



CTA Retirement Savings Plan

**CTA Stronger Together:
Building Wealth for a
Successful Retirement**

**Acalanes Union High
School District**

Monday, April 17, 2023

**Gary Allen, AIFA
Kenny Haren**

**Prudent Investor Advisors
CTA 401(b) Retirement Savings Plan**

team@ctaretirementplan.org

916.235.9800



The Educator's Retirement

- **Your State Pension** (CalSTRS or CalPERS)
- **Social Security** (CalPERS)
- **403(b) Savings Plan**
- **Personal Savings**



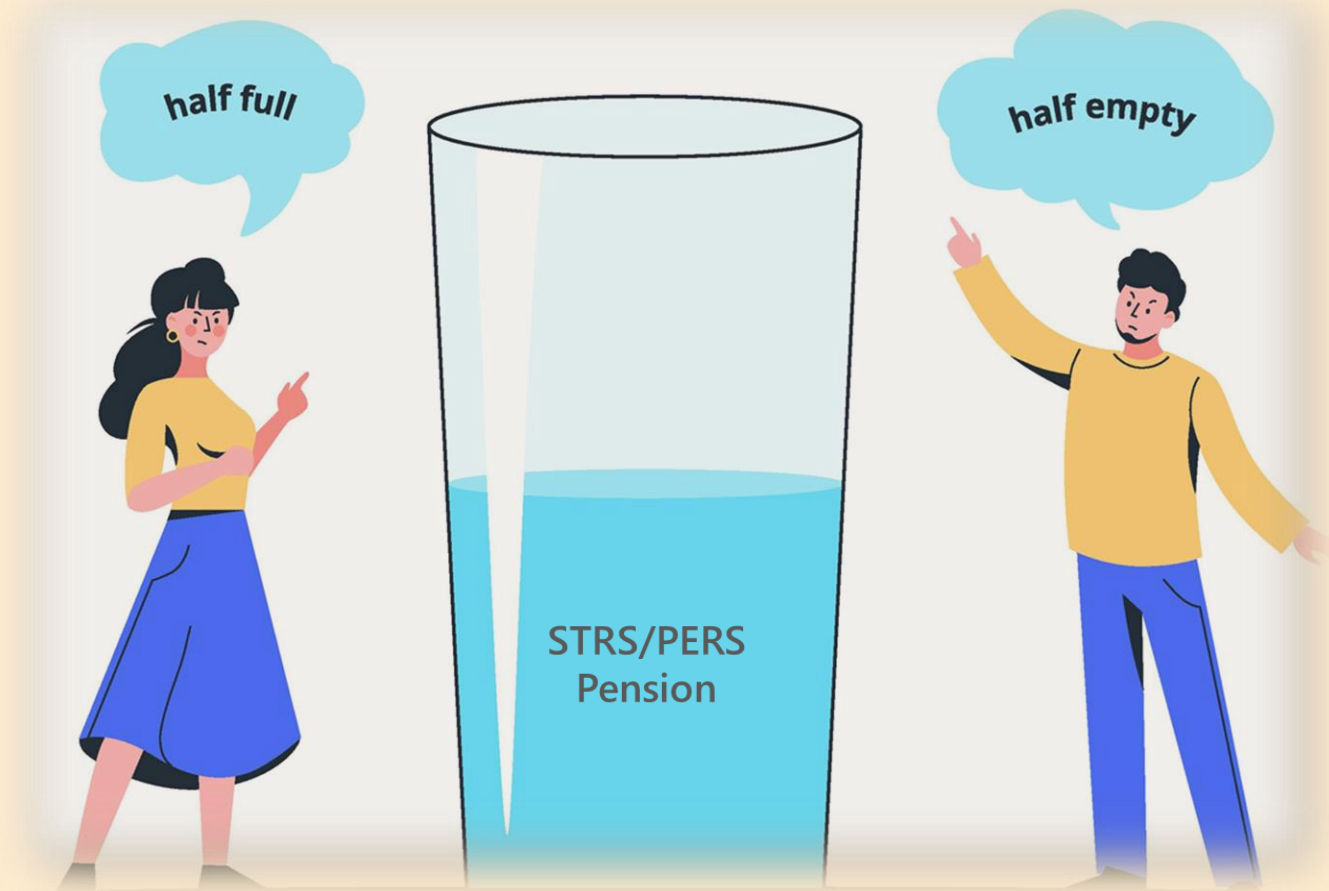
The Educator's Retirement

- **Health Insurance**
- **Long-Term Disability Insurance**
- **Life Insurance**
- **Other CTA and NEA Member Benefits**

Many educators don't realize that your pension is a great starting point, but it's only half of the story.

YOU HAVE A PENSION

So, why do CTA members need to consider a personal supplementary retirement plan?



Quick Summary of CalSTRS Pension

"The Formula"



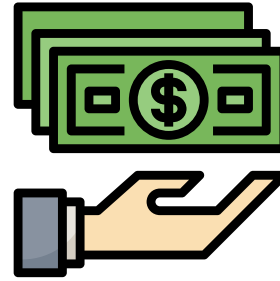
Service Credits

X



Age Factor

X



Final Salary

=



Pension Estimate

Hired before 2013 - Use the 2% at 60 table

Hired 2013 or later- Use the 2% at 62 table

Quick ESTIMATE of CalSTRS Pension

"The Formula"

CalSTRS 2% at 60 – Members first hired before January 1, 2013, to perform CalSTRS creditable activities.

2% at Age 60 Formula		Service Credits															
Retirement Age	Age Factor	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
60	2.00%	40%	42%	44%	46%	48%	50%	52%	54%	56%	58%	66%	68%	70%	73%	75%	77%
61	2.13%	43%	45%	47%	49%	51%	53%	55%	58%	60%	62%	70%	72%	75%	77%	79%	82%
62	2.27%	45%	48%	50%	52%	54%	57%	59%	61%	64%	66%	72%	74%	77%	79%	82%	84%
63	→ 2.40%	48%	50%	53%	55%	58%	60%	62%	65%	67%	70%	72%	74%	77%	79%	82%	84%
64	2.40%	48%	50%	53%	55%	58%	60%	62%	65%	67%	70%	72%	74%	77%	79%	82%	84%
65	2.40%	48%	50%	53%	55%	58%	60%	62%	65%	67%	70%	72%	74%	77%	79%	82%	84%



Replace < 65%



Replace 65% to 74%



Replace 75%+

Quick Summary ESTIMATE of CalSTRS Pension

"The Formula"

CalSTRS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalSTRS creditable activities.

2% at Age 62 Formula		Service Credits															
Retirement Age	Age Factor	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
60	1.76%	35%	37%	39%	40%	42%	44%	46%	48%	49%	51%	53%	55%	56%	58%	60%	62%
61	1.88%	38%	39%	41%	43%	45%	47%	49%	51%	53%	55%	56%	58%	60%	62%	64%	66%
62	2.00%	40%	42%	44%	46%	48%	50%	52%	54%	56%	58%	60%	62%	64%	66%	68%	70%
63	2.13%	43%	45%	47%	49%	51%	53%	55%	58%	60%	62%	64%	66%	68%	70%	72%	75%
64	2.27%	45%	48%	50%	52%	54%	57%	59%	61%	64%	66%	68%	70%	73%	75%	77%	79%
65	2.40%	48%	50%	53%	55%	58%	60%	62%	65%	67%	70%	72%	74%	77%	79%	82%	84%
66	2.40%	48%	50%	53%	55%	58%	60%	62%	65%	67%	70%	72%	74%	77%	79%	82%	84%
67	2.40%	48%	50%	53%	55%	58%	60%	62%	65%	67%	70%	72%	74%	77%	79%	82%	84%



Replace < 65%



Replace 65% to 74%



Replace 75%+

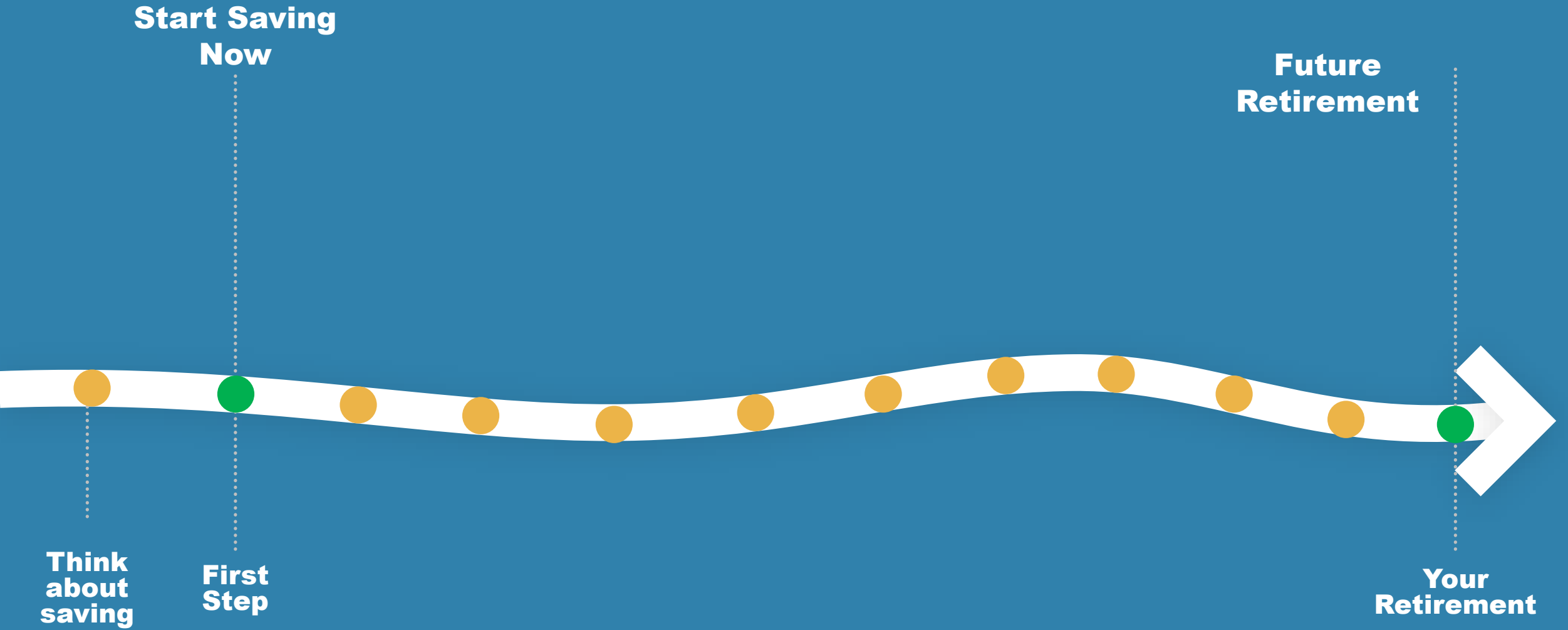
What Does This Mean To Me?

Retire in Your 60s	Years of Service	Estimated Pension
	20-25	50% - 60%
	25-30	60% - 70%
	30+	70% plus



The numbers above are a broad approximation of what to expect from your CalSTRS pension. We encourage CTA members to obtain credentials for the CalSTRS website, so you can get an estimate of your retirement benefits based on your personal information.

The Most Important Step... is the First Step



Why a 403(b) Works for Educators



Invest in Your Future

- 1) It forces you to save for retirement
- 2) The money is invested before you can spend it
- 3) Regular contributions each month
- 4) Professional money management
- 5) Tax advantages [Pre-tax or After-Tax (ROTH)]

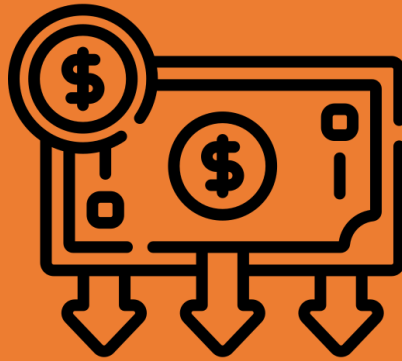
A Success Formula for Your Retirement Savings

Contributions



Maximize

Expenses
Distributions
Loans



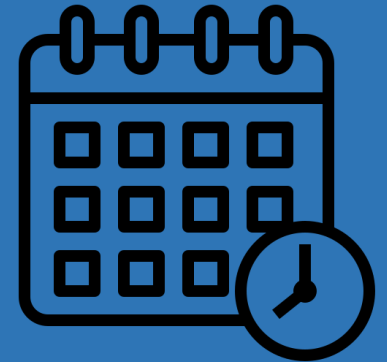
Minimize

Rate of Return



Growth

Time



Start Now

**NOT ALL
403(B)
PLANS ARE
ALIKE**



www.403bcompare.com

403bCompare

Provided by CALSTRS

MY NEXT STEPS **3** FIND EMPLOYER COMPARE PRODUCTS BROWSE VENDORS HELP & RESOURCES

REGISTER

SIGN IN

Why does CalSTRS provide
403bCompare.com?

Watch Now



My Next Steps >

A checklist to help guide you in selecting your best retirement savings option.



Compare Products >

Browse and compare fees, returns and services to find your best option.



Help & Resources >

Learn more about 403(b) basics, retirement planning and investing.



USER GUIDE



GLOSSARY

Employer Detail

Acalanes Union High School District

Set as Employer

The district hires a Third-Party Administrator (TPA) to perform the administrative function for all 403(b) plans.

County: Contra Costa

Contact Information

Use the following contact information for questions regarding your employer's 403(b) plan.

Name: Envoy Plan Services
Phone: (800) 248-8858
E-mail: [Send Email](#)
Website: [Visit Website](#)

Plan Details

View the 403(b) Plan Document for information on loans, transfers distributions, contribution limits, and eligibility.

403(b) Plan Document Not Provided

Roth Eligible: Yes

The district decides if available plans may offer a Roth (post-tax contribution) option.

Approved Vendors

Below is a list of 403(b) vendors approved by your employer. You must contact a vendor from this list to open an account before initiating contributions. Select a **Vendor Name** to view details about the vendor and a list of available products.

Vendor ID	Vendor Name
1062	American Fidelity Assurance Company
1057	American Funds Distributors, Inc. (AFD)
1035	Americo Financial Life and Annuity Insurance Company/Great Southern Life Insurance Company
1041	Ameriprise Financial Inc.
1055	Bank of America

Initiate or Change Contributions

After opening an account with an approved vendor, use the link below to start contributing or to make changes to your contributions.

[Salary Reduction Agreement](#)

Acalanes Union High School District: 24 Vendors*

Vendor Name

1062	American Fidelity Assurance Company
1057	American Funds Distributors, Inc. (AFD)
1035	Americo Financial Life and Annuity Insurance Company/Great Southern Life Insurance Company
1041	Ameriprise Financial Inc.
1097	CalSTRS Pension2
1117	Corebridge Financial
1926	CTA Voluntary Retirement Plans for Educators, LLC
1067	Equitable Financial Life Insurance Company
1133	Fidelity Investments
1042	Fiduciary Trust Company of New Hampshire
1025	Franklin Templeton Investments
1113	GWN Securities, Inc
1121	Invesco (formerly OppenheimerFunds)
1108	Jackson National Life Ins. Co.
1029	Lincoln Nat'l Life Ins Co (Lincoln Financial Group), The
1024	Metropolitan Life Insurance Company
1043	Midland National Life Insurance Company

Vendor Name

1036	National Life Group through member company Life Insurance Company of the Southwest
1083	New York Life Ins. & Annuity Corp.
1148	Orion Portfolio Solutions (Formerly FTJ FundChoice LLC)
1022	Security Benefit
1038	Thrivent Financial AKA Thrivent Financial for Lutherans, Thrivent Mutual Funds
1102	Vanguard Group, The
1060	Voya - ReliaStar Life Insurance Company

Are you more concerned about...



**Short-term volatility
in financial markets**



**Not having enough
money in retirement**

TWO RISKS TO YOUR FUTURE RETIREMENT



Volatility

**Financial
markets recover**



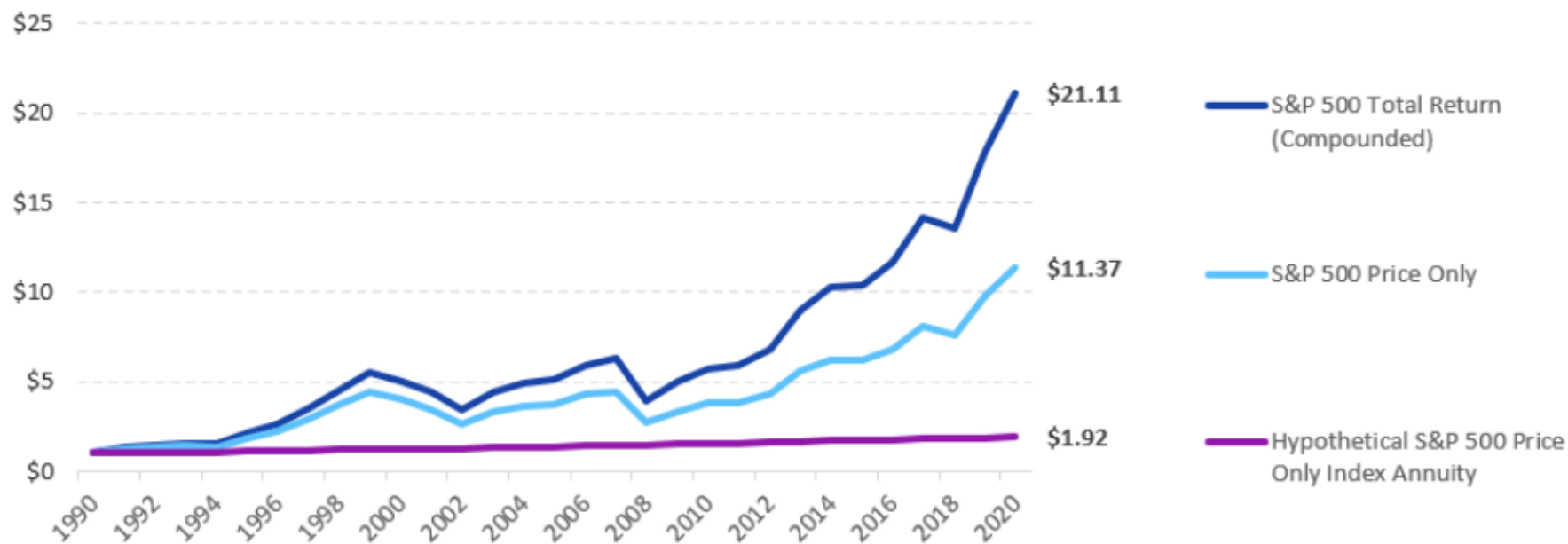
Inflation

**The loss of
purchasing power is
permanent**

While these are two risks to take into consideration for your future retirement, there are many other risks to consider as well.

Annualized Returns Hypothetical Index Annuity vs. S&P 500 1990 – 2020

Growth of \$1 for the past 30 years



- Suppose you invested \$1 in each of these 3 investments 30 years ago (12/31/1990).
- Even though we have experienced 3 major equity market corrections during this period (2000 – 2002, 2007 – 2008, and Spring 2020), there is significantly less money available for retirement 30 years later in the indexed annuity product than the S&P Index.
- Why?
Even though index annuity does offer short-term downside protection, the opportunity cost is so much higher.

Annualized Returns Hypothetical Index Annuity vs. S&P 500 1947 – 2020

Each point along the lines above represents a 10-year annualized return for 3 different investments

Products that Fight Volatility

403(b) PRODUCTS

Fixed Annuities
Index Annuities

GOAL



Bond Replacement
Manage Market Volatility

TRADEOFF



Modest Growth Potential

RISK



Inflation

Products that Fight Inflation

403(b) PRODUCTS

Variable Annuities
Mutual Funds

GOAL



Typically, More
Growth Oriented

TRADEOFF



Short-Term Volatility

RISK



Inflation

Why GROWTH is so important when you are saving for retirement!



CTA Cindy
Educator works 25 years
Saves \$300 per month into 403(b)



\$90,000
Contributions

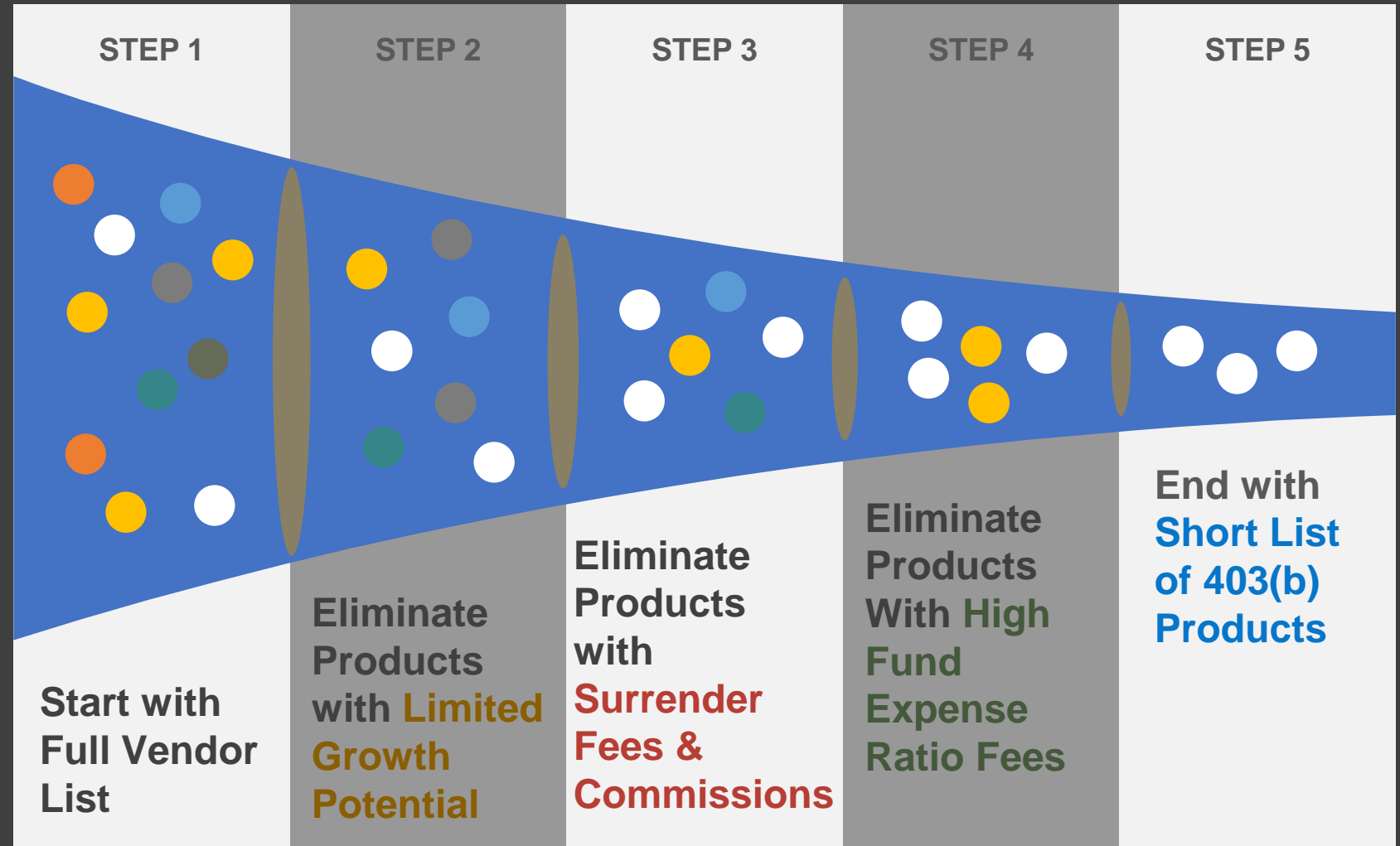
Hypothetical Return	8%	6%	4%	3%	2%	1%
Ending Account Balance	\$229,300	\$178,975	\$140,902	\$125,469	\$112,012	\$100,266
Contributions	-\$90,000	-\$90,000	-\$90,000	-\$90,000	-\$90,000	-\$90,000
Growth of Account	\$139,300	\$88,975	\$50,902	\$35,469	\$22,012	\$10,266

Growth Oriented

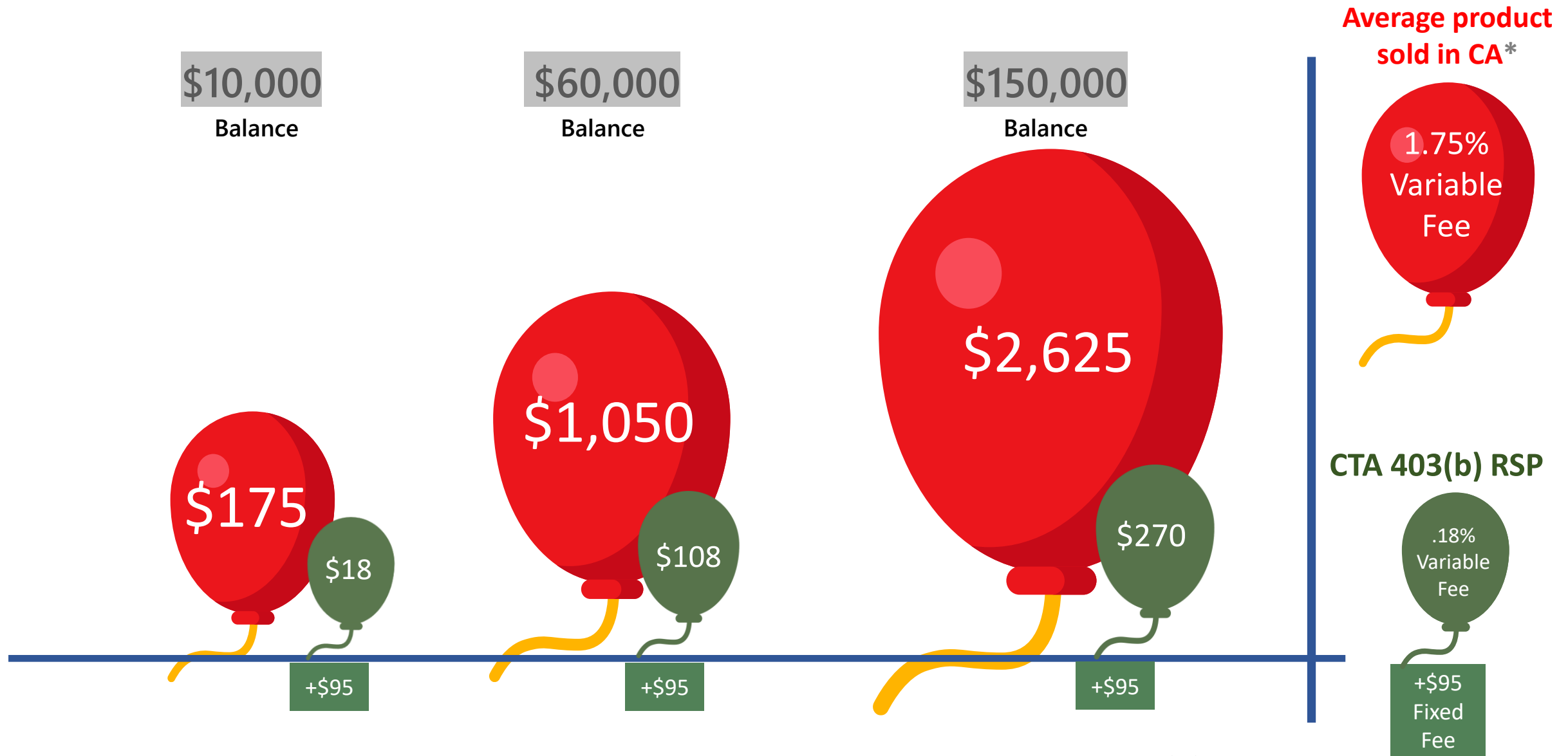
Low Risk / Low Return

This slide provides a hypothetical comparison of returns over 25 years. It does not represent any particular investment and does not represent the return of any actual investor. This comparison is offered to illustrate the potential or hypothetical difference in returns over a longer period of time.

WHAT TO CONSIDER WHEN EVALUATING 403(b) PLANS:



Two Primary Fee Types in a 403(b): Fixed and Variable



* Average 403(b) expense ratio of 1.75% per year based on a survey of variable annuity and mutual fund products on www.403bcompare.com as of 12/31/2022. The CTA program fees calculated on an annual fee of \$95 per year plus an average expense of 0.18%. Assumes a 6% rate of return on account balance annually.

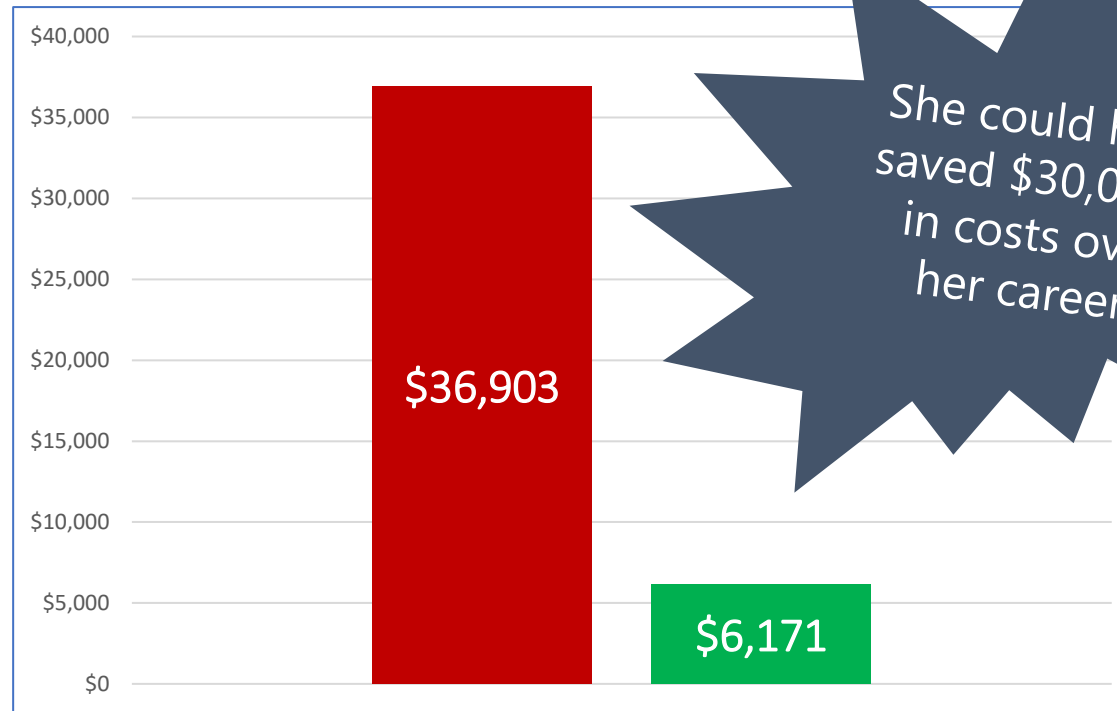
The Hypothetical Fees of an Average 403(b) Product Over a Career*



CTA Cindy

She works 25 years

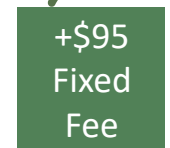
Saves \$300 per month into 403(b)



Average product sold in CA*



CTA 403(b) RSP



* Average 403(b) expense ratio of 1.75% per year based on a survey of variable annuity and mutual fund products on www.403bcompare.com as of 12/31/2020. The CTA program fees calculated on an annual fee of \$95 per year plus an average expense of 0.18%. Assumes a 6% rate of return on account balance annually.

Acalanes Union High School District: 24 Vendors*

Vendor Name

1062	American Fidelity Assurance Company
1057	American Funds Distributors, Inc. (AFD)
1035	Americo Financial Life and Annuity Insurance Company/Great Southern Life Insurance Company
1041	Ameriprise Financial Inc.
1097	CalSTRS Pension2
1117	Corebridge Financial
1926	CTA Voluntary Retirement Plans for Educators, LLC
1067	Equitable Financial Life Insurance Company
1133	Fidelity Investments
1042	Fiduciary Trust Company of New Hampshire
1025	Franklin Templeton Investments
1113	GWN Securities, Inc
1121	Invesco (formerly OppenheimerFunds)
1108	Jackson National Life Ins. Co.
1029	Lincoln Nat'l Life Ins Co (Lincoln Financial Group), The
1024	Metropolitan Life Insurance Company
1043	Midland National Life Insurance Company

Vendor Name

1036	National Life Group through member company Life Insurance Company of the Southwest
1083	New York Life Ins. & Annuity Corp.
1148	Orion Portfolio Solutions (Formerly FTJ FundChoice LLC)
1022	Security Benefit
1038	Thrivent Financial AKA Thrivent Financial for Lutherans, Thrivent Mutual Funds
1102	Vanguard Group, The
1060	Voya - ReliaStar Life Insurance Company

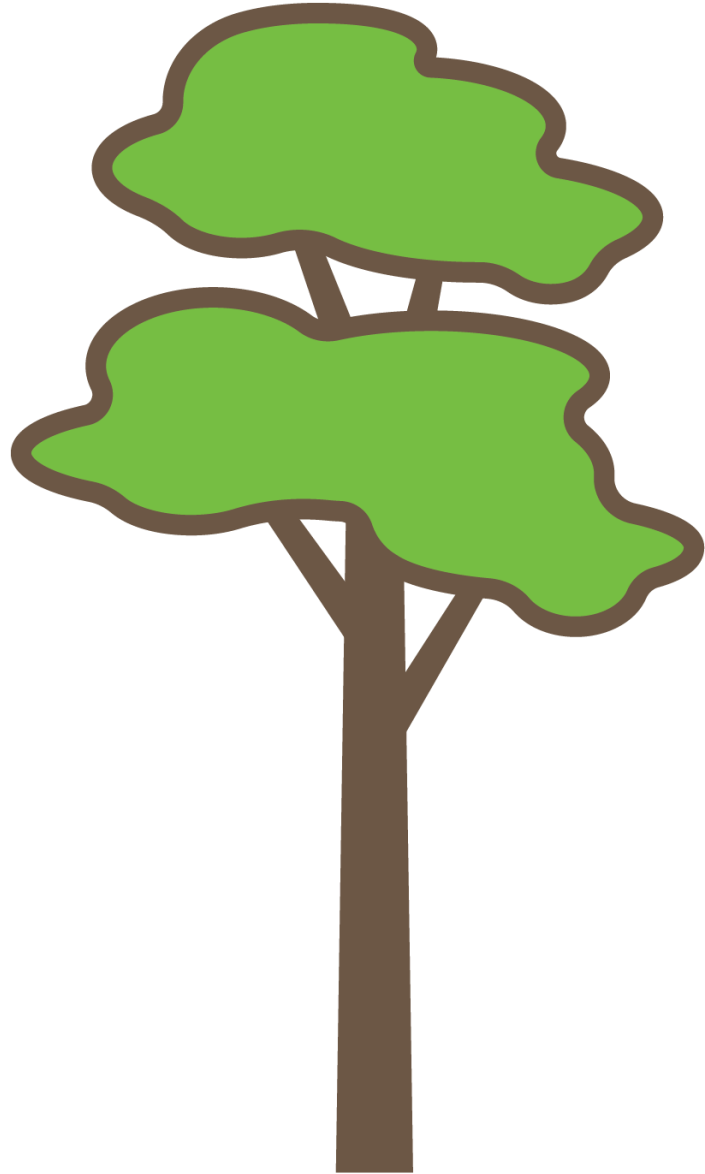


Welcome to the 403(b) Cost Calculator



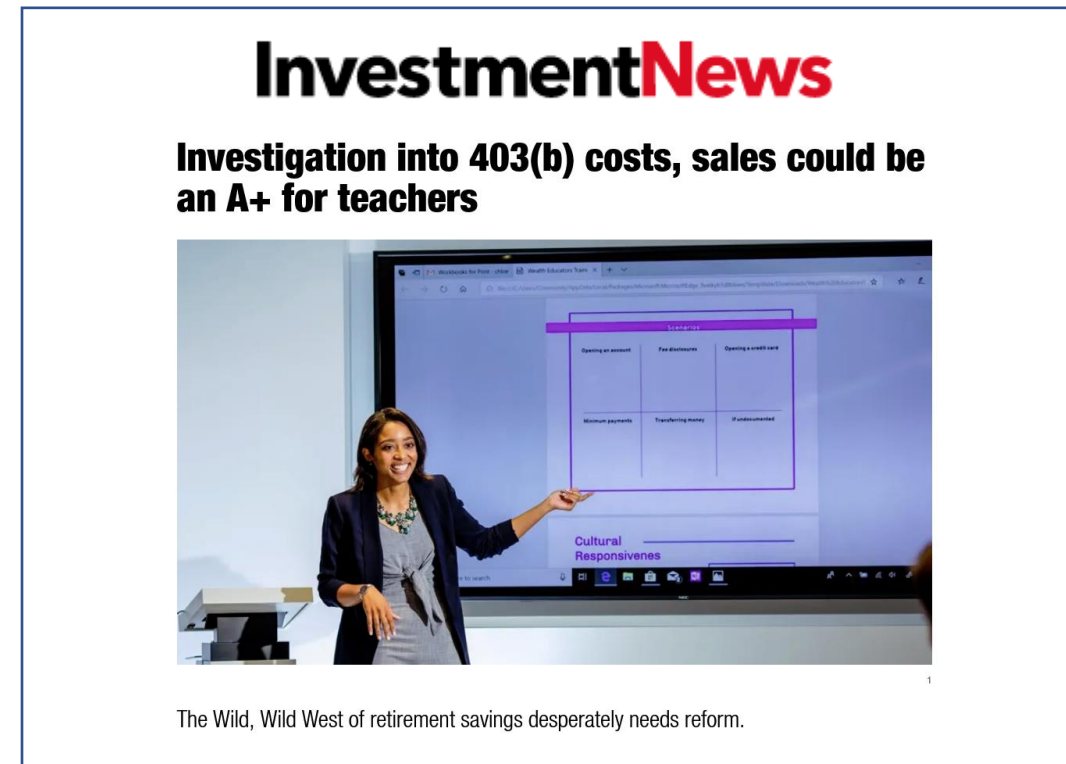
<https://review.ctaretirementplan.org/>





THE CTA 403(B) RETIREMENT SAVINGS PLAN

A Long History of Questionable 403(b) Products and Sales Tactics







The articles above were found using a google search with the following search words, "bad 403b products articles". For further information please search google to find direct links to these articles and others. The opinions of the authors of these articles are their own and do not necessarily represent the opinions of the California Teachers Association, CTA, VRPE or Prudent Investor Advisors, LLC.

Did you know?

The CTA 403(b) Retirement Savings Plan

Designed by CTA
with its mission in mind... *to protect and promote the well-being of its members.*

World-Class Money Management	Low Cost	Union Advocacy
BLACKROCK Vanguard PIMCO	 Fixed Fee  No commissions, no surrender fees	 Fiduciary Hotline  Free Review or Second Opinion

As of January 1, 2020, the CTA 403(b) program offers funds from BlackRock, Vanguard and Pimco. The CTA program offers much lower cost than the 1.75% average cost of a 403(b) in California according to 403bcompare.com.

The CTA 403(b) Retirement Savings Plan

“DO IT FOR ME INVESTING”

BLACKROCK LIFEPATH INDEX FUNDS

Life stage	Key risks	LifePath approach
Early career	Saving enough	Seeks growth to help overcome low savings rates
Mid career	Managing market volatility	Seeks to reduce volatility to help provide stability as retirement nears
In retirement	Managing lifetime income	Seeks to provide consistent spending to help overcome outliving savings

The CTA 403(b) Retirement Savings Plan

Fiduciary Advisors

Always Advice in Your best Interest



CTA 403(b) Retirement Savings Plan

Investment Advisors



Access to Experienced Financial Professionals



Founded 2004
SEC Registered Investment Advisor
Headquarters in Folsom, CA



\$1.3 billion under management
As of December 31, 2022



Support more than 2,700 educators
in California through the CTA
403(b) program



Average Prudent financial
professional working with CTA
members has twenty years of
industry experience



Fiduciaries who always provide
advice in your best interest



Exclusive financial advisors to the
CTA 403(b) Retirement Savings Plan

The CTA 403(b) Retirement Savings Plan

- Flat Annual Fee: \$95
- About \$8 per month

- Plus, low-cost mutual fund expenses, about \$18 per year for every \$10,000 invested.



New Saver Discount

- CTA Member in Good Standing and...
 - New Member 3 years or less; or
 - Any member who does not have a 403(b) or 457
-
- About \$4 per month or \$47.50 per year for the first two years.
 - Then it returns to regular fee of \$95 flat per year



CTA 403(b) Enrollment is Simple



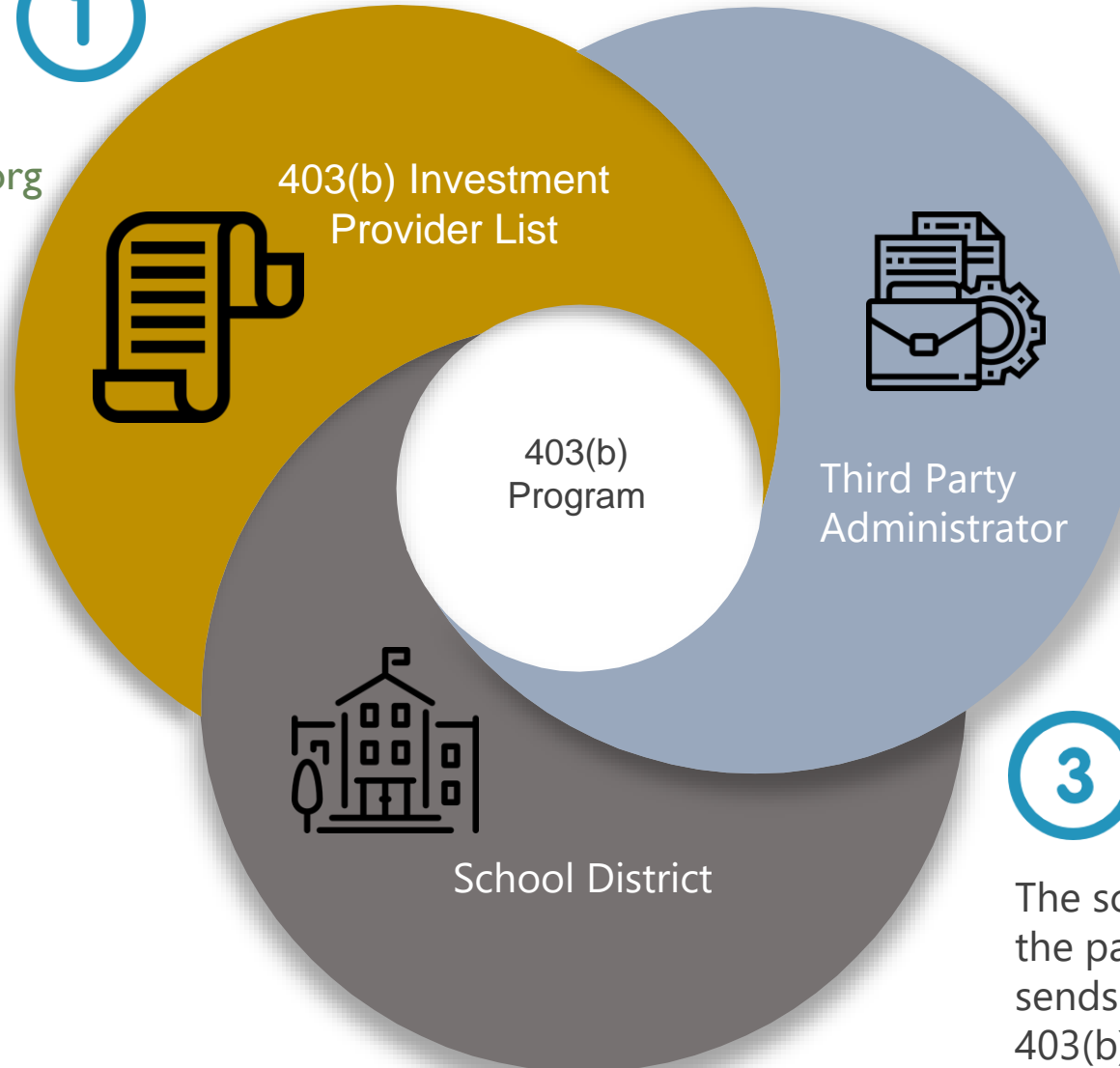
Quick online enrollment:

1

enroll.ctaretirementplan.org



Opening an account is simple and takes just 5-7 minutes online.



2

Your homework:
Contact your district to initiate contributions.



You complete the **Salary Reduction Agreement (SRA)** and turn it in to the district's Third-Party Administrator.

3

The school district provides the payroll function and sends money to the CTA 403(b) through the TPA.



Helping Educators Plan For Retirement

FREE CTA 403(b) CONSULTATION SERVICE

Do you have concerns about your current 403(b) plan?

- ✓ Don't understand your plan
- ✓ Don't know what plan fees you are paying
- ✓ Don't know what kind of investments are in your plan
- ✓ Poor service or no service at all from your current advisor
- ✓ General trust issues with your current advisor or financial company

Schedule a 1:1 Virtual Appointment



CTA 403b Retirement Savings Plan

Questions?

Remember the
New Saver
Discount!



Gary Allen

CTA 403(b) Retirement Savings Plan

Tel: 916.235.9800

Email: team@ctaretirementplan.org

FREQUENTLY ASKED QUESTIONS



Moving to the CTA 403(b) RSP

If you have other retirement savings accounts, either currently or from a former employer, you may be able to exchange those plans and consolidate them into the CTA plan. There are important things to consider before making an exchange or rollover, including surrender fees, the regulations governing your former employer's plan, and possible tax implications.

Does the CTA 403(b) RSP give me a choice of where to invest my money?

When you sign up for the CTA Plan using the quick enrollment option, you will be automatically enrolled in a LifePath target date fund that corresponds to your age. This fund is managed by BlackRock, one of the largest mutual fund managers in the world. If you prefer to create your own investment mix the CTA Plan has a variety of fund options. You can find them at enroll.CTaretirementplan.org. And, you can change your investment options at anytime.

What is a LifePath target date fund?

A target date fund is a mix of investments that automatically adjusts over time to help make sure you are in a diversified portfolio that corresponds to your age. This is a very popular choice with educators. About 90% of educators in the CTA 403(b) Plan are using the target date fund.

What happens if I change school districts?

The money you have saved is yours and will stay in your account. When you start your new job, you will need to open a new account and complete a new salary reduction agreement so new money can be invested in the plan. You can roll over the original account into the new district account or keep them separate. Unlike some 403(b) plans, there are no fees or charges for rolling over your CTA Plan to a new CTA account.

How much money should I set aside from each paycheck?

One of the smartest things you can do is to start saving at an early age, that way you have the power of compound interest to help your money grow. If you are not sure how much to start with, try \$100 per month as a starting point. You can always increase your savings rate as your situation changes, the important thing is to just start.

Contacting STRS

www.calstrs.com/contact-us

Contacting PERS

www.calpers.ca.gov/page/contact

TERMS AND CONDITIONS

NO INVESTMENT ADVICE

The Content is for informational purposes only, you should not construe any such information or other material as legal, tax, investment, financial, or other advice of any kind. Nothing contained in this presentation constitutes a solicitation, recommendation, endorsement, or offer by Prudent Investor Advisors (Prudent) to buy or sell any securities or other financial instruments in this or in any other jurisdiction in which such solicitation or offer would be unlawful under the securities laws of such jurisdiction.

All Content in the presentation is information of a general nature and does not address the circumstances of any particular individual or entity. Nothing in the presentation constitutes professional and/or financial advice, nor does any information in the presentation constitute a comprehensive or complete statement of the matters discussed or the law relating thereto. Prudent is not a fiduciary by virtue of any person's use of or access to this presentation. You alone assume the sole responsibility of evaluating the merits and risks associated with the use of any information or other Content in the presentation before making any decisions based on such information or other Content. In exchange for participating in this presentation or viewing it afterwards, you agree not to hold Prudent, its affiliates or any third-party service provider liable for any possible claim for damages arising from any decision you make based on information or other content made available to you through this presentation.

INVESTMENT RISKS

There are risks associated with investing in securities. Investing in stocks, bonds, exchange traded funds, mutual funds, and money market funds involve risk of loss. Loss of principal is possible. Some high-risk investments may use leverage, which will accentuate gains & losses. Foreign investing involves special risks, including a greater volatility and political, economic and currency risks and differences in accounting methods. A security's or a firm's past investment performance is not a guarantee or predictor of future investment performance.

THIRD PARTY LINKED SITES

As a convenience to you, Prudent may provide hyperlinks to web sites operated by third parties in this presentation. When you select these hyperlinks you will be leaving this presentation. Because Prudent has no control over such sites or their content, Prudent is not responsible for the availability of such external sites or their content, and Prudent does not adopt, endorse or nor is responsible or liable for any such sites or content, including advertising, products or other materials, on or available through such sites or resources.

MODIFICATIONS

Prudent may amend or change the contents of this presentation at any time in its discretion for future events. Prudent is not responsible to provide updates to anyone who has viewed previous versions of this presentation.





CALIFORNIA
TEACHERS
ASSOCIATION

Helping Educators Plan For Retirement

The CTA Retirement Savings Plan



SHARE THE STORY....

The only 403(b) plan endorsed by your union.

Beware 403(b) Sales Tactics

1

Our 403(b) product is endorsed by the union and/or district.

2

Offer of STRS/PERS pension review to set appointment to sell 403(b) product

3

Lack of disclosure regarding surrender fees/penalty periods.

4

Unreasonable illustrations concerning potential investment returns (insurance products).

5

The use of “bonus” returns to entice members to purchase an insurance product.

6

Recommendation by Agent/Advisor to transfer funds from one product to another (fee churn).

7

Our 403(b) program is the only choice available in the district.