



# Preparing for a comfortable retirement

**403(b) plan**



**EQUITABLE**







# Understanding your 403(b) plan

One of the advantages of working for a school district is knowing you have a pension plan. A 403(b) plan, which is like a 401(k) for educators, can supplement that pension. Specifically designed for education professionals, a 403(b) plan has the flexibility to adjust as your needs change, and can help you turn your salary into a more comfortable retirement.

## Your pension and 403(b) plan work together.

Once you're retired, you can use your pension to cover essential expenses, such as housing, food and healthcare. The money from your 403(b) plan can be used to cover other expenses, helping you enjoy the kind of retirement you want.

## How can a 403(b) plan help you save?

**Every dollar counts.** You can set your own goals and start saving whatever amount works for you. You have the flexibility to start or stop and increase or decrease your contributions up to the federal maximum, at any time.

**It's automatic.** Because your savings are deducted right from your paycheck, you pay yourself first. That can make it easier to save.

**It's flexible.** You select the investments you're most comfortable with — and change them when you want.

### You don't pay taxes while you're saving.

Your taxes are deferred until you withdraw the money from your account, which is typically when you're retired and in a lower tax bracket. Since you don't pay taxes along the way, your original investment plus all of your earnings stay invested for the future — which lets your money grow faster than if it was in a taxable account.

## Gloria and Brian: A hypothetical case study.<sup>1</sup>

Gloria Middle School Teacher		Brian High School Teacher	
Age 22	Started saving at	Age 37	
15 years	Total years saved	25 years	
\$4,000	Saved per year	\$4,000	
\$60,000	Total contributions	\$100,000	
<b>\$423,565</b>	<b>Account balance at 62</b>	<b>\$223,625</b>	

## Why does Gloria have more money? Because she had time on her side.

While Brian contributed \$40,000 more to his employer's retirement savings plan, Gloria's projected account balance at age 62 is almost twice as much as Brian's. That's because Gloria's account will have more time to potentially grow by the time she retires — with each year's gains reinvested to potentially generate their own gains.

So, the sooner you start saving for your retirement, the more time your money will have to potentially grow tax free. Of course, a 403(b) can fit into any phase of your life. Everyone starts somewhere, and it's never too early — or too late — to start.

<sup>1</sup> Assumes a hypothetical 6% annual potential rate of return. The 6% hypothetical rate of return is not based on the performance of actual investments or products. Actual rates of return will vary over time, particularly for long-term investments. Investments offering the potential for higher rates of return also involve a higher degree of risk. Actual results will vary. The amounts used in this hypothetical example do not take taxes or product-related charges into account.

# Committed to helping educators

**We know educators are driven by passion. A career in education means devoting your life to helping others reach their full potential. We want to do the same for you, by helping you prepare for a comfortable retirement. That's why we've designed a strategy that is tailor-made for education professionals.**

## Equitable is the #1 provider of 403(b) plans to K-12 educators<sup>2</sup>

Equitable is a U.S. financial services company that helps build fulfilling futures. A good financial strategy is designed to change as your life changes, helping you pursue life's possibilities and prepare for life's uncertainties. It starts with understanding your truths, wants and needs — including those you hold as an educator — so you can face your future with courage, strength and wisdom. We commit to your future as if it were our own, with an adaptive approach and powerful strategies, just as we've done for our clients since 1859. We applied all we knew about retirement savings and investing to design a strategy tailored to the needs of educators across the country. That's why we are the first choice for K-12 educators in the United States.

## The Equitable Excellence Scholarship helps students and teachers

Every year, students across the country work hard to make a positive and lasting impact in their communities and beyond. And every year, we award \$1.8 million in college scholarships to hundreds of these remarkable achievers. We are also dedicated to supporting school districts across the country by providing funding for educators and school programs.

## Support on your terms

You can connect with us in the way that works best for you:

- Meet with a financial professional for one-on-one personalized guidance.
- Talk with us over the phone to get answers and help with retirement planning.

You always have a choice of how to enroll: either with a financial professional, over the phone or online.

## Get the right guidance at the right time

We can help you turn investing into a series of manageable steps, so you can carefully balance the growth you want with the security you need. We can also help you:

- Figure out how much to save each month and where to invest your money.
- Adjust your strategy to fit your changing needs.
- Take the emotion out of investing.
- Meet other needs, such as college planning or life insurance protection.

## Face your future with courage, strength and wisdom

When you're investing for the future, you may want to design a diversified portfolio, using a variety of stock and bond investment options. But that may not be enough. To help you feel more certain about the years to come, you may also want to look for certain guarantees, ways to generate income and help in protecting against market loss. Contact your financial professional to see what options are available in your plan.

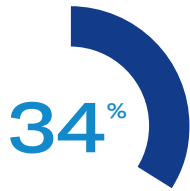
## Develop a lesson plan for retirement saving

Our online Retirement Education Center can help you learn more about saving for retirement. It includes short videos, articles and tools designed to help you at each stage of life. You can:

- Determine your estimated retirement income goal, and how close you are to achieving it.
- See how contributing more might help you close the savings gap.
- Compare your retirement savings progress to others like you.

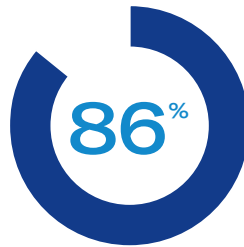
# It pays to work with a financial professional

According to a recent study, those who work with a financial professional are better off than those who don't.<sup>3</sup>



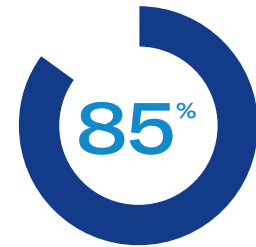
## Higher savings balance

34% higher savings balance for people who work with a financial professional versus those who didn't



## Sticking with financial goals

86% versus 67% are able to stick with their savings goals (with financial professional versus without a financial professional)



## Overall satisfaction

85% versus 59% expressed a higher overall satisfaction with the performance of their 403(b) retirement savings



<sup>3</sup> AXA Equitable commissioned this study to quantify the value a financial professional brings to 403(b) plan participants' retirement goals. The study was conducted by deKadt Market Research. Respondents to the survey were drawn from 19 providers, including Fidelity, MetLife, AXA, Prudential, Voya, Nationwide, Lincoln, VALIC and TIAA-CREF. Fewer than 9% of the more than 1,000 respondents were AXA Equitable clients. AXA "Enhancing Outcomes" Advisor Value Study, 2018.

# The more you save, the less you'll pay in taxes

Let's say your annual pretax income is \$50,000

If you contribute this much to your 403(b) pretax:	<b>\$2,500 (5%)</b>	<b>\$5,000 (10%)</b>	<b>\$7,500 (15%)</b>
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Your taxable income will be:	<b>\$47,500</b>	<b>\$45,000</b>	<b>\$42,500</b>
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And you will pay the following in income taxes: <sup>4</sup>	<b>\$5,315</b>	<b>\$5,015</b>	<b>\$4,715</b>
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**Take an important step toward  
a comfortable retirement.**

**Start participating in your school district's 403(b)  
retirement plan today. If you have any questions,  
please contact your financial professional.**

<sup>4</sup> Based on 2019 federal tax tables, assuming married filing jointly (source:www.irs.gov). Figures do not take into account any other sources of income, state or local income taxes, tax credits or deductions.



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