

Security Benefit 457 Retirement Program



SECURITY BENEFIT®

457 Retirement Program

- Things You Already Know
- Things You May Not Know
- 457 Plan Basics

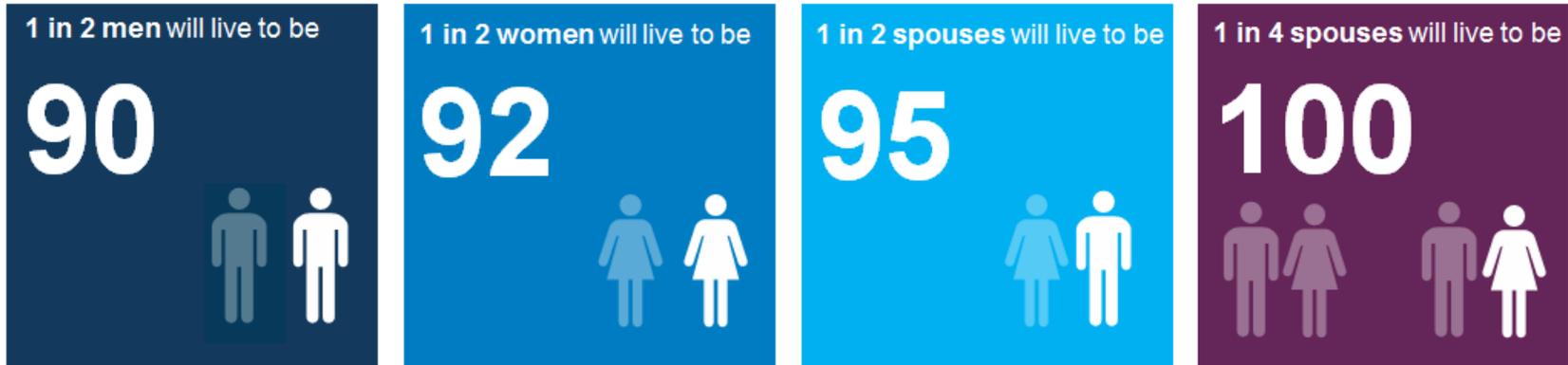
Things You Already Know



SECURITY BENEFIT®

Things You Already Know

We're living longer



Things You Already Know

Prices will continue to rise in retirement

ANNUAL GROCERIES ¹	NEW CAR ²	ANNUAL MEDICAL COSTS ³
		
TODAY'S COST		
\$8,503	\$34,648	\$11,364
IN 20 YEARS		
\$12,390	\$50,485	\$39,204

Source:

1 USDA Food Plans: <http://www.cnpp.usda.gov>. An inflation rate of 1.9% was used to calculate future grocery costs, and is derived using the latest Consumer Price Index. August 2017

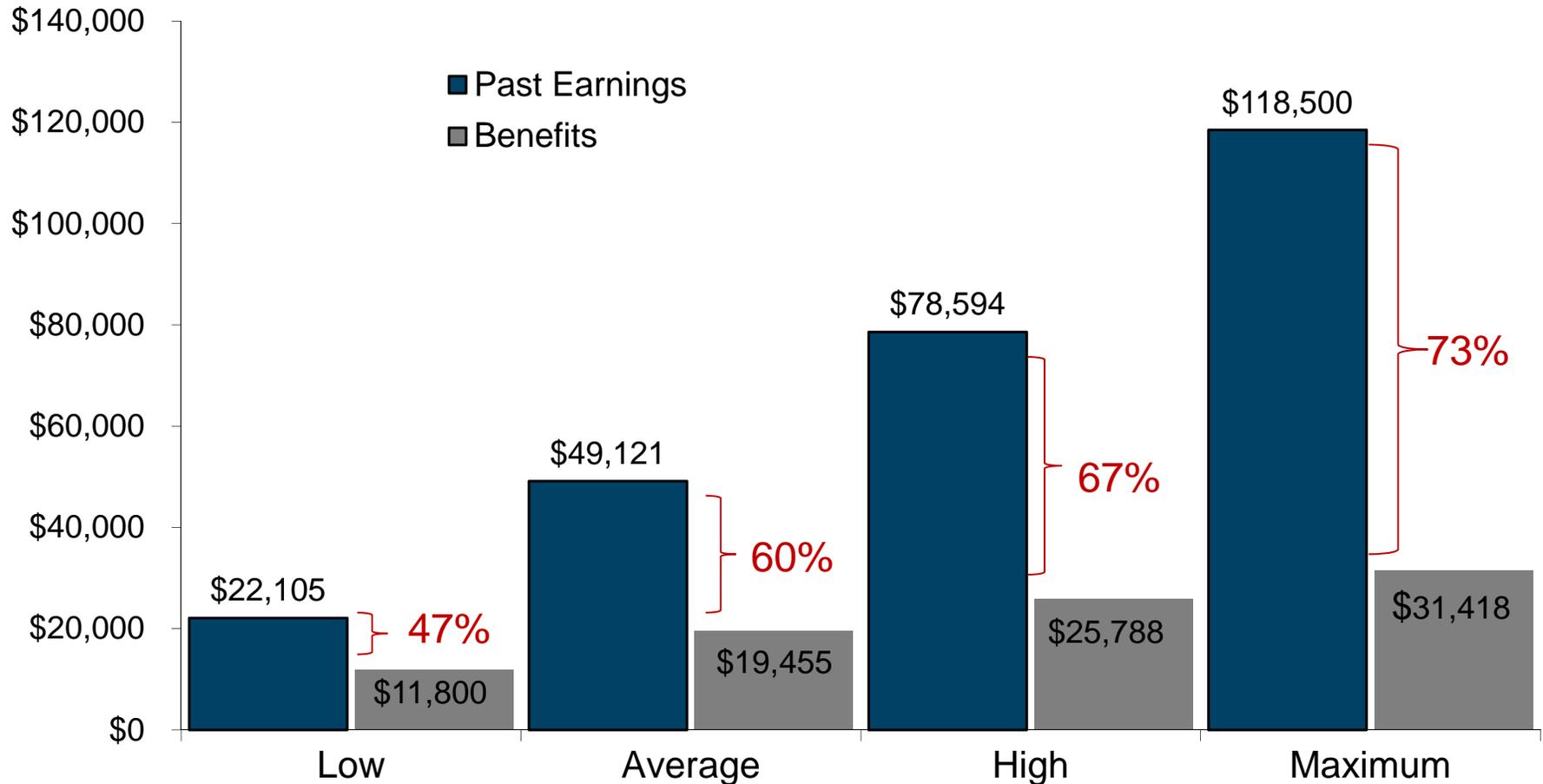
2 <https://mediaroom.kbb.com/2017-09-01-Average-New-Car-Prices-Up-Nearly-1-Percent-Year-Over-Year-Despite-Mixed-Results-For-Major-Automakers-According-To-Kelley-Blue-Book>. An inflation rate of 1.9% was used to calculate future new car costs, and is derived using the latest Consumer Price Index. August 2017

3 HealthView Services' 2017 Retirement Health Care Costs Data Report



Things You Already Know

Social Security may not be enough



Source: The 2016 Annual Report of the Board of Trustees of the Federal Old-age and Survivors Insurance and Federal Disability Insurance Trust Funds



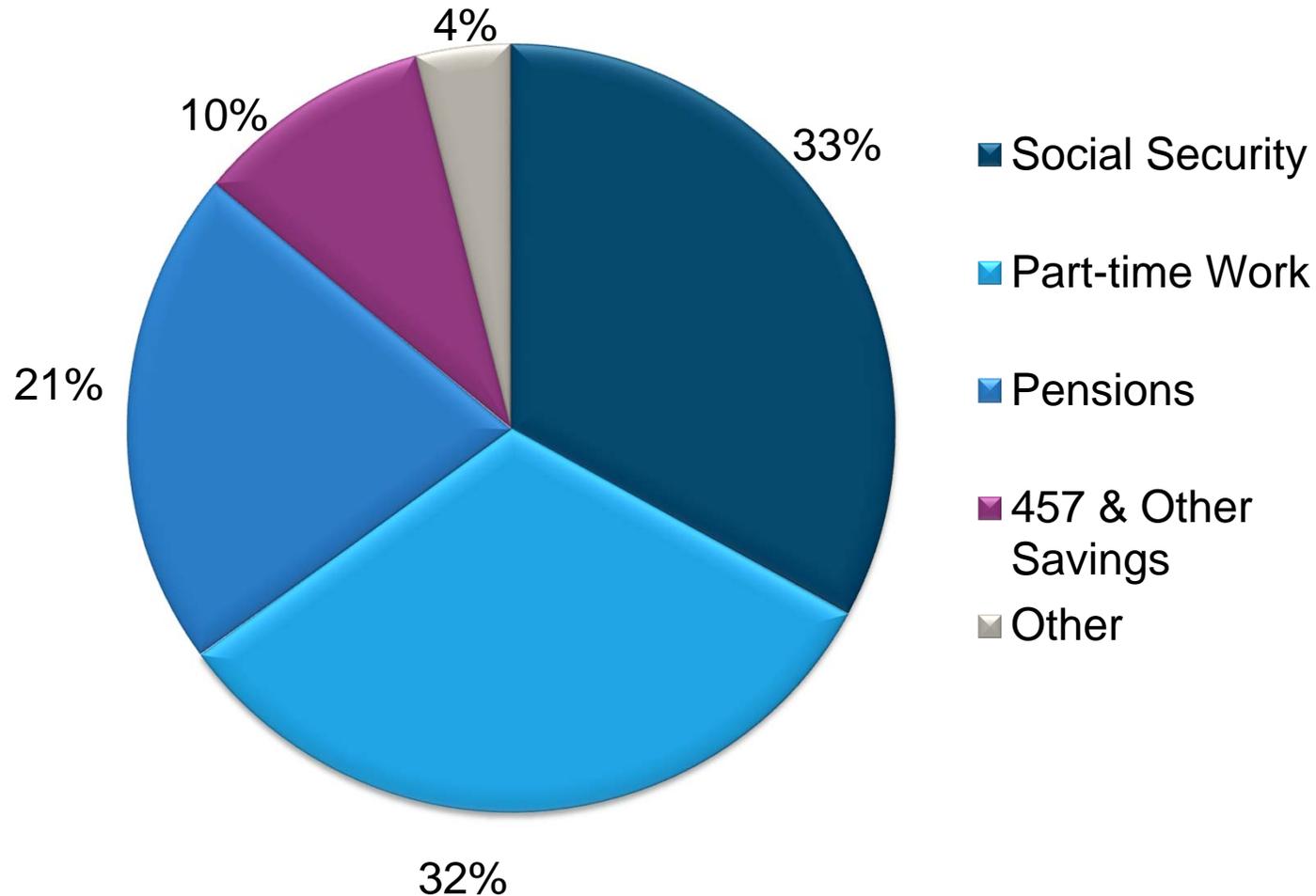
Things You May Not Know





Things You May Not Know

Sources of Retirement Income



Source: Social Security Income of the Aged Chartbook, 2014 - Shares of aggregate income, by source
https://www.ssa.gov/policy/docs/chartbooks/income_aged/2014/iac14.html

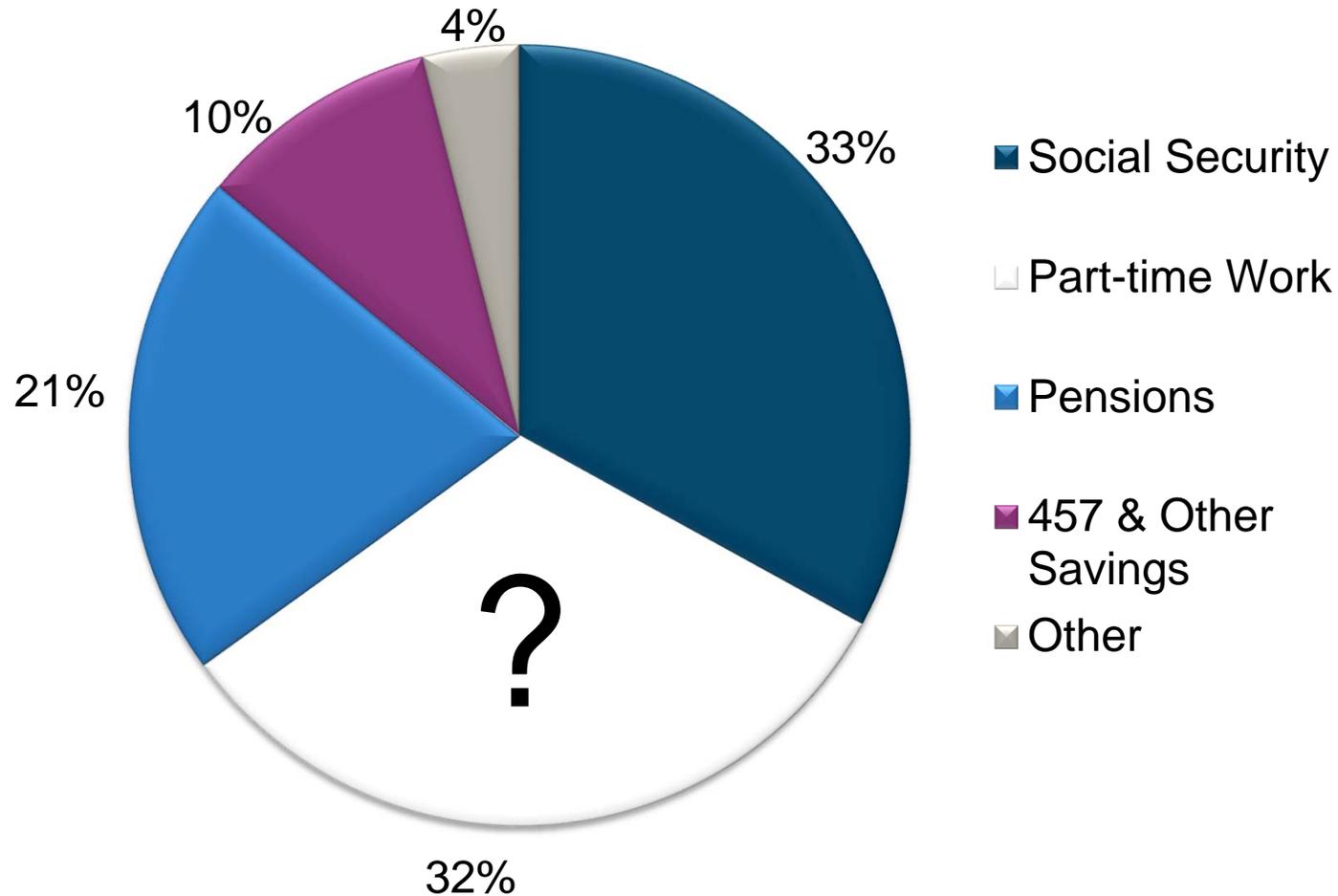
Does not equal 100% due to rounding.





Things You May Not Know

Sources of Retirement Income



Source: Social Security Income of the Aged Chartbook, 2014 - Shares of aggregate income, by source
https://www.ssa.gov/policy/docs/chartbooks/income_aged/2014/iac14.html

Does not equal 100% due to rounding.

Things You May Not Know

You may have to continue working



- Full time
- Part time
- Not at all

Things You May Not Know

Easy ways to start saving now

IF YOU GAVE UP TODAY



1 Movie Date
Per Week



1 Latte
Per Day



1 Family Dinner
Out Per Week

IN 30 YEARS YOU COULD HAVE

\$83,888

\$220,206

\$419,440

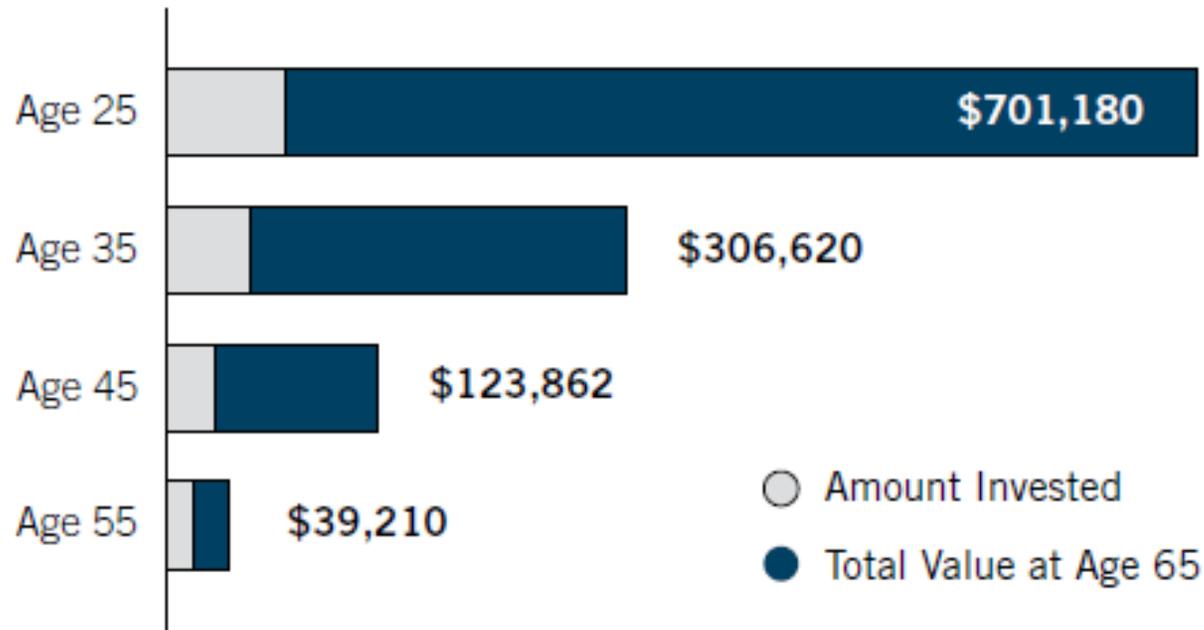
This hypothetical illustration assumes an 8% annual effective rate of return with ongoing contributions and 26 pay periods per year. There is no guarantee these figures will be attainable in the future. Returns are not indicative of the performance of any specific investment. Investing in mutual funds involves risk and there is no guarantee of investment results. Price assumptions: 2 movie tickets at \$10 each, latte at \$3.75, family dinner at \$50. Assumes 4% inflation of prices each year.



Things You May Not Know

In saving, time is more important than amount

Investing \$100 per paycheck at different stages of life



This hypothetical illustration assumes an 8% annual effective rate of return with ongoing contributions and 26 pay periods per year. The above illustration does not take into account the effect of any state or federal taxes. The performance of the investment is hypothetical and in no way relates to the actual or expected performance of any investment. The results of an investment may differ substantially. Investing involves risk and there is no guarantee of investment results.





Things You May Not Know

Your Net Pay May Go Up!

	After-Tax	Pre-Tax
Gross Income Per Pay Period	\$1,000	\$1,000
Pre-Tax Contributions	N/A	\$100
Current Taxable Salary	\$1,000	\$900
TAX (at 25%)	\$250	\$225
Take Home Pay	\$750	\$675
After Tax Savings	\$100	N/A
Net Take Home Pay After Savings	\$650	\$675
Tax Savings	\$0	\$25
Drop in Take Home Pay	- \$100	-\$75

Contributions to a tax-deferred account are taxed when withdrawn. Withdrawals from a tax-deferred account prior to age 59½ may be subject to a 10% Internal Revenue Code (IRC) penalty tax. (The IRS penalty tax does not apply to withdrawals from 457 Plan accounts.) Conversely, earnings from an investment that does not offer tax-deferral are taxed currently and withdrawals from such an investment are not subject to a penalty tax. Changes in tax rates, tax treatment of earnings, and lower maximum tax rates on capital gains and distribution may impact the comparative results. You should consider your personal investment horizon and income tax brackets, both current and anticipated, as they may further impact investment results. **This rate is an assumed federal tax rate and is used for illustration only. This example assumes no state taxes.



Things You May Not Know

You can have choices during retirement

Starting to plan and save now for your retirement may give you more options later.



- Part time
- Full time
- Not at all

457 Plan Basics



457 Plan Basics

The plan has two salary deferral parts

You make your own pre-tax or post-tax ROTH contributions to a 457 plan.

- Pre-tax – You pay no taxes now, you pay taxes when you withdraw money from your 457 account
- Post-tax (Roth) – You pay taxes now, but withdrawals may be totally tax-free at retirement

457 Plan Basics

Roth 457 Contributions

- ▶ A Plan Sponsor determines if Roth 457 contributions are available – not all offer
- ▶ Contributions are made after-tax
- ▶ Account growth is tax-deferred
- ▶ Qualified distributions are totally tax-free

457 Plan Basics

Roth 457 Contributions

Who can benefit the most from Roth 457 contributions?

Younger Individuals

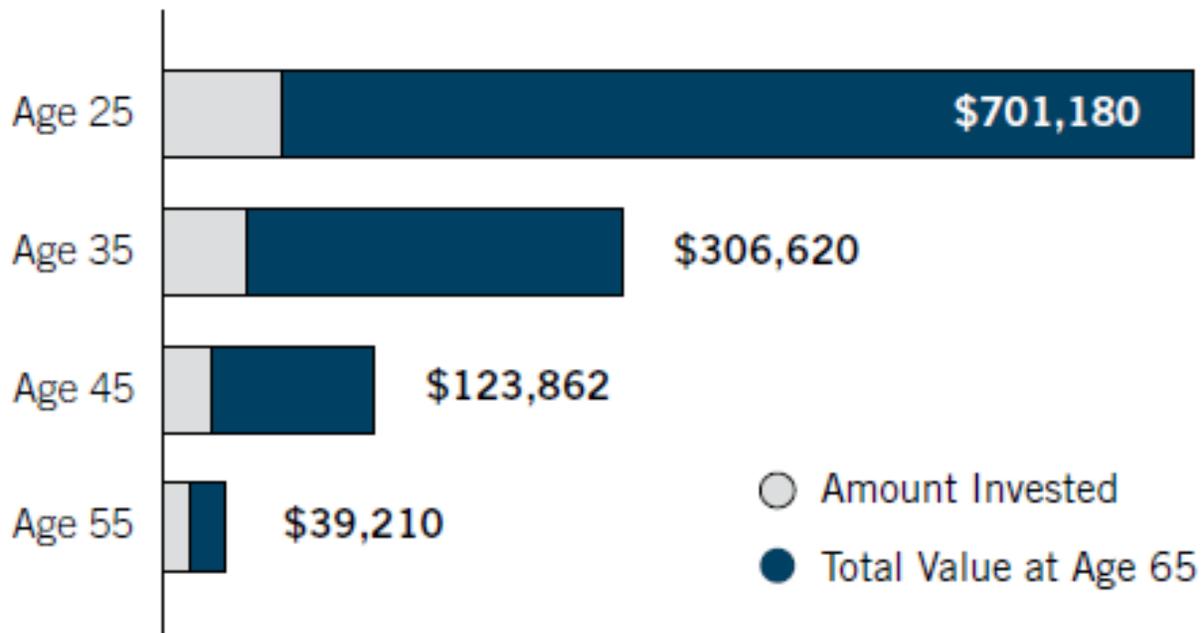
- ▶ A greater percent of their total account balance will be growth
- ▶ All of that growth may ultimately be distributed totally tax-free



457 Plan Basics

Roth 457 Contributions

The power of Roth 457 contributions –
Investing \$100 per paycheck at different stages of life



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457 Plan Basics

Maximum contributions

The Internal Revenue Code allows you to contribute up to the following limits:

Basic Limits	Catch-up Provision if Age 50 or Greater
\$18,500	\$6,000

457 Plan Basics

Can I take money out before I retire?

Yes, for

- Separation of service
- Loans (if allowed by plan)*
- Hardship Distribution
- Retirement
- Disability or death

*All withdrawals are subject to the plan's provisions and ordinary income tax. All withdrawals are subject to the plan's provisions.



457 Plan Basics

Two ways for you to invest

1. Pick a Target Date Fund
2. Pick from a Model Portfolio

Target date funds and mutual funds have risks associated with them and do not guarantee a profit or ensure protection from financial loss. The principal value of target date funds is not guaranteed at any time, including at or after the target date, which is the approximate date when investors turn age 65. The funds invest in a broad range of underlying mutual funds that include stocks, bonds, and short-term investments and are subject to the risks of different areas of the market. The funds emphasize potential capital appreciation during the early phases of retirement asset accumulation, balance the need for appreciation with the need for income as retirement approaches, and focus more on income and principal stability during retirement. The funds maintain a substantial allocation to equities both prior to and after the target date, which can result in greater volatility.



457 Plan Basics

How to get started

Contact your Financial Representative
today to get started!



You can do it!

With the right planning today, you could have the retirement you want tomorrow.



Working...

- Not at all
- Part time
- Full time



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SECURITY BENEFIT[®]

TO AND THROUGH RETIREMENT



About Security Benefit



Security Benefit has become one of the fastest-growing companies in the U.S. retirement market.

Through a combination of innovative products, exceptional investment management and a unique distribution strategy, Security Benefit has become a leader in a full range of retirement markets and wealth segments.