

your money, a magazine from WEA Member Benefits

your \$™

FALL 2021



A recipe for retirement

Stir up some ingredients for retirement success

your insurance

Help your claims process go through without a hitch

your savings

Know the basics of the 403(b)

your kiosk

Understand home insurance premium rates

Don't miss the Outstanding Educator Awards!



Every member financially secure.

3 YOUR ACCOUNT

- Review your retirement account.
- Get these dates on your calendar.
- Watch your contribution limits.
- Magazine correction.
- Account security options.

4 YOUR RETIREMENT

- For a successful retirement, you need the right ingredients.

6 YOUR INSURANCE

- Avoid common mistakes so your claims process goes smoothly.

8 YOUR SAVINGS

- Review 403(b) basics.



10 YOUR KIOSK

- Q&A on Prudential and the Empower Retirement acquisition.
- Test yourself on fun financial trivia!
- Understanding home insurance premium rates.
- Choosing life insurance coverage.
- Nominate someone (or yourself!) for the Outstanding Educator Award.



{president's letter

Dave Kijek, President/CEO, WEA Member Benefits™

Follow us.



© 2021 WEA Member Benefit Trust.
All rights reserved.

Cooking up a successful plan for retirement



Fall is here, there's a chill in the air, and the holidays will soon be approaching. If you entertain at the holidays (or during any time of year), you know how much planning and preparation needs to take place to

accommodate your guests and provide a great meal.

The same kind of care and consideration also needs to go into your retirement savings plan. Having the right ingredients helps. Turn to us if you need guidance in putting your unique

retirement recipe together. We've been helping public school employees do just that for nearly 50 years.

Speaking of saving for the future, your school district's 403(b) plan through Member Benefits is a great choice. We share some 403(b) basics on page 8 so you can understand this savings option better.

And saving time, stress, and money is always an appealing notion. Home insurance is designed to protect your largest investment. When you have a claim, you'll want to avoid any unwelcome surprises. On page 6, we share some ideas on how you can help make the home insurance claims process go more smoothly.

In July, Empower Retirement announced their agreement to acquire Prudential's full-service retirement business. We have answers to common questions you may have about the acquisition on page 10.

We also have tips on keeping your home insurance premium to a minimum as well as a quick strategy on evaluating life insurance coverage. And don't miss out on the University of Wisconsin Athletics Outstanding Educator Awards! Nominate yourself or another deserving Wisconsin public school educator today.

Give us a call anytime. We're here for you no matter what the season.

{your account

IRA and 403(b) news

Back to school, back to saving

It's a new school year and a good time to review your retirement account. You may want to:

- **Increase your 403(b) contributions** by completing a new Salary Reduction Agreement.
- **Review and update your beneficiaries**, especially if you've experienced any life events (marriage, divorce, birth of a child, etc.). *Beneficiaries named on your retirement account supersede your will.*
- **Update** your address, review your portfolio, and rebalance your investment allocation.

Visit *yourMONEY* online to review your account or call us at 1-800-279-4030.

Don't miss these important deadlines

403(b) and IRA exchanges/transfers/rollovers

Exchanges, transfers, and rollovers require significant processing time. Your completed paperwork (including approved third-party administrator transaction authorization, if applicable) will be submitted to the payer company by the end of December if we receive it by December 3. This includes requests for IRA conversions. Call us if you have any questions.

Postdated checks

We are unable to accept IRA contribution checks written and received this tax year (2021) for next tax year (2022). Postdated checks will be returned.

Year-end withdrawal deadlines

If you would like to take a lump sum withdrawal from your 403(b) or IRA accounts before the end of 2021, your completed request (including third-party administration transaction authorization, if applicable) must be received by us on or before December 10. Requests received after this date may not be processed before year end.

Keep track of your 403(b) contribution limits

Employee contribution limits for 403(b) accounts are \$19,500 for 2021; however, employees age 50 and older can contribute an additional \$6,500 for a total of \$26,000 per year. Give us a call if you need assistance. Learn more at weabenefits.com/limits.

Correction

In the Summer 2021 *your\$* magazine, the correct Web site address for WEA Member Benefits Foundation should be weafoundation.org. We apologize for the error.

Information current as of 10/01/21, see weabenefits.com for updates. Content in this magazine is for informational purposes only and is not intended to constitute individualized investment, legal, financial, or tax advice. Certain recommendations or guidelines may not be appropriate for everyone. Consult your personal advisor or attorney for advice specific to your unique circumstances before taking action.

The Trustee Custodian for the WEA Member Benefits IRA accounts is Newport Trust Company. Certain state residency requirements may apply.

The 403(b) retirement program is offered by the WEA TSA Trust. TSA program registered representatives are licensed through WEA Investment Services, Inc., member FINRA. If you choose to invest in the 403(b) or IRA programs, fees will apply. Consider all expenses before investing. Mutual fund management and redemption fees may apply.

Interest is compounded daily to produce a yield net of Prudential's administrative fee of 0.60%. PRIAC is compensated in connection with this product by deducting an amount for investment expenses and risk from the investment experience of certain assets held in PRIAC's general account. For more information, go to weabenefits.com/pru.

403(b) and IRA 2022
**PRUDENTIAL GUARANTEED
INVESTMENT**

Credited rate of return TBA

OCT. 29

More at weabenefits.com/pru

Help secure your account

Two-factor authentication (2FA) is required to access your retirement account through *yourMONEY*. If you receive a phone call or text message providing a verification code and you aren't currently attempting to log into your account, please notify us as soon as possible and change your account password.

We also encourage you to add a verbal password to your account as an extra layer of protection. You will need to know this password if you call us to discuss specifics about your account. Simply complete and send in the **Telephone Access authorization** form from weabenefits.com/retirementforms or call us to request one.

A **Trusted Contact** is someone you deem trustworthy who may be contacted by Member Benefits if we are not able to reach you or if we have reasonable belief that you or your account may have been exposed to financial exploitation. The Trusted Contact does *not* have rights to make changes to your accounts.

Setting up a Trusted Contact is optional. If you are interested, please contact a Member Service Representative at 1-800-279-4030.

Holiday hours

We will be closed:

Thanksgiving—Nov. 25–26
Christmas—Dec. 24 and 27
New Year's Day—Dec. 31

{your retirement

A recipe for retirement



While there isn't one perfect retirement formula for everyone, there are some common ingredients that anyone can stir up to build their own recipe for success.

We wish it were easier, but in reality a lot goes into planning for retirement. It's like hosting a holiday meal—you need to plan for how many people are coming, what you'll serve, the ingredients you need, and the timing of the food. You know that some preparation and organization are going to be necessary to make the meal a successful one.

Much like coordinating a holiday meal needs a recipe for success, so does retirement planning. The recipe isn't the same for all, but there are several common ingredients that most everyone should include as they create their plan.

Here are some of the ingredients for creating a delicious retirement.

Prep early

The earlier you start saving, the more you can take advantage of compound interest. Compounding is what happens when earnings on your investments are reinvested in your account. The reinvested earnings may also have earnings and then those earnings are reinvested and so on. Compounding can have an amazing impact on your retirement savings.

However, it's never too late to start saving. Saving even a small amount each

month is better than nothing. But the sooner you can, the better.

Dish up your savings options

If you're not saving in your district's 403(b) program, you may want to get started. Your savings receive advantageous tax treatment, and your district may kick in more through a match.

Member Benefits' IRA program is also a great savings option. It gives you the opportunity to save for retirement outside of employer-sponsored retirement plans.

.....
Blend in this fact: More spending in the future requires additional savings today.
.....

You need personal savings to help fill any shortfall in your retirement income that may not be satisfied by your Wisconsin Retirement System (WRS) pension plan and Social Security benefit. As life expectancy increases, saving more is becoming increasingly important. According to the Centers for Disease Control and Prevention, the average life

expectancy for a person who was 65 years old in 2018 is 85.7 years for women and 83.1 years for men—and life expectancy for both genders continues to increase. And as of 2021, one out of three 65-year-olds today will live past 90, according to the Social Security Administration.

Put your personal retirement contributions on autopilot through payroll deduction or monthly automatic withdrawals from a checking or savings account to make it easier to save. Your options with the 403(b) and IRA may differ, so check with your specific plan.

And don't forget to increase your savings contributions on a regular basis. Know your annual contribution limits by visiting weabenefits.com/limits.

Measure up your savings goals

What do you want to do in retirement—travel, shop, golf, start a hobby? Do you plan to purchase a home or help your kids out financially? More spending in the future requires additional saving today. Be realistic about the price tags of the things you want to do knowing that the cost of living will continue to increase and that you may

Avoid home insurance claim surprises

When you have to make a claim on your home insurance, you're already stressed enough. Here are a few things you can do to help the process go smoothly and avoid any unwelcome surprises.



Read your policy

Ok, most people don't actually read their policy—it's complicated. But make sure you do understand what coverages you do and do not have and what they mean. Misunderstanding your policy can have negative financial consequences you weren't expecting.

The consultants at Member Benefits are happy to go through your policy with you and answer your coverage questions.



Maintain your property

Home insurance covers sudden and accidental damage, not damage from wear and tear over time. Neglecting to maintain your home won't be covered by insurance.



Have appropriate coverage

Without the right coverage, you may find yourself owing more than you expected. Insurance is an important part of your financial security. Don't leave yourself (and your family) exposed to financial loss or purchase coverages you don't need. Talk to a Personal Insurance Consultant at Member Benefits. We can help you create a policy that meets your needs.

Don't clean up too fast

When you experience damage to your home, you may feel in a rush to clean up the mess. Don't—it can be a financial mistake. You may end up throwing away damaged items before the total damage is documented or lose receipts you need to file a claim. Keep important documentation such as photos and repair estimates, and leave yourself a clear paper trail.

Document, document, document

One common mistake people make when filing a claim is not documenting the damage. Take photos as soon as you discover the damage. If you have some before and after photos, that's even better.

In the event of a covered loss, you'll need to provide a list of all of your personal property that was damaged or stolen, along with its estimated value and age at the time of loss. If you're like most people, it would be hard to remember all of your possessions. This is where a home inventory can come in handy. An accurate inventory and proof of ownership can make the claim settlement process easier and faster.

Visit weabenefits.com/ebooks to download your free Personal Property Home Inventory eBook. It has helpful tips as well as fill-in-the-blank listings room by room.



4

Don't file too many claims

Insurers look at claims history when setting rates. The more you have, the higher your premiums will be because insurers correlate the number of claims to a higher risk of filing more claims in the future. Consider carefully before claiming smaller repairs you could take care of yourself.

3

2

1

Not realizing your house could be underinsured

Did you know Member Benefits offers **Guaranteed Replacement Cost** for homes built during or after 1950? This coverage is rarely offered by insurance companies today. With Guaranteed Replacement Cost, we will pay the full cost to repair or replace your home with materials of like kind and quality without the limits imposed by most other insurers.

Contact us—we can help you discover what kind of coverage your current policy offers.



Avoid unwelcome surprises...talk to us!

Set up a free consultation with one of our Personal Insurance Consultants. They can help you learn to be a better insurance consumer, review your policy thoroughly, and offer help and advice. Or get a home insurance quote by visiting our Web site.

weabenefits.com/consults • weabenefits.com/homequote • 1-800-279-4030

Source: Forbes Advisor. Property and casualty insurance programs are underwritten by WEA Property & Casualty Insurance Company. The terms and conditions of your coverage are exclusively controlled by your written policy. Please refer to your policy for details. Certain policy exclusions and limitations may apply.

{your savings

Understanding your 403(b)



What is a 403(b) plan?

A 403(b) plan, also known as a tax-sheltered annuity (TSA) plan, is a retirement plan for certain employees of public schools and certain other 501(c)(3) tax-exempt organizations. It allows employees to contribute some of their salary to the plan, and the employer may also contribute to the plan for employees. As of 2018, 403(b) plans covered around one in five U.S. employees who have around a trillion dollars of savings.

How it works

A 403(b) can be a great way to save for retirement. It is similar to the private sector's 401(k). A salary reduction agreement (SRA) must be completed to start payroll contributions into your 403(b) account.

Your district may offer an employer match. In other words, the district matches your contributions. For example, it could be fifty cents on the dollar up to a certain level, a flat amount, or many other types of options.

Whatever kind of match your district offers, if you're not putting money into your 403(b) and there's a match, then you may be leaving money on the table.

Contribution limits

The most an employee can contribute to a 403(b) account out of their salary in 2021 is \$19,500. Those age 50 or over at the end of the calendar year can also make catch-up contributions of \$6,500 beyond the basic limit on elective deferrals. If permitted by the 403(b) plan, an employee who has at least 15 years of service with the same eligible 403(b) employer may be able to contribute an additional \$3,000. Visit weabenefits.com/limits for more information.

Roth option

Some districts offer a Roth 403(b) option. Roth contributions are after-tax, which means you pay taxes now on your contributions, but all qualified* withdrawals, including earnings, are tax free.

This is different from 403(b) contributions that are made on a before-tax basis. Before-tax contributions reduce your taxable income and defer taxes until you withdraw the money.

One of the greatest benefits of Roth savings is the ability to reduce your tax liability in retirement.

For decades, the assumption has been that most people would be in a lower tax bracket in retirement and thus would benefit from before-tax savings. However, changes in tax policy, including lower tax rates, the taxation of Social Security, and other deductions available under the tax code increase the chances that you could be in the same or higher tax bracket when you retire.

These changes mean that before-tax savings alone may not be the optimal tax strategy in every situation.

So the question is, do you want to pay the taxes on your contributions now or when you retire?

Exchanges, transfers, rollovers

You can move funds from another retirement plan into a WEA Tax Sheltered Annuity Trust 403(b) account, but the way these are handled is based on the type of retirement plan you have and your school district plan documents.

An **exchange**, if allowed by your school district plan, is when you move 403(b) funds from one district vendor to a second district approved vendor while employed by the same school district.

A **transfer**, if allowed by both your current and former school district plan, is when you move your 403(b) funds from a previous employer's plan to your current employer's plan.

A **rollover** is when you move funds from a different type of retirement account, such as an IRA, 401(k), or 457(b), to your current employer 403(b) plan. Check with us to see if rollovers are allowed into your employer's plan.

It is also important to remember that a Roth 403(b) can only receive funds from another Roth 403(b) or Roth 401(k).

We can help you. Talk with a Member Benefits representative to discuss all the rules and procedures and to get your questions answered.

The importance of saving

As a Wisconsin public school employee, you have the Wisconsin Retirement System (WRS) and Social Security for retirement. But the two alone are not enough. On average, Social Security payments make up only about 14%–28% of retirement income for those who receive WRS. To build a secure retirement, you need three things: WRS, Social Security, and your personal savings, such as the 403(b).

Learn more about Member Benefits 403(b) program or enroll today.

1-800-279-4030
weabenefits.com/403b
weabenefits.com/enroll

*For qualified withdrawals from the Roth 403(b), the participant must be age 59½ or older and have had the account for at least five years.

The 403(b) retirement program is offered by the WEA TSA Trust. TSA program registered representatives are licensed through WEA Investment Services, Inc., member FINRA.

Sources: IRS, Forbes

continued from page 5

Preparation and flexibility are keys for coping with those situations as well as for retirement planning. Health care costs are a major consideration that many people underestimate. Fidelity's 20th annual Retiree Health Care Cost Estimate reveals that a 65-year-old couple retiring this year can expect to spend \$300,000 in health care and medical expenses throughout retirement. For single retirees, the 2021 estimate is \$157,000 for women and \$143,000 for men. And the COVID-19 pandemic has prompted many to accelerate their retirement plans, which means paying for health care insurance until qualified for Medicare.

Inflation and the uncertain future of Social Security are other factors to consider. That makes it all the more important to make personal savings part of your retirement plan.

If you find you're more limited in what you can afford to do in retirement than you expected, you may need to be more flexible. It could be you need to delay retirement for a while, move to a smaller place or cheaper locale, or work a part-time job.

.....

Fold in a flexible mindset when it comes to your plans and expectations for retirement.

.....

This may also help you postpone claiming Social Security or cover expenses during a market downturn. Weigh out all the opportunities available to you. Staying active by working or volunteering can also be a great way to pursue an interest or gain a new one, meet new people, and remain socially connected and challenged.

Mix in a financial advisor

According to the Department of Labor, only 40% of Americans have calculated how much they need to save for retirement. That's likely because it's just not always easy. One of the most challenging aspects of creating a solid retirement plan is striking a balance between realistic return expectations and a desired standard of living.

weabenefits.com

Considering a financial advisor? Ask questions first

Ask questions before trusting someone to advise you on your financial future, such as:

- **What are your credentials?**
- **What exactly do you do?**
- **How do you get paid and what will it cost me? Paying more doesn't always mean you're getting more.** Financial planners can be compensated in a number of ways.
- **Are you a fiduciary?** Fiduciaries make a commitment to work in the best interest of the client. They put your needs ahead of theirs. Fiduciaries cannot combine product sales with giving advice and must disclose how they get paid.

Start your financial advisor search with BrokerCheck, a free tool to research the background and experience of financial brokers, advisors, and firms. Get a snapshot of a broker's regulatory actions, investment-related licensing information, complaints, and more.

Visit brokercheck.finra.org or call their helpline at 1-800-289-9999.

Stay informed

No matter what your age, be sure to do your research and educate yourself using reliable resources. Member Benefits is an excellent place for retirement information. Visit our Web site at weabenefits.com/learning-center to access articles, eBooks, calculators, informational brochures, an interactive budget worksheet, and more. And feel free to call us with your retirement questions at 1-800-279-4030.

Your recipe for retirement is personal and unique, just like Grandma's special apple pie. If you pick up some tried and true ingredients and follow the recipe directions, you can accomplish your goals and create a satisfying retirement.

All financial advisory services are offered through WEA Financial Advisors, Inc., an SEC registered investment advisor.

This article is for informational purposes only and is not intended to constitute individualized investment, legal, financial, or tax advice. Certain recommendations or guidelines may not be appropriate for everyone. Consult your personal advisor or attorney for advice specific to your unique circumstances before taking action.



Empower Retirement acquiring Prudential's full-service retirement business

On July 21, 2021, Empower Retirement announced their agreement to acquire Prudential's full-service retirement business. Below are answers to common questions you may have about the acquisition.

Who is Empower Retirement?

Empower Retirement dates back to 1891 when its parent company Great-West Lifeco was founded as an insurance provider. In 2014, Empower was launched when the businesses of Great-West Financial and Putnam Investments merged. Empower is now the second largest retirement plan recordkeeper in the United States.

Does the acquisition include the Prudential Guaranteed Investment?

Yes. Empower will acquire Prudential's defined contribution, defined benefit, nonqualified, and rollover IRA business in addition to its stable value and separate account investment products and platforms.

Who will guarantee the Prudential Guaranteed Investment?

It is our current understanding that Prudential Retirement & Annuity

Company (PRIAC) will continue to provide the guarantee. PRIAC will be owned by Great-West Life & Annuity Insurance Company.

Who is Great-West Life & Annuity Insurance Company?

Great-West Life & Annuity Insurance Company is a company that provides life insurance, retirement benefits, and annuities. It is our understanding that Great-West will own PRIAC when the acquisition attains regulatory approval. Great-West Life & Annuity Insurance Company has consistently received high marks from industry sources for financial strength ratings from major rating agencies and include:

- **A.M. Best Company:** A+ (Superior—highest of 10 categories)*
- **Fitch Ratings:** AA (Very Strong—second highest of nine categories)*
- **S&P Global Ratings:** AA (Excellent—second highest of nine categories)*

*These are current ratings as of August 11, 2021, and are subject to change.

When is the acquisition effective?

The transaction is expected to close in the first quarter of 2022, pending customary regulatory approvals. If approved, the transition may take up to a year to complete.

What will the transition from Prudential to Empower entail?

WEA Member Benefits is working through the transition process with our Prudential stable value team.

This is not unprecedented—WEA Member Benefits has worked through the transition of stable value management several times prior to this acquisition. This includes Prudential acquiring the CIGNA Retirement business in 2003. Prior to that, UNUM was acquired by CIGNA.

What other information do I need to know?

We are evaluating all information, as it becomes available, to choose the path that is best for members. Since the deal was just announced and will not close for several months, there are still some unknown details. We will continue to gather and evaluate information in the coming months. As with prior stable value transitions, we will do our due diligence to protect the stability of the Guaranteed Investment and ensure it is the best product for our members. Members' interest, as always, is our top priority.

Financial trivia

from [FederalReserveEducation.org](https://www.federalreserveeducation.org)

1. Currency is made of a combination of:

- A. Wood pulp and cotton
- B. Wool and silk fiber
- C. Linen and burlap
- D. Cotton and linen

2. The largest U.S. note ever printed was worth:

- A. \$10,000
- B. \$20,000
- C. \$50,000
- D. \$100,000

3. Which of these is NOT a security feature of U.S. currency?

- A. Color-shifting ink
- B. Magnetic strip
- C. Image of the pyramid
- D. Red and blue fibers



Why does your home insurance premium go up every year?

Many factors go into choosing your home. Your insurance company also has many factors to consider when determining your home insurance premium. Still, it can come as a surprise when your premium goes up. Here are several reasons why you usually see home insurance premium increases each year.

Inflation. Some years are affected more by inflation than others. This year, some of the higher labor and material costs that companies have experienced due to the pandemic are being passed on to consumers, raising the cost of building a home as well as the cost of items within your home such as appliances, furniture, etc.

Construction costs. If your home needs to be rebuilt or replaced due to a catastrophe and your area has been hit with severe weather, there may be labor shortages; rates typically escalate in those circumstances. The spike in the cost of construction materials this year is also a factor.

Claims. Insurance is meant to offset the cost of major expenses if something serious happens to your home. But filing a claim may also raise your premium. Think twice about making smaller claims—if it's not going to cost much more than your deductible, it may be worth paying out of pocket.

Changes to your property. Updating your kitchen, putting on an addition, or other large investments are going to increase the value of your home, which may increase your insurance rate.

Attractive nuisances. A swimming pool or trampoline in your yard poses a higher risk compared to homes that don't have these items. Make sure you clearly understand your insurance company's policies regarding attractive nuisances. You could see a rate increase or potentially lose your insurance all together.

Your insurance score. Your insurance score is calculated based on your likelihood of filing a claim during a given coverage period and on your credit score, among other things. A lower insurance score can affect your insurance premium.

Fortunately, there are ways to lower your premium, such as bundling your insurance, increasing your deductible, keeping up your credit score, avoiding small claims, and actively pursuing any discounts you may be entitled to. But be sure to alert your insurer to any changes to your home so you remain properly insured—it's important for maintaining your financial health.

Call us if you have questions or to get a free insurance quote at 1-800-279-4030.

Determining appropriate life insurance coverage

If you're interested in purchasing life insurance, figuring out the coverage you need can be daunting. Here's a simple formula:

1. SURVIVORS' FINANCIAL NEEDS

Final expenses + debts + income needs

2. SURVIVORS' FINANCIAL RESOURCES

Survivor benefits + your assets + your resources + group life insurance

3. DO THE MATH

Financial needs

— *Financial resources*

= *How large a policy to buy*

Try out our **free life insurance comparison quote** at weabenefits.com/life. No personal or contact information is ever required.

Many people are underinsured because they skip these simple steps. It's also important to consider the timing of when your financial resources will be available to your family.

Speak with the experts at Associates of Clifton Park. They offer a variety of policies and can go through all of the factors you may want to consider.

1-800-893-1621

Source: Insurance Information Institute.



HEY, Badger fans! Nominate an outstanding educator

WEA Member Benefits, together with the University of Wisconsin Athletics and WEAC, recognizes public educators throughout the Badger State. Thank you for your dedication to improving public education and the lives of our students!

Don't miss this opportunity to nominate yourself or another deserving Wisconsin public educator to be recognized with an **Outstanding Educator Award** and a chance to win special prizes. Eight winners will be chosen throughout the campaign. The campaign nominations will be closing on February 1, 2022.

Enter at uwbadgers.com/outstandingeducator.

Proud Partner of Wisconsin Athletics!

BACK 2 BACK SCHOOL SAVING



Let's take the stress of
saving for the future
off your back-to-school list.



Want help opening an IRA? SCAN HERE!