SECOND QUARTER 2025

HORIZONS

IN THIS EDITION

Changes to your investment options have been made

As previously announced, we adjusted the Savings Plus investment menu on June 20, 2025. In summary, we:

- Transitioned to State Street Target Retirement Series: Assets in a Savings Plus target date fund were transitioned to the State Street target date fund for the same retirement year.
- Removed the Savings Plus Target Date 2020 Fund: Assets in the Savings Plus Target Date 2020 Fund transitioned to the State Street Target Retirement Income Fund.
- Closed the Short Term Investment Fund: Assets were moved to the target date fund that aligns with the year you reach the retirement age of 62.
- Added the State Street Target Date 2070 Fund: A new target date fund is available for participants turning age 62 near the year 2070.

No action is required on your part. However, it might be a good idea to review your current investments to ensure they align with your long-term retirement goals.

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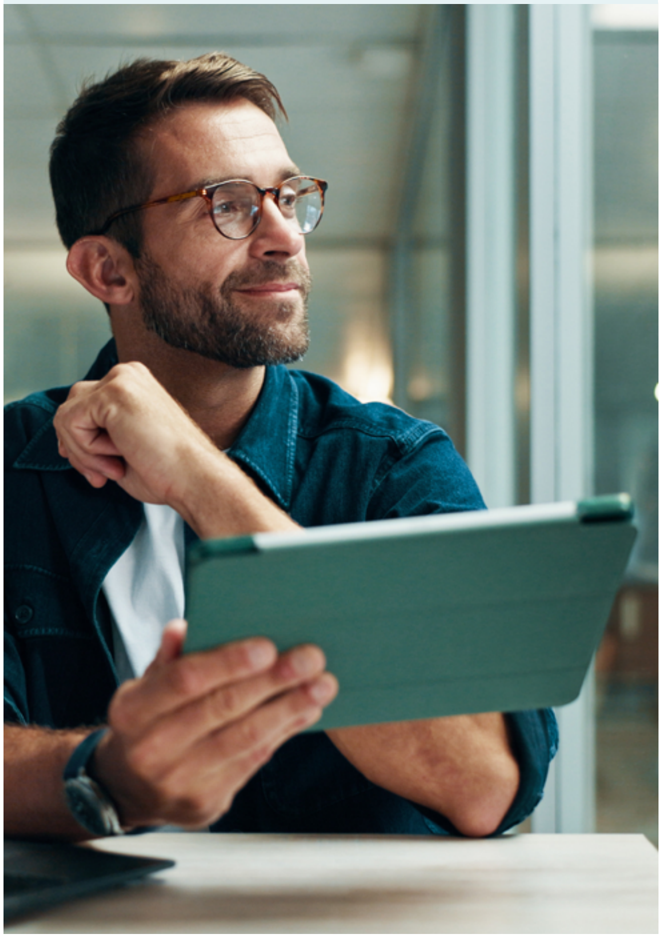
Additional funds are being evaluated, and further changes will be implemented later this year. To keep you updated on the upcoming changes, we've created a dedicated fund-change webpage. This webpage will be updated regularly with detailed information, including frequently asked questions (FAQs), insights into new investment options and timelines.

We encourage you to bookmark the Savings Plus fund-change webpage so that you can keep up to date with the coming changes to the menu of investment options.



Roth or traditional: Which is better for you?

That's a question only you can answer, and to do that you need to understand the benefits and trade-offs of each. The key difference between Roth and traditional retirement accounts lies in the timing of their tax advantages.

When you choose to make traditional contributions, you elect to defer federal income taxes until you begin taking withdrawals. Those withdrawals will be taxed at your income tax rate when you take them. Making traditional contributions reduces income taxes for the year in which you make them.

Roth contributions, on the other hand, are made with after-tax income and, if you meet certain requirements, your withdrawals will not be taxed. Contributions can always be withdrawn tax-free because they've already been taxed. Account earnings, if any, can also be withdrawn tax-free if the withdrawal meets plan distribution requirements; the account has been open for at least 5 years; and at least one of the following conditions is met: age 59½ or older, disability or death.

There are no required minimum distributions (RMDs) on Roth assets during the original account holder's lifetime. For traditional retirement accounts, required minimum distributions (RMDs) begin at age 73, if you were born in 1951 through 1959; or starting at age 75, if you were born in 1960 or later.

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Even if you've been participating in your retirement plan for years, you can designate future contributions as Roth. You can even decide to split future contributions between traditional and Roth. In addition, you may want to consider whether an internal conversion of your pre-tax assets into after-tax Roth assets is right for you.

Whether you think your annual income and tax bracket will be lower or higher in retirement is another factor to consider. You may want to explore that topic with your tax or financial professional.

To further consider the benefits and features of Roth vs. traditional contributions, schedule an appointment with your Savings Plus Retirement Specialist.

Practical tips for navigating debt

If you have existing debt such as credit cards or student loans, you may wonder whether you should pay it off first or save for retirement. While everyone's financial situation is different, you may be able to tackle both by getting organized, setting a savings goal, choosing a debt repayment strategy and contributing to your retirement account.

The first step in taking control of your finances is understanding the difference between needs and wants. In simple terms, "needs" include spending that are essential expenses such as housing, food, insurance and health care, whereas "wants" include discretionary spending such as dining out, a smartphone upgrade, going to a concert and entertainment subscriptions.

Getting organized

A smart way to separate needs from wants is to track all expenses for a month and then list essential expenses (needs) in one column and discretionary spending (wants) in another column. Then create a monthly household financial overview to help you make informed decisions going forward.

You may recognize this activity as the first step in budgeting. You don't have to do this exercise alone. Online tools such as YNAB can help you budget your household finances.

Manage summer spending

Create a summer budget to avoid overspending.

Enjoy cost-effective activities such as local festivals, picnics in the park or on the beach, and staycations.

Manage your credit card by setting spending limits for your summer fun and paying off balances promptly.

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Set savings goals

Emergencies happen. That's why it's important to have a savings fund that you can access quickly in an emergency. If your emergency fund is nonexistent, how do you create an emergency fund without harming your retirement savings strategy?

Let's say you have $500 a month to put toward savings and debt. You might divide it up like this:

- $100 in your emergency fund
- $300 toward debt
- $100 in your retirement account

A good way to find money to pare down debt and increase savings is to identify ways to cut back on wants. Before deciding to buy, ask yourself: "Do I really need this?" or "Will buying this force me to skip saving money this month?" Use the budgeting worksheet on our website to get started.

Consider debt management strategies

If your debt has gotten out of control, a debt management professional may be able to help you assess your debt-to-income ratio, devise repayment plans and consider debt consolidation. Nonprofit agencies such as the National Foundation for Credit Counseling offer tools, resources and personal counseling to help individuals implement solutions for their debt crisis.

Take proactive steps now

Review this video to learn how you can pay off debt and save money at the same time.

Enhance your retirement knowledge with Savings Plus webinars

As a retirement saver, staying informed about your financial options and benefits is crucial. Savings Plus offers a series of live and on-demand webinars that are designed to help you navigate various aspects of retirement readiness and financial wellness.

Navigating market volatility

Explore strategies to help weather major market swings

Personal Finance 101

Budget, credit, debt and savings basics that add up to a good today — and a better tomorrow

Save, grow and guard your money

How to use smart money management to help protect the things and people you love

Retirement myths and realities

Separate retirement facts from fiction

These are just a few of our on-demand offerings. You can explore our entire library by visiting our Webinars webpage today.

Retiring soon? Start getting ready now!

If your retirement date is coming up within the next few years, now is the time to develop an action plan so that you're ready when the big day arrives. Consider these steps to take now:

1. Review your retirement benefits; check with your employer to understand the health care benefits that may be available to you and your dependents after retirement.

2. Get an annual Savings Plus account review between now and your retirement date to help ensure that your asset allocation aligns with your retirement goals.
   - Plan to continue this habit throughout your retirement years.

3. Update your Savings Plus account information to make sure that your personal email address, postal address, and beneficiaries are accurate.

4. Estimate your retirement income and expenses
   - Use My Income & Retirement Planner℠
   - Consider how to pay for health care in retirement
   - Consider long-term care resources

5. Consult a financial professional or a Savings Plus Personal Retirement Consultant to develop a retirement income strategy.

6. Establish/review an estate plan.

7. Optimize your retirement plan contributions, including the use of catch-up provisions.

8. Create your personal Social Security account.

9. Explore pre-Medicare and with-Medicare health insurance options.

Staying in the plan after you retire can provide important advantages

You'll experience many changes once you retire, but two things don't have to change. By continuing your participation in the Savings Plus Program, you'll continue to get the same free support and lower fees you had before you retired.

Your account will stay open after your retirement date unless you withdraw all of your funds. You can withdraw funds as you need them and get help from knowledgeable professionals.

You'll also allow your money to potentially keep growing, which could help bridge a possible income gap should inflation be roaring again.

Even a low inflation rate tends to eat away at a fixed income's buying power over time, so continuing to invest for some growth in a plan with lower fees and free support may be an important consideration.

As you prepare for retirement, you should consider:

- Consolidating retirement assets into your plan account for easier investment management
- Reviewing your account at least once a year to make sure your strategy continues to line up with your goals
- Using My Income & Retirement Planner℠ to help you create a withdrawal strategy that complements other income sources and addresses tax and other considerations

Learn more.

Review this short video. Then, contact your local Savings Plus Retirement Specialist to manage your account beyond retirement.

DID YOU KNOW?

The Savings Plus website has information about cybersecurity? Use our resources to get informed about digital safety and learn best practices for cybersecurity.

Review now.

WEBINAR SPOTLIGHT

Investing with Savings Plus

Join us to explore the investment options and tools available at Savings Plus to enhance your 401(k) and 457(b) plan activities

1:00 p.m. PT
August 4, 2025

Register now.

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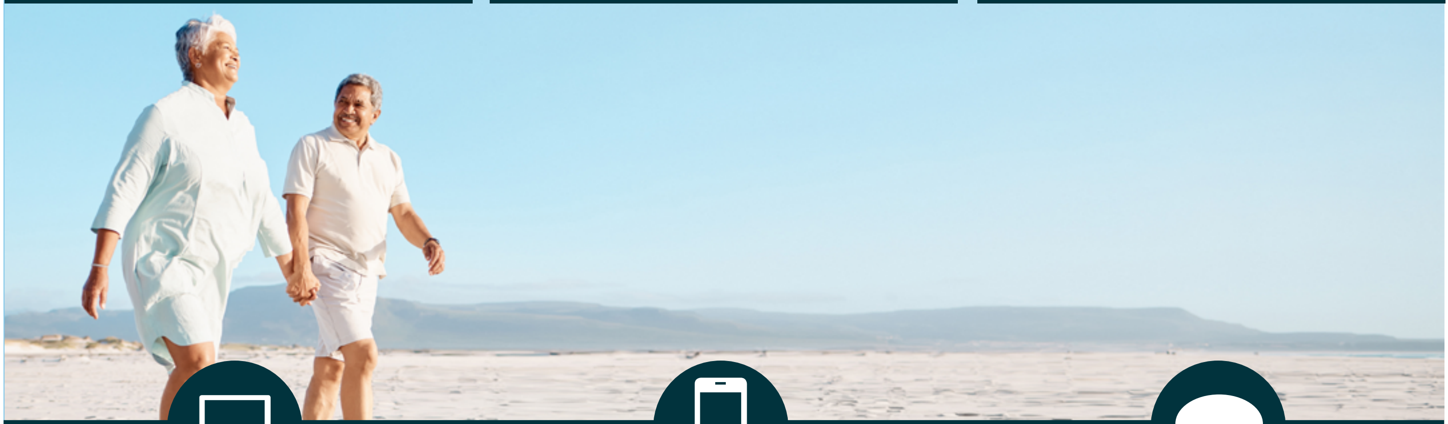

savingsplusnow.com

Savings Plus Solutions Center

(855) 616-4776
(800) 848-0833 (TTY)
5 a.m. – 8 p.m. PT weekdays

Retirement Resource Group®

Schedule your virtual appointment

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