LUNCH & LEARN: PLACER COUNTY DEFERRED COMPENSATION PLANS

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LCN-2138078-060118

AGENDA

- Introduction
- Why Save More
- Pre-Tax vs. ROTH
- How Much to Save
- How to Invest
- Managing Your Account

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LINCOLN FINANCIAL GROUP

- Retirement plan provider for over 50 years
- More than $67 billion in retirement plan assets*
- Serving more than 20,000 plans and 1.5 million participants*
- Personal deferred compensation plan assistance from an experienced retirement consultant
- Award-winning communication and education

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*Lincoln Retirement Plan Services, December 31, 2017

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YOUR RETIREMENT CONSULTANT

- Bob is local and dedicated to Placer County
- Industry-designated to help with a variety of retirement needs
- Available to meet one-on-one to:
  - Update your contribution amount
  - Update your beneficiary
  - Review your investment elections
  - Complete rollover forms (if you have other qualified plan assets you wish to roll into the plan)
  - Enroll if you want to start saving and aren't already enrolled
  - Meet with retirees to discuss needs and answer questions

Bob Cowsert
Lincoln Retirement Consultant

Schedule a 1:1 appointment at **LFG.com/placerschedule**
or call **877-562-4738**

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457 VS. 401K

457	401K
Allows for pre-tax and ROTH contributions	Allows for pre-tax and ROTH contributions
Employee contributions only	Eligible for employer contributions
Contribution limits for 2019: $19,000 before age 50 $26,000 age 50 and older	Contribution limits for 2019: $19,000 before age 50 $26,000 age 50 and older
Age 70 ½ in-service withdrawals	Age 59 ½ in-service withdrawals
Withdrawals at ANY age after separation of service are penalty free	Withdrawals prior to age 59 ½ are subject to 10% early withdrawal penalty
Loans are NOT permitted	Loans available allowed while working

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WHY SAVE MORE

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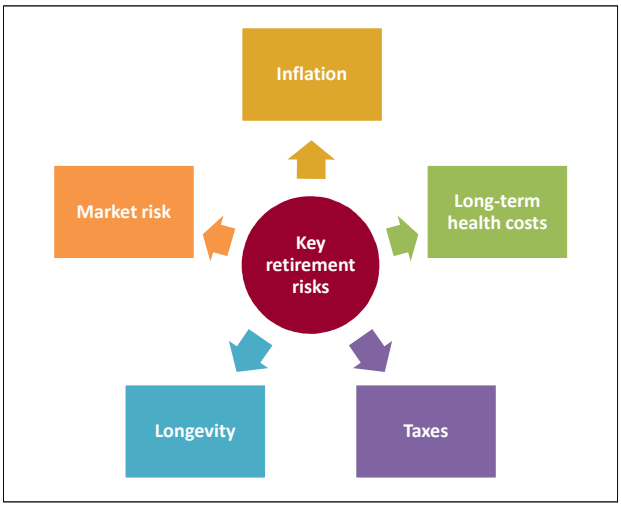
WHY SAVE MORE (cont'd)



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HOW MUCH TO SAVE

Start		Yearly Increase		Goal
6%	+	2%	=	15%
Start by contributing at least 6% of your salary		Look for ways to boost your contribution rate by 2% each year		Aim for 15% of your salary

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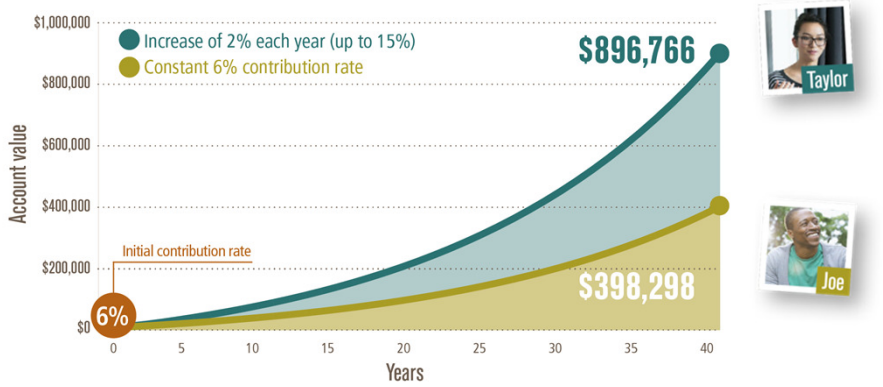
HOW MUCH TO SAVE: EXAMPLE



As you can see, by bumping up her savings, Taylor may be able to save nearly $500,000 more than Joe. A savings boost today can be rewarding down the road. Don't wait, increase your rate!

* This illustration assumes a $40,000 annual salary and a 6% rate of return compounded monthly in a tax-deferred account. This is a hypothetical example. It is not indicative of any product or performance and does not reflect any expense associated with investing. Taxes will be due upon distribution of the tax-deferred amount and, if shown, results would be lower. It is possible to lose money investing in securities.

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TRADITIONAL (PRE-TAX) VS. ROTH CONTRIBUTIONS

Traditional contributions	Roth contributions
• Are *pre-tax* dollars • Allow you to pay taxes later	• Are *after-tax* dollars • Require you to pay taxes now • If available, employer contributions are put into a traditional account and are subject to taxes when withdrawn.

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ARE ROTH CONTRIBUTIONS RIGHT FOR YOU?

- You're currently in a lower tax bracket and expect to be taxed at a higher rate in retirement
- You'd rather pay your taxes now instead of later

Example: Peak earners may want to pay taxes now instead of from their nest egg in retirement.

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TWO WAYS TO INVEST

MAKE AN ALL-IN-ONE CHOICE

Choose a Vanguard Target Retirement fund — a diversified portfolio in one investment option

- Vanguard Target Retirement 2015
- Vanguard Target Retirement 2020
- Vanguard Target Retirement 2025
- Vanguard Target Retirement 2030
- Vanguard Target Retirement 2035
- Vanguard Target Retirement 2040
- Vanguard Target Retirement 2045
- Vanguard Target Retirement 2050
- Vanguard Target Retirement 2055
- Vanguard Target Retirement 2060
- Vanguard Target Retirement Income

The target date is the approximate date when investors plan to retire or start withdrawing their money. Some target-date funds make no changes in asset allocation after the target date is reached; other target-date funds continue to make asset allocation changes following the target date. (See prospectus for the fund's allocation strategy.) The principal value is not guaranteed at any time, including at the target date. An asset allocation strategy doesn't guarantee performance or protect against investment losses. A "fund of funds" has an additional level of expenses.

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TWO WAYS TO INVEST (cont'd)

MANAGE IT YOURSELF

Choose your own diversified portfolio from the plan's investment menu

Stock

- MFS® Growth Fund Class R6
- Vanguard 500 Index Fund Adm
- Invesco Diversified Dividend Fund R6
- Vanguard Mid-Cap Index Fund Adm
- Prudential Jennison Small Company Fund Q
- DFA U.S. Small Cap Value Portfolio I
- American Funds International Growth and Income Fund R6
- Vanguard Developed Markets Index Fund Adm
- Oppenheimer Developing Markets Fund I

Balanced

- American Funds American Balanced Fund R6

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TWO WAYS TO INVEST (cont'd)

MANAGE IT YOURSELF

Choose your own diversified portfolio from the plan's investment menu

You can invest in a target date fund AND individual options if you wish

Bond

- Vanguard Real Estate Index Fund Adm
- Vanguard Inflation-Protected Securities Fund Adm
- Baird Aggregate Bond Fund I
- PIMCO Income Fund I
- Federated Government Ultrashort Duration Fund R6

Stable value

- Lincoln Stable Value Account

Self-directed brokerage account

- TD Ameritrade

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MANAGING YOUR ACCOUNT

- Easy-to-use website, mobile app, and planning tools
- Easy-to-read quarterly account statements
- Dedicated onsite retirement consultant
  - Personal assistance with account
  - Retirement savings strategy
  - Rollover assistance
- Lincoln Customer Contact Center
  - 800-234-3500
  - Representatives available Monday – Friday from 5:00 a.m. - 5:00 p.m. PT
  - Automated service available 24/7
  - Translation services available

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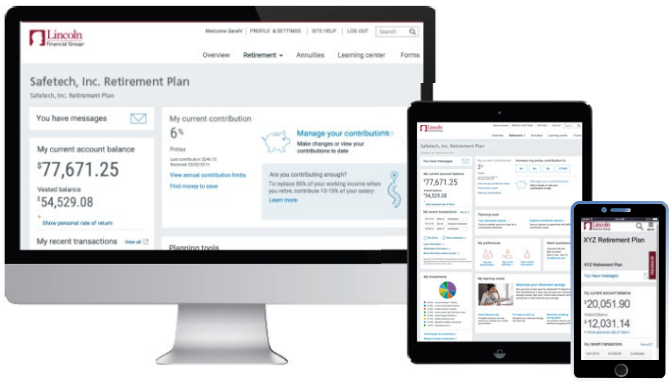
MANAGING YOUR ACCOUNT (cont'd)

- LincolnFinancial.com/Retirement
- Easy-to-use website and planning tools
- Available on your computer, tablet, or smartphone



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QUESTIONS?

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IMPORTANT INFORMATION

Mutual funds in the *Lincoln Alliance*® program are sold by prospectus. An investor should carefully consider the investment objectives, risks, and charges and expenses of the investment company before investing. The prospectus and, if available, the summary prospectus contain this and other important information and should be read carefully before investing or sending money. Investment values will fluctuate with changes in market conditions, so that upon withdrawal, your investment may be worth more or less than the amount originally invested. Prospectuses for any of the mutual funds in the *Lincoln Alliance*® program are available at 800-234-3500.

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Important note: This document highlights some of the key features of the Placer County deferred compensation plans. As with all Placer County benefits, eligibility for the benefits described as well as specific benefit plan provisions are governed exclusively by the official plan documents. In the unlikely event of a discrepancy between plan provisions outlined in the official plan documents and this document, the provisions of the official plan documents will prevail.

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