

# RETIREMENT CHECK-UP



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## New Opportunities to Save

Beginning January 1, the annual maximum you can contribute to your tax-advantaged Supplemental Retirement Plan (SRP) accounts will increase. A new year always brings new possibilities and 2023 could be a great time to strengthen your financial future. Corebridge Financial (formerly AIG Retirement Services) can play an important role in helping you achieve your financial goals.

### Retirement Readiness

No matter how long your time horizon is before retirement, it's important to save regularly. That gives you the advantage of compounding. Using the SRP to save and invest is even better because of tax advantages:

- Traditional pre-tax contributions lower your current taxable income. You defer taxes until receiving distributions from your account.
- Roth contributions put you on the path to tax-free distributions of the value of your savings if you meet IRS requirements when you receive money from your account.

The maximum you can contribute to tax-advantaged accounts each year is determined by the IRS, and the maximum for 2023 reflects a record increase. Also, public education employees can contribute to both a 403(b) plan and a 457(b) plan at the same time, which may allow you to accumulate more tax-advantaged money for retirement.

### A BOOST FOR RETIREMENT SAVINGS

	2022 Maximum	Increase	2023 Maximum
<b>403(b) contributions</b>			
Pre-tax and/or Roth	\$20,500	\$2,000	\$22,500
Catch-up (age 50+)	\$ 6,500	\$1,000	\$ 7,500
<b>457(b) contributions</b>			
Pre-tax and/or Roth	\$20,500	\$2,000	\$22,500
Catch-up (age 50+)	\$ 6,500	\$1,000	\$ 7,500

You could contribute a total of up to \$45,000 to 403(b) and 457(b) accounts combined. If you're age 50 or older at any point in 2023, your total possible contribution jumps to \$60,000 because you can also make catch-up contributions!

While most people can't set aside \$60,000 a year from their paychecks, you get the idea. The SRP offers you every advantage allowed to help you reach your financial goals.



## Investment Help is Available

Investing your SRP accounts appropriately is important. If you only deposit money in the safest 'guaranteed' investment funds, you will miss growth opportunities. If you invest too aggressively, you might risk a long road to recovery from volatile markets. If you want an investment strategy based on your preferences and needs, schedule a free meeting with a Corebridge Financial advisor (link to a directory of advisors below) to review options, which include:

- Selecting a 'target date' investment fund designed for your desired retirement window.
- Select the available investment funds you want based on your own research and preferences.
- Having Corebridge professionals manage your account. Fees for Guided Portfolio Services (GPS) have recently been reduced.

There is absolutely no obligation to accept the advice or opinions of the advisor you speak with, or to use any Corebridge services.

## Everyone Loves to Save Taxes

The SRP is a great way to reduce your tax bill and accumulate savings, but it's not the only way to save taxes and make your paychecks go farther. For 2023, higher Flexible Spending Account (FSA) maximums let you set aside up to \$3,050 in a healthcare FSA. When used for eligible expenses, money in your Healthcare FSA is tax-free.

## Retirement Pathfinder

Everyone has questions about how much they will need in retirement – questions like:

- Can I retire when I planned?
- Am I saving enough?
- Will I use up or outlive my retirement savings?

Corebridge's interactive Retirement Pathfinder tool can graph and model scenarios to give you insights on your progress and plans. Access it by logging in to your SRP account.



## Ready to Save More?

Consider taking advantage of the new, higher SRP saving maximums and make time to meet with a Corebridge Financial advisor. There is no cost to meet and no obligation – their job is to support you and help you use the SRP in whatever way it's most valuable to you.

- To increase, decrease or stop your SRP contributions, go to **[aacps.aigrs.com](https://aacps.aigrs.com)**.
- To enroll in the SRP for the first time, click **here** for a list of Corebridge Financial advisors serving AACPS employees.

