25%. Retirement plan distributions associated with pre-tax contributions will be taxed upon withdrawal. Information and interactive calculators are made available to you as self-help tools for your independent use and are not intended to provide investment advice. We cannot and do not guarantee their applicability or accuracy in regard to your individual circumstances. All examples are hypothetical and are for illustrative purposes. We encourage you to seek personalized advice from qualified professionals regarding all personal finance issues. We do not provide investment OR tax advice. Please consult a tax advisor for more information.

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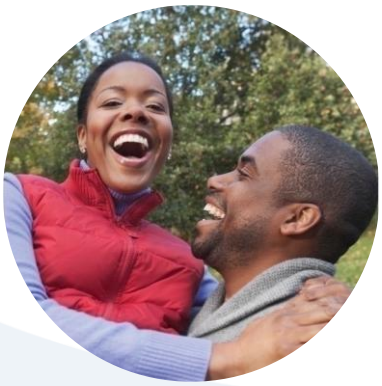
Let's look at Rita's situation. As a working mom, Rita's juggling a lot of financial priorities. She feels like she can't afford to have any more money come out of her paycheck.

However, when you look at it closely, you can see how little an impact it will make in Rita's weekly take-home pay, while giving her tax savings and potentially making a significant difference in how much she could have at retirement.

Know your Roth

A *different* type of contribution within your retirement plan

- After-tax contributions; future tax-free income*
- Both traditional pre-tax and Roth elective deferral contributions are possible
- Employer contributions are made to your account on a pre-tax basis only

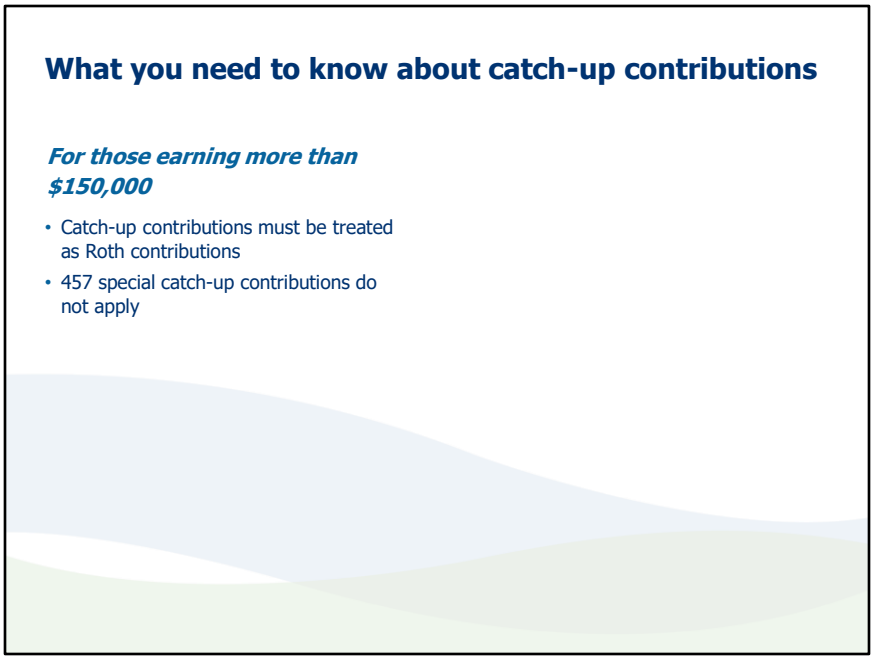


* Generally, for distributions of Roth contributions to become qualified for federal income tax purposes, you have to wait at least 5 tax years after making your first Roth contribution before taking a withdrawal, and your withdrawals must begin after: you have reached age 59½; your death; or you have become disabled. If your withdrawal does not meet these qualifications, your accumulated Roth earnings—but not your Roth contributions—will be taxed, and may be subject to a 10% early distribution penalty if you have not reached age 59½. State tax treatment may vary. Roth 457 non-qualified withdrawals are not subject to a 10% early distribution penalty.

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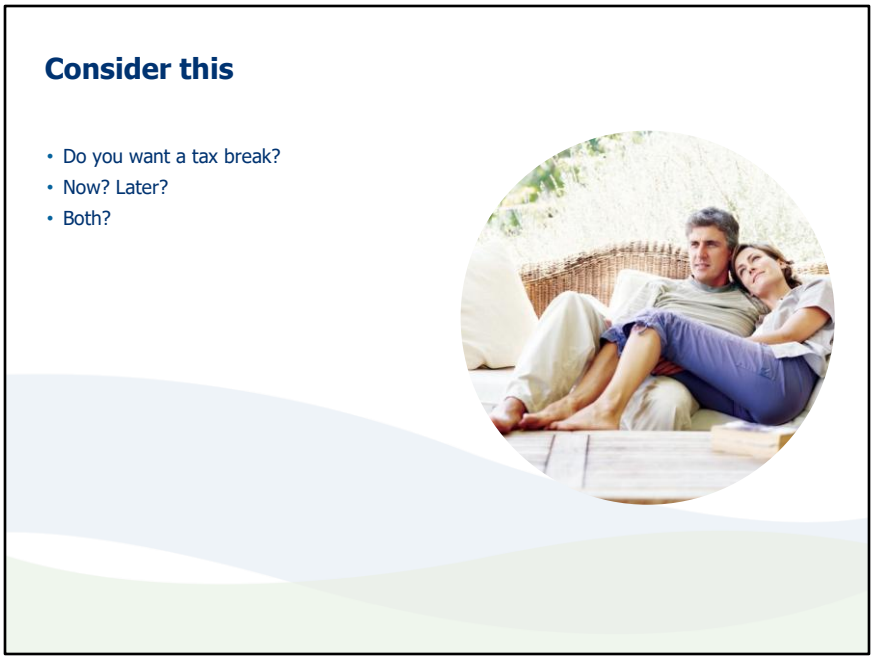
But all your contributions **don't** have to be made on a pre-tax basis.

[read slide]



Speaker Text:

Read slide



Speaker Text:

When choosing between pre-tax contributions and Roth contributions, here are some important questions to ask yourself. Keep in mind, you can make *both* types of contributions.

[read slide]



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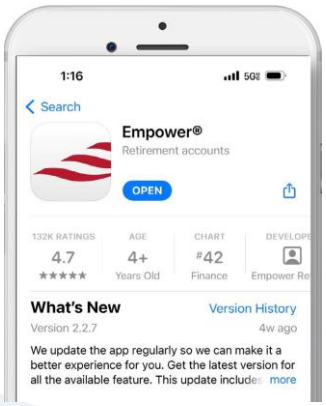
Your Plan offers you some terrific, easy-to-use tools that are designed to help you:

- Each quarter, Empower will provide an easy-to-read retirement statement that includes all the information about your account, including fund performance, your account value, tips on how you can save more, important updates from your employer, and more. You may elect to access your statement online, for added convenience and security, rather than receive it in the mail.
- Empower also offers quarterly newsletters to all Plan participants. If you receive your quarterly statement in the mail, your newsletter will be included. Otherwise, you may access the newsletter online.
- Your annual MARS Statement provides a snapshot of your current and future potential pension benefit.
- You can also take advantage of our toll-free phone service by calling **866 NC PLANS,** where you can obtain account information or perform transactions through your telephone keypad.
- Empower's participant website, **myNCPlans.gov**, with its easy-to-navigate tabs, makes it a breeze to find the information you need and to process your transactions online. Simply visit **myNCPlans.gov** to quickly view your account details, transfer money between investment options, increase your contribution amounts, change investment options, check fund performance, and review, print, or request online statements. It's also a great place to visit when retirement is just around the corner.

Now let's take a closer look at the last two tools—the Retirement Income Estimator Tool and your NC 401(k)/NC 457 Plans' Retirement Plan Counselor.

The Empower mobile app

- Log in anytime, anywhere
- Access the app in your preferred language
- Monitor your savings and performance
- Change your contributions and investments



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Download on the App Store

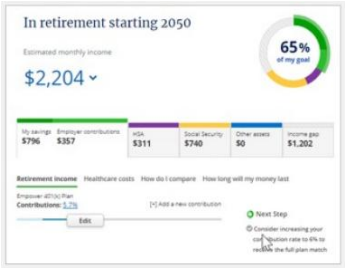
GET IT ON Google Play

Speaker Text:

[*Read slide*]

Retirement Income Estimator Tool

- Know where you stand
- See where you're going
- Save your way
- Retire your way

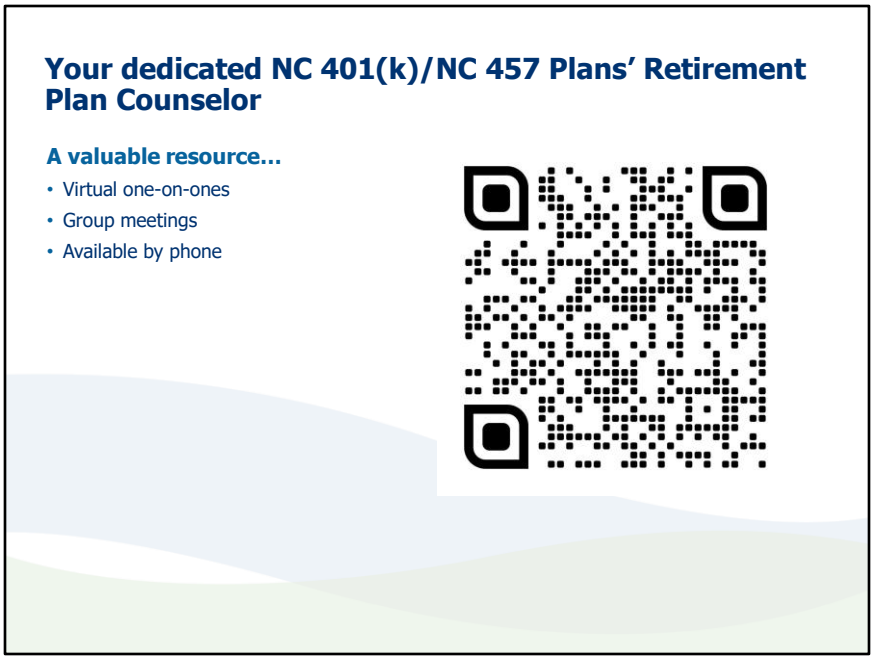


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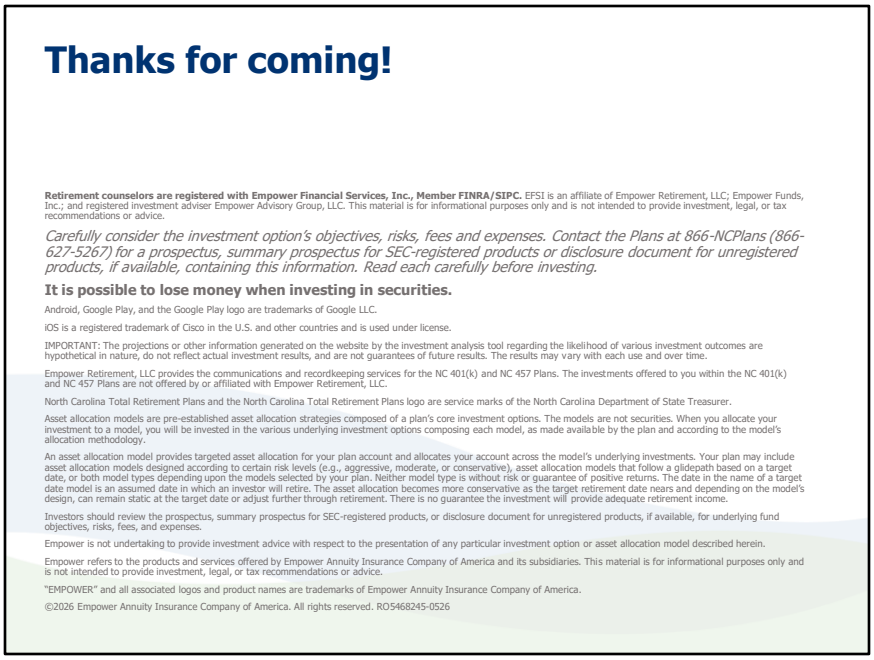
The Retirement Income Estimator Tool can help you check your progress along your retirement planning journey. It is located on your personal dashboard and is updated every time you log in to your account.

This valuable tool helps you track your retirement savings percentage to goal — and model any potential changes to your savings. It is a great tool that is designed to help you ensure you are on track for the kind of retirement you have always imagined.



Finally, your dedicated NC 401(k)/NC 457 Plans' Retirement Plan Counselor can provide you with personalized support to help you make sense of it all. Best of all, you can set up a virtual meeting with your counselor.

So as you can see, when it comes to the Supplemental Retirement Plans, we put the help you need at your fingertips!



Speaker Text:

Thanks so much for coming to our presentation today. I encourage you to take what you've learned here, along with the tools that Empower provides and get started on your retirement. But be sure to act today to protect your tomorrow.