State of Alaska
DEFINED CONTRIBUTION PLANS

Tips on Making Retirement *More Bear-able*

SUGGESTIONS FOR YOUR LATE CAREER

After years of saving and investing, there comes a point when your planned retirement date goes from distant dream to impending reality. It can be an exciting time as you plan the next phase of your life. But before you say goodbye to the workplace, take some time to put the finishing touches on your retirement preparations. Here are some suggestions to get you started:

Bjorn says…

Congratulations! The retirement you've worked so hard for is almost here! But you still have some work to do before you can kick up your heels. Just like the saving and investing phases of your retirement journey, you need a plan for how you'll make the transition into retirement and beyond. But you don't have to do it alone! Talk to your Retirement Plan Advisor for suggestions on the things you can do to achieve the retirement you want.

Consider staying in the DCP

Just because you leave your job with the State of Alaska doesn't mean you have to close out your State of Alaska Deferred Compensation Plan (DCP) account. The same Plan that helped you plan and save for retirement can continue to help you make the most of your retirement years. Schedule some time with your Retirement Plan Advisor to find out more.

Look into account consolidation

Many of us hold several different jobs over the course of a career, which means you may have retirement accounts from employers other than the State of Alaska. Did you know that you can roll eligible accounts from other employers into your DCP account? You can, but why would you want to? By consolidating, you may make it simpler to apply a consistent strategy across all of your retirement assets. You'll also have one account to manage instead of several — with just one statement to read, one website to access, and one number to call for help. And finally, the State uses its negotiating leverage to keep your fees low and highly competitive — and that includes fees on any assets you roll into your DCP account. As with any financial decision, you are encouraged to consider all your options and their features and fees before moving money between accounts.

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State of Alaska
DEFINED CONTRIBUTION PLANS

Tips on Making Retirement *More Bear-able* (Continued)

Late-Career

Find out how to catch up to your retirement income needs

Even if your retirement is just a few years away, you still have time to save for the retirement income you'll soon need. And with catch-up contributions, you can even save more than the IRS's standard annual limit:

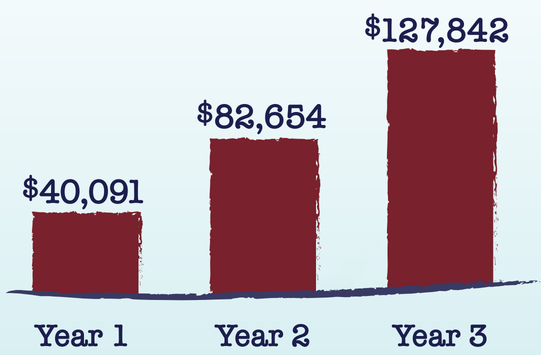
- **Special/Three-year Catch-Up** – With the 457 Plan's special/three-year catch-up provision, you may be eligible to contribute up to an additional $22,500 to your account in 2023 — for a maximum of $45,000 (assuming you contributed less than the maximum amount in previous years).

  Just how big an impact can the three-year catch up have? The chart shows you the result of maxing out your contributions over three years (assuming a 6% rate of return and reinvestment of all earnings).

- **Age 50+ Catch-Up** – With the Age 50+ catch-up contribution, you can contribute an additional $7,500 each year over and above the IRS's annual limit.

Keep in mind that you can't use both types of catch-up contribution in the same year. To find out more, contact a plan representative at **(800) 232-0859** to go over your options.

Special Catch-Up Over Three Years



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 $3,000 monthly contribution, 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 taxdeferred accumulation shown would be reduced if these fees had been deducted.

Not sure where to find the funds to take advantage of your catch-up option? Consider cashing out some of your personal leave if you have accumulated more than you expect to use. Check with your employer to find out if they allow cash-outs of personal leave.

Start planning for distributions

When it's time to start accessing the funds in your DCP account for retirement income, you'll have choices, including scheduled periodic payments, partial and full lump sum withdrawals, and rollovers to other eligible accounts. These go by the name of "distribution options" — and you can even mix some of them, such as periodic payments and partial lump-sum withdrawals. Remember that with some plan types, you may be subject to a required minimum distribution when you reach age 70½.

Want to learn more?

Looking to make a smooth transition to retirement? Check out this video.

In the Spirit of Alaska

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