



BUILDING A FOUNDATION OF

Financial Wellness for Everyone

RO3175294-0224



Logo

Hi, we're Empower

We're helping more than 18 million people get ready for what's next and create the future they want.¹ We are committed to helping people live for today while saving for tomorrow — because we believe in retirement and financial freedom for all.

1 As of September 30, 2023. Information refers to all retirement business of Empower Annuity Insurance Company of America (EAICA) and its subsidiaries, including Empower Retirement, LLC; Empower Life & Annuity Insurance Company of New York (ELAINY); and Empower Annuity Insurance Company (EAIC), marketed under the Empower brand.

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Get the most out of your Empower account in 5 steps

STEP 1



STEP 2



STEP 3



STEP 4



STEP 5

Register your account if you haven't already.

Select *Register* on your plan homepage.

Follow the prompts to create your username and password.

Name your beneficiary or beneficiaries to ensure your savings go where you want them to.

Set your communication preferences to let us know how you would like to receive important information from us.

Sign up for our weekly newsletter, The Currency™, at empower.com/newsletter, to stay in the know about financial matters.

Download our app to access your financial information anywhere.

QRCode

Financial wellness makes you feel free and secure

What does financial wellness mean to you?



Financial wellness is being able to enjoy life. You get to that freedom that you want to reach so you're able to have a balanced life and you don't feel like you have to be living paycheck to paycheck."

Domenica
Empower Employee
ALMA — Aspiring Latinos Moving Ahead



"Financial wellness is having the freedom to do what you want when you want without feeling the pressure of 'how am I gonna pay for this?'"

Mike
Empower Employee
VETS — Voices of Experience Through Service



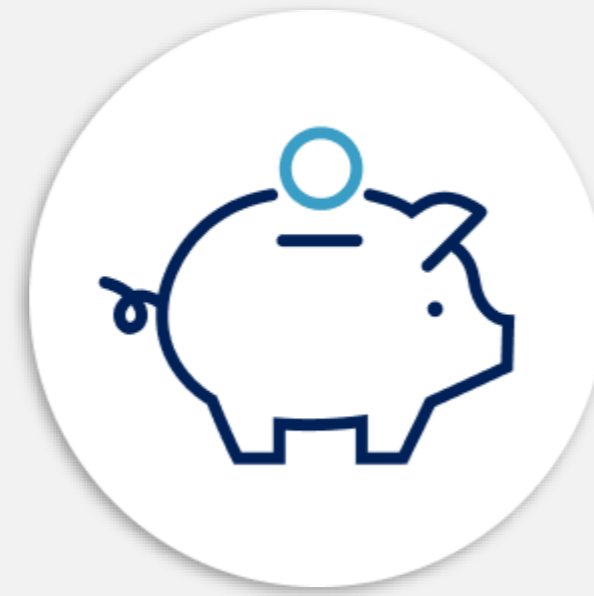
Financial wellness is knowing you can meet your current and future financial needs and feeling free from financial worry

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Core areas of financial focus



Budgeting



Debt



Credit



Savings

Budgeting helps bring your money to life

What does financial wellness mean to you?

“

Set a budget and live within it. I know we hear that all the time, but very few people, I think, actually sit down, look over their expenses, set a budget, and then live by it vehemently. And that's something I wish I had really done in my younger days.”

Sumit
Empower Employee
NAMaSTE — Network of Asians Making Strides Together at Empower



“

When my husband brought up the word 'budget,' I almost wanted to divorce him, like right then and there. And here's what's so funny — he put me on a budget and it has been the most eye-opening happiest life I have ever had.”

Cindy
Empower Employee
ALMA — Aspiring Latinos Moving Ahead



“You know, I was really fortunate. My mom — her family lost everything when they came to this country. They were very, very conscious of the money that they had and how they could spend it. So she didn't necessarily talk about how to budget, but I could see what she was doing. She was always managing the finances and making sure that certain money went to certain buckets.

Susanna
Empower Employee
NAMaSTE — Network of Asians Making Strides Together at Empower



”

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The benefits of having a budget

Go from wondering where your money went to knowing exactly where it should go.

A budget may help you ...



PRIORITIZE
SPENDING



REDUCE DEBT



PREPARE FOR
UNEXPECTED
EXPENSES



MEET YOUR
SAVINGS GOALS

A budget helps you find a balance across needs, wants, and savings

The 50/30/20 rule simplifies budgeting.



50%
NEEDS

Necessary expenses such as housing, food, heat



30%
WANTS

Discretionary spending on items like entertainment and hobbies



20%
SAVINGS

Includes paying down debt, building an emergency fund, and savings for retirement

What's competing for your money?

So many demands on your money can make it hard to know where it all goes. Creating a budget and the process of tracking your money can help give you a clearer picture.



Budgeting made easy

Budgeting feels complicated, but it's really made of three components:



Your income



Your expenses



Your goals

How much do you have coming in?

This is your **net pay** after taxes, insurance, and retirement contributions.

It could also include other sources of income, such as:

- A second job.
- Money from an online business.
- Alimony.
- Interest income.



Take a look at your expenses

Track what you spend — it usually falls into a handful of categories.



Monthly expenses

- Rent
- Car payments
- Insurance



Variable expenses

- Groceries
- Gas
- Utilities



Surprise expenses

- Car repair
- Vet bills
- Medical emergencies



Quality of life expenses

- Clothing
- Entertainment
- Gifts

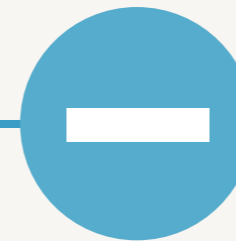
Create your budget

Subtract your expenses from income.



If the number is positive:

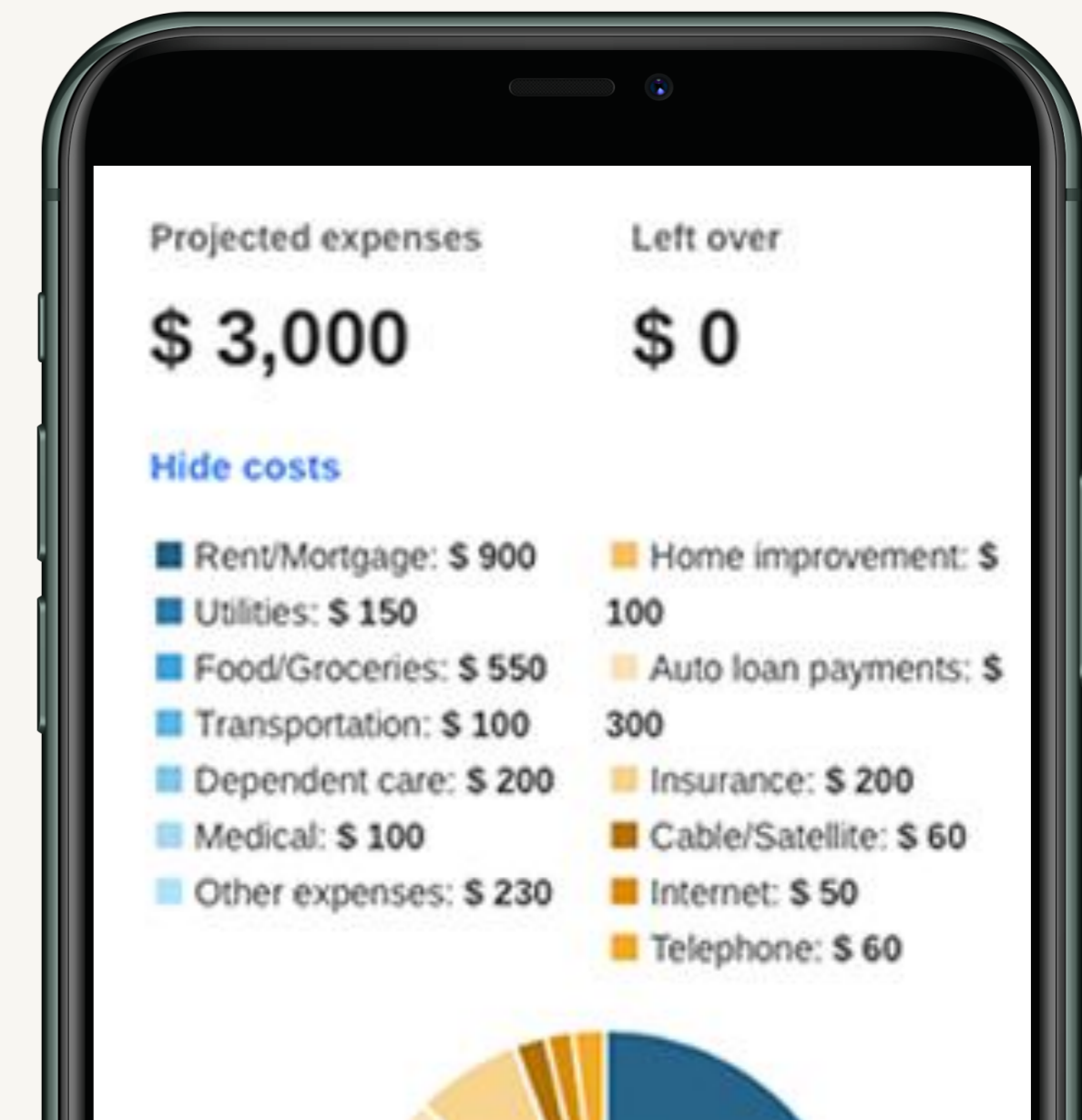
Use your budget to determine the best place to use those funds.



If the number is negative:

Use your budget to see where you can cut expenses.

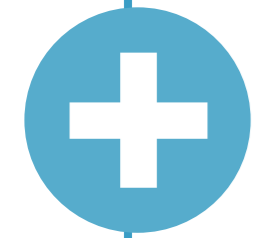
Apps and online tools can help you create and maintain your budget.



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Your financial needs and circumstances change over time. Try to revisit your budget periodically.

A sample budget



Income:

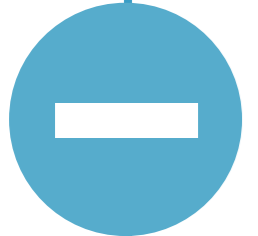


\$2,500



\$500

= \$3,000/month



Expenses:



\$2,000



\$400



\$150



\$80

= \$2,630/month

Surplus = \$370

Your income vs. expenses results

You have a surplus

Things to think about

- Increase retirement savings.
- Grow your emergency fund.
- Pay down debt more quickly.
- Save for college or a vacation.



Your income vs. expenses results

You have a deficit

Don't panic

- Find the cause.
- Adjust your nonessential spending.
- Shrink existing debt.



Your goals

Building your financial future



SHORT-TERM GOALS

Paying down debt
Saving for a new car
Starting an emergency fund



LONG-TERM GOALS

Kids' college funds
Vacation home
Retirement savings

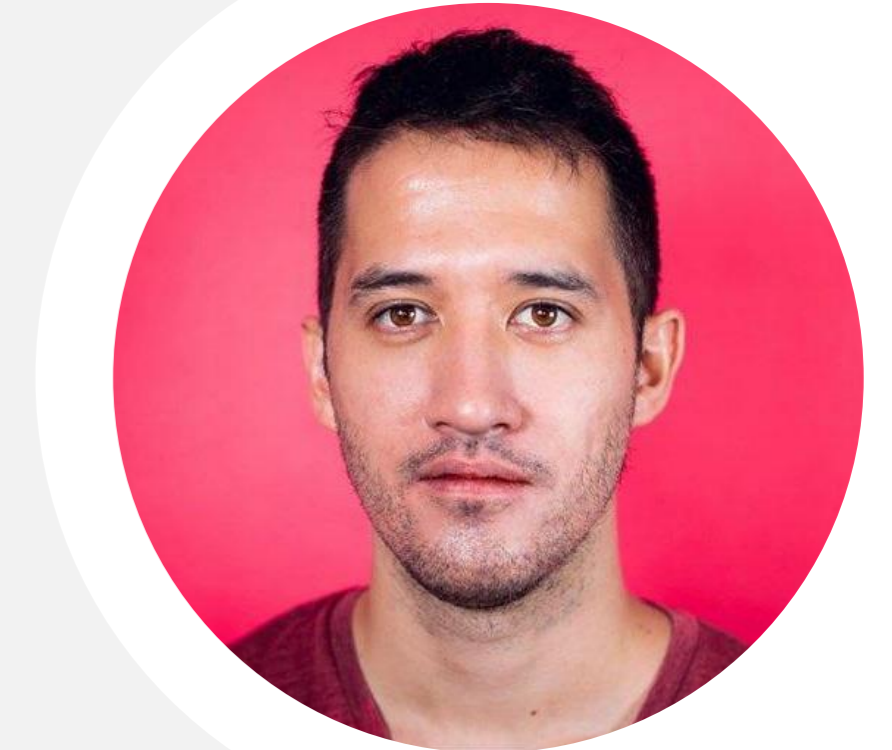
Paying off debt can help you feel free

What does debt mean to you?



Financial wellness is the freedom of not living in debt. Knowing that you have enough to pay bills and also feeling secure that you can handle any emergencies.”

Sam
Empower Employee
NAMaSTE — Network of Asians Making Strides Together at Empower



“Don’t spend what you don’t have. Don’t get into credit card debt.

Susanna
Empower Employee
NAMaSTE — Network of Asians Making Strides Together at Empower



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What is your debt-to-income ratio?

Debt-to-income ratio (DTI) measures how much of your income goes toward paying debt.

Total monthly debt payments

—————
Total monthly income

= DTI

Example

\$200 monthly debt payments

—————
\$1,000 monthly income

= 20% DTI

What does my DTI mean?

If your DTI is ...

0-35%

- Your debt is manageable.
- You most likely have money left over for saving and spending.
- Lenders are more likely to offer credit options.

36-49%

- There is room for improvement.
- Lowering your DTI could put you in a better position to handle unforeseen expenses.

50-100%

- You probably have limited funds to spend and save.
- Lenders limit their credit offerings to you.

How to stop accumulating new debt with mindful spending

Before you can meaningfully pay down your debt, you need to stop adding more debt

- Double check your budget to make sure that your income comfortably covers your monthly expenses.
- Practice spending mindfully to help you stay on budget.
- Before making nonessential purchases, ask yourself:

Can I afford this? Will I use this? Do I have space for it?



Tips for paying off debt

After you've created a budget that helps you sustainably pay your monthly expenses without using a credit card, you can start paying off your existing debt

Here are some tips to help you pay off that debt faster:



Pay off the card with the highest interest rate first.



Pay whatever you can above the minimum payment on that card whenever you can.



Consider using your bonus or tax return to pay off debt.



Continue making your regular payments on the other cards as you pay off that higher-interest card.

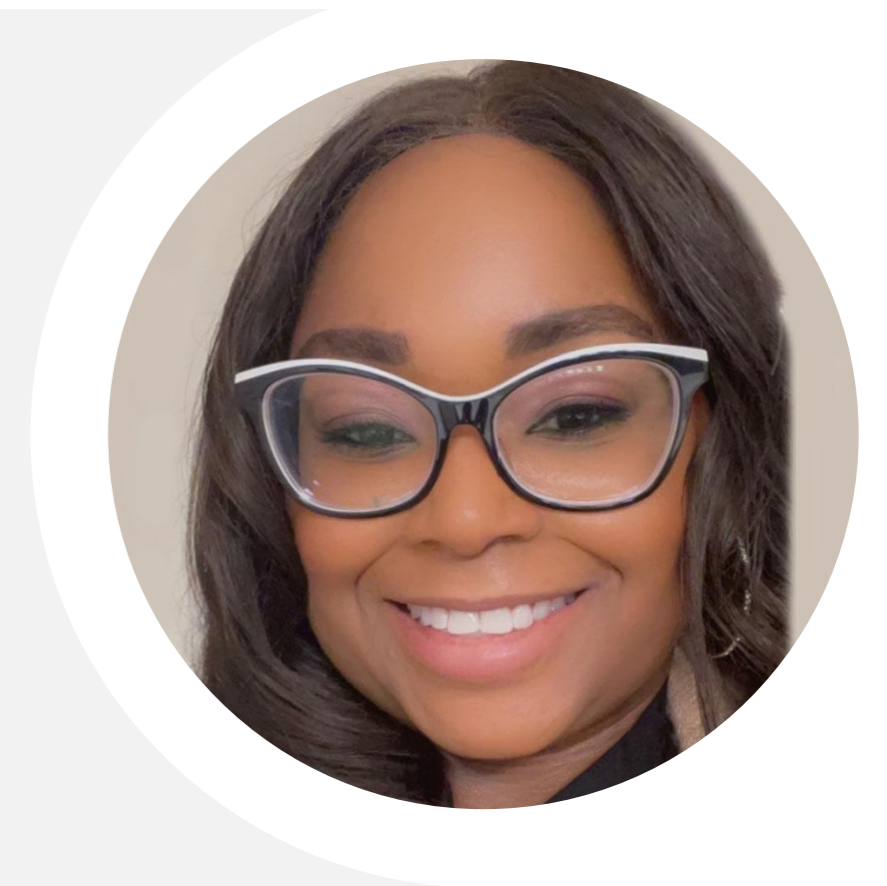
Give me some credit

What does credit mean to you?



Financial wellness means my credit score. Just being able to be able to buy things and being able to buy property or invest and not have to worry about if I'm going to get approved for this or that. And responsible use of credit cards. I am so glad that they passed the bill that they can't be on campus and sign up for this credit card and get a free T-shirt, because that's exactly what I did."

Alycia
Empower Employee
BOLD — Black Organization for Leadership Development



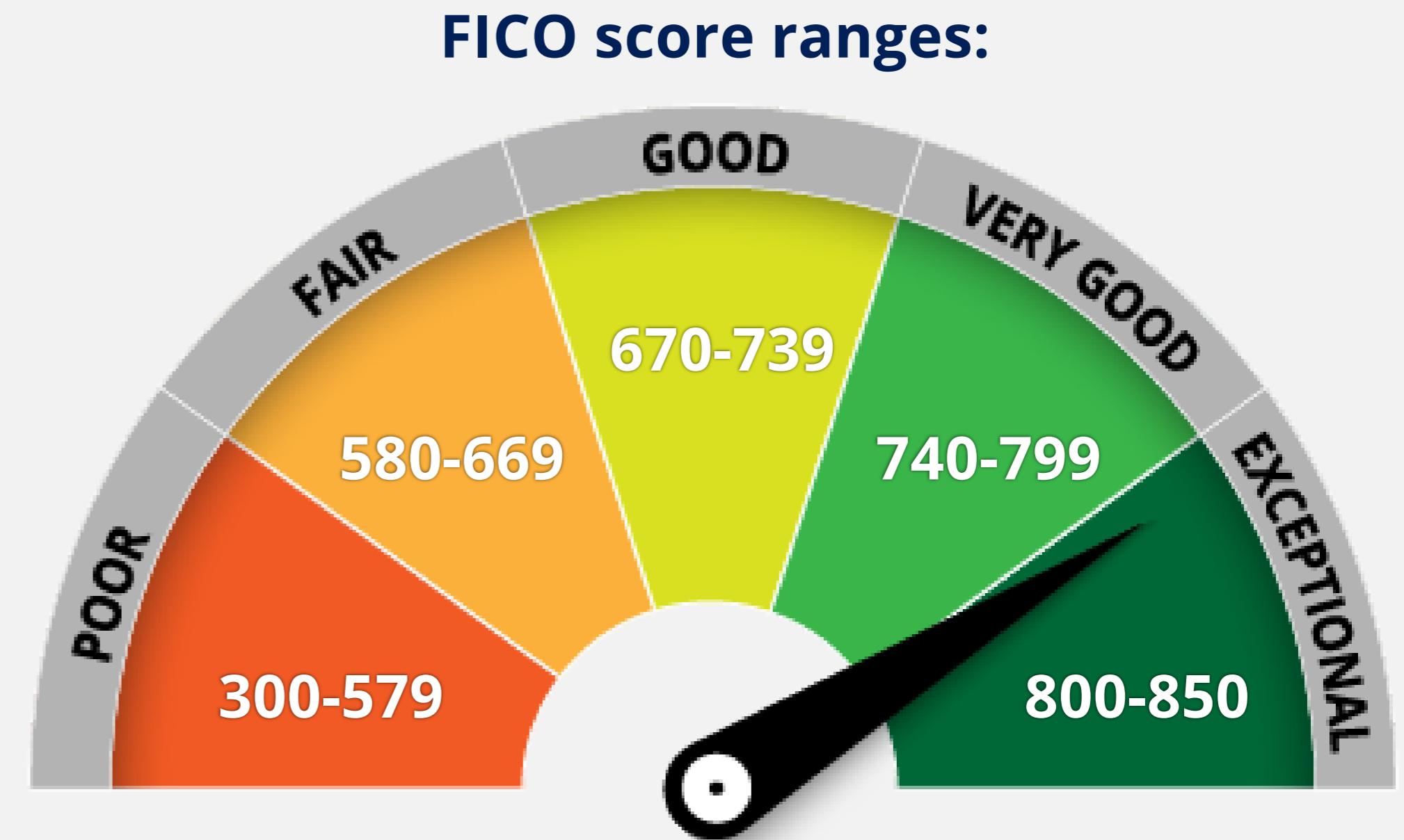
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What is credit?

Credit scores are used to help credit companies make accurate and reliable risk decisions

- Credit scores rank consumers by how likely they are to pay their credit obligations.
- The FICO credit score is the most widely used credit score. It plays a critical role in billions of lending decisions each year.



The higher your score, the easier it is to obtain credit and the best interest rates available on loans.

How do I build credit?

Your credit score is calculated based on your relationships with credit lenders

- Your credit score typically starts calculating when you open your first credit card account.
- If you're starting from scratch, it can take up to six months of regular credit activity to generate your credit score.

Here are a few ways to start building a credit score:

- Open a department store or gas card.
- Apply for a secured credit card.
- Consider a co-signor or co-applicant.



How do I maintain my credit?

Maintaining credit starts with making solid credit decisions

- Apply for new credit sparingly and select cards with low annual fees.
- Keep your credit card balances under 30% of your available limit.
- Don't use credit as an extension of income — if you can't afford to pay for it, don't charge it.
- After you've opened an account, make all your payments on time.

Use the auto-pay feature to help you make payments on time



How do I monitor my credit?

Monitor your credit frequently through an app or by visiting a credit bureau website

Creditors also look for other types of consistency like a stable income and steady place of residence



Additional ways to increase your credit score



Pay your bills consistently



Open a credit card and pay it in full each month, or even choose not to use it



Use a debit card



If you pay off a credit card, don't close the account

Saving helps ensure future financial wellness

Why do you feel saving is important?



When you don't have the money in the bank and an emergency comes up, then what happens? That's where the payday loans come in. That's where the credit card comes in. That's where cashing out your 401(k)s come in. That's where taking 401(k) loans come in. That's where hardship withdrawals come in out of the 401(k) plans.

Charise
Empower Employee
BOLD — Black Organization for Leadership Development



“It's hard for folks when they're younger to look at the big picture. Get in on the ground floor and start to save as a 25-year-old. I think it's very hard for folks when they're young to really look down the road and understand the opportunities they have.

Kae
Empower Employee
PRIDE — LGBTQ+



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An emergency fund helps keep emergencies from becoming crises



Using your savings instead of a credit card to pay for emergencies can help you save money

Sample cost for car repair

\$1,200.00

Cost if paid with credit card
over 5 years at 18% interest

\$1,828.33

You're overspending by

\$628.33

Building and maintaining your emergency fund

Saving can be hard to do, but every little bit helps

- Are you able to save a small amount from each paycheck?
- Can you put your tax return or bonus into savings?
- Try to replenish your emergency fund after you use it.

**How big should your emergency fund be?
Any amount is helpful.**



Your emergency fund

When you pay for unexpected expenses with an emergency fund instead of a credit card, your emergency fund becomes a buffer between you and increased debt

Cost if paid with credit over
five years at 18% interest

\$1,828.33

Sample cost for
car repair

\$1,200.00

Added cost

\$628.33

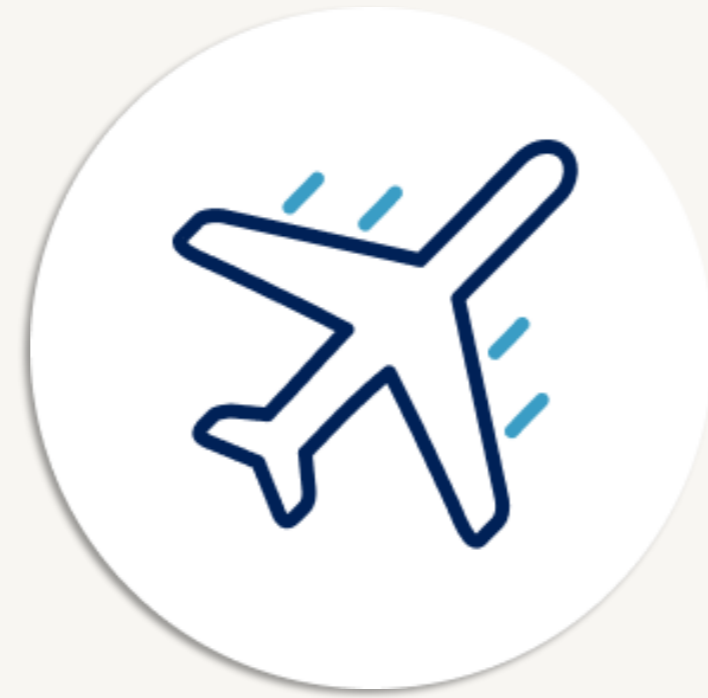
Your emergency fund

Building and maintaining an emergency fund

Financial professionals recommend having enough in savings to cover three to six months of expenses.



The difference in saving for short-term and long-term goals



Short-term

- Savings account
- Accessibility
- Low-risk



Long-term

- Investment account
- Potential growth
- Tax benefits

Saving in your employer retirement plan

- One of the easiest ways to save
- Tax advantages
- Compound earnings
- Company match



The beauty of compound earnings

With the potential of compound earnings, not only would your contributions potentially grow, but you also could gain earnings on any earnings.

The money you start saving today could theoretically double in just 12 years — and triple in 19 years.



FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration does not reflect a particular investment and is not a guarantee of future results. This is a demonstration of the rules of 72 and 114 used to approximate the number of years it takes a given investment to double and triple in value. It assumes a 6% rate of return. Rates of return may vary. This illustration does not reflect any associated charges, expenses, or fees, which could change the outcomes provided.

How pretax contributions work

Contributions are made before taxes are taken out.

On the plus side

- Any growth is tax-deferred.
- Your current taxable income may be lowered.
- You may pay lower taxes later.



How Roth workplace plan contributions work

Roth workplace plan contributions are deducted from your paycheck after taxes are taken out, and any earnings* are also tax-free for qualified withdrawals

On the plus side

- May be a good option if you expect to be in the same tax bracket you are in now, or higher, when you retire.
- Money you save today has the potential for long-term growth if you don't plan to access it for many years.



* Earnings on Roth contributions will be taxed unless withdrawals are a qualified distribution as defined by the IRS.

Would you rather have more money now or later?

- If you expect your tax rate to be higher in retirement, Roth contributions may be right for you.
- You won't have to pay taxes at the higher rate when you take your qualified distributions.
- It may cost you more on the front end to invest with Roth.
- Your contributions may become more valuable later because they have already been taxed.



A side-by-side comparison

	PRETAX PAYCHECK CONTRIBUTIONS	ROTH WORKPLACE CONTRIBUTIONS	AFTER-TAX PAYCHECK CONTRIBUTIONS
EFFECT OF CONTRIBUTIONS ON PAYCHECK	Prior to tax withholding	After taxes withheld	After taxes withheld
TAXATION ON DISTRIBUTIONS	Contributions taxed as ordinary income Any earnings taxed as ordinary income*	Contributions not taxed Any earnings not taxable with qualified withdrawals*	Contributions are not taxed Any earnings are taxed as ordinary income

Note: When choosing between contribution types, participants must take into consideration their complete personal financial situation.

*If a distribution is not qualified, the earnings are taxed as ordinary income and may be subject to early withdrawal penalties. The 10% federal early withdrawal penalty does not apply to 457 plan withdrawals except for withdrawals attributable to rollovers from other type of plans or accounts.

Experience the best of both worlds

Roth strategies to think about

- Ease into the bigger tax bite by splitting contributions to start
- Any matching contributions must go into a pretax account
- Contributing both ways enables tax diversification in retirement

Consult your tax professional for help with your personal situation



More ways to save

Once you have the basics down, you can try:



Paying yourself first

Put some money into savings before paying any bills or expenses.

Consider opening a separate bank account that's only used for savings.



Reward yourself

Give yourself 10% of what you would've spent on purchases that you avoided.

Dream big

**What do you want to save for?
It's up to you.**

- A well-deserved vacation
- Your dream car
- Kids' college fund



**The sky is the
limit!**

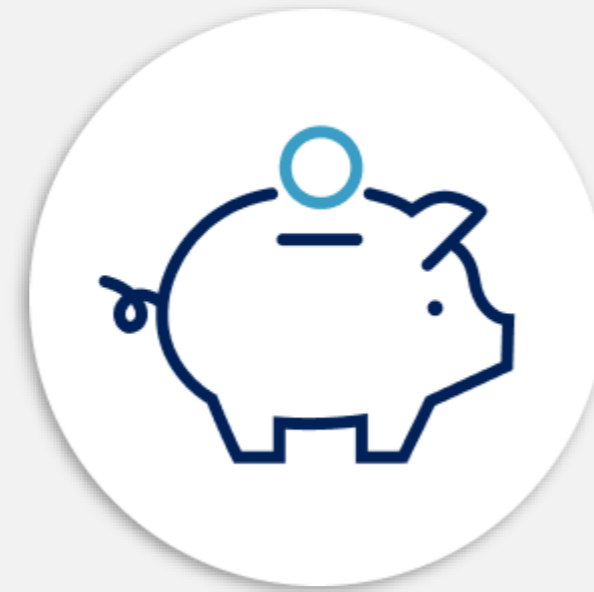
Key takeaways

Four core financial pillars



Budget

Make and stick to a spending plan.



Debt

Stop adding debt before aggressively working to pay off existing debt.



Credit

Pay your bills on time every month.



Savings

Keep your fundamentals going and you can save for anything.

Each step you take helps you toward reaching your financial goals and achieving the financial security and freedom that is financial wellness

Powerful features at your fingertips

The free Empower Personal Dashboard™ helps you:

- See all your accounts in one place.
- Track, manage, and plan your financial life.
- Understand your net worth, retirement needs, financial goals, and more.

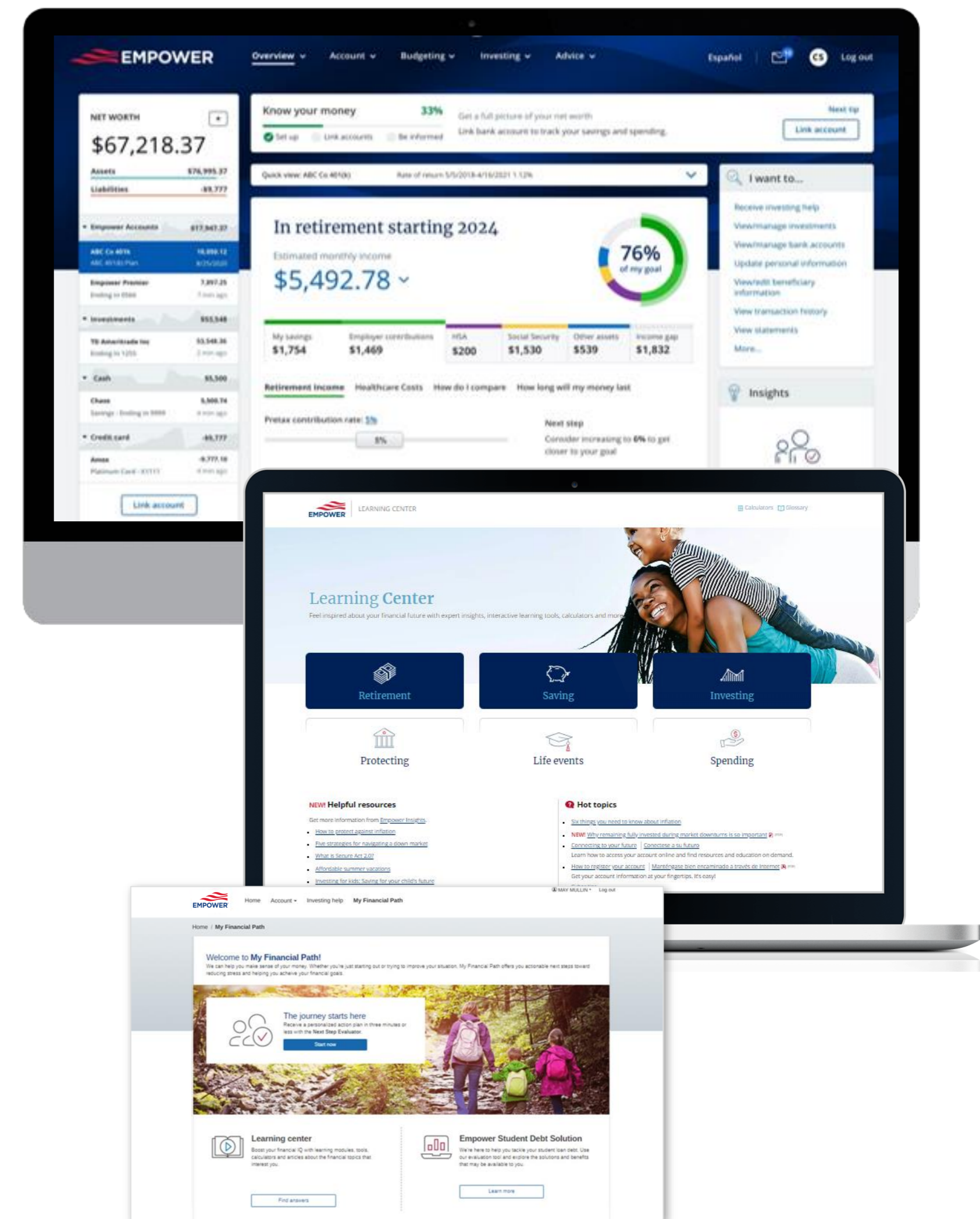
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- Articles and insights.
- Financial planning calculators.

My Financial Path helps you answer your financial questions with:

- Information about spending, saving, investing, and life's big events.

Get a personalized action plan about your next financial step.



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Give your financial wellness a boost

Connect with an Empower retirement plan advisor via a virtual one-on-one consultation.

Discuss your accounts, goals and progress — and get answers to questions you may have about saving for your future.

Visit
empower1x1.empowermytime.com
or scan the QR code below with
your smartphone to schedule your
session.



We're here to help you:

1 Get answers to your money questions.

2 Review and understand your current financial situation.

3 Plan for the financial future you want.

To get started, login to Empower.com or call **1-800-338-4015**

Weekdays: 6 a.m. To 8 p.m. MST time

Saturdays: 7 a.m. to 3:30 p.m. MST time

Automated system available 24/7. Password required.

TTY: 1-800-766-4952

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Your RPA is authorized to act as both an investment advisor representative of EAG and a registered representative of EFSI. Your RPA acts as an EAG investment advisor representative when providing investment counseling or recommendations and as a EFSI registered representative when executing securities transactions on your behalf.

Your RPA may conduct a Retirement Readiness Review with you and educate you about available investment options and products offered by EAG. During a Retirement Readiness Review, you will meet with a plan advisor to discuss your current and future goals. Your RPA will look at your full financial picture and provide tailored recommendations in order to help you achieve your personal retirement readiness. Your RPA will assist you with learning about (and, when appropriate, enrolling in) Empower managed accounts solutions, rollovers into plan options, optimized investment allocation and savings amounts, financial planning, general financial wellness, health savings accounts (HSAs), distribution options, and additional products/ solutions offered by your plan and aligned with your needs. While basic investment strategies consider only your age, the service of your RPA includes consideration of a wide range of factors to develop a more in-depth picture of who you are before creating a strategy that best fits your individual needs. Your RPA considers your individual financial situation and goals to create a plan designed to help you reach the future you want. Your RPA, acting on behalf of EFSI, can assist you with executing securities transactions related to the recommendations they provide. There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

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Retirement plan advisors act as Empower Advisory Group, LLC, investment adviser representatives when providing investment counseling or recommendations and as Empower Financial Services, Inc. registered representatives when executing transactions.

By engaging in a dialogue with your RPA, you will receive ongoing direction and advice, including professional support through education when it comes to making important savings, investing and retirement income decisions. Although your RPA cannot provide you with advice on your tax situation, they will share information related to the potential tax implications of taking receipt of the proceeds from your retirement investments. If you feel that you need specific tax advice, please consult with your personal tax advisor.

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Empower's RPC can provide information and guidance about a variety of topics, including plan enrollments, distribution and rollover options, consolidation, investment conversations, and savings and contributions strategies by educating you about available options. During your interaction with your RPC, you will engage in an informational dialogue intended to help you understand basic concepts about investing, distribution options available to you, and the advantages of participating in your employer-sponsored retirement plan or an individual retirement account. Although your RPC cannot provide you with advice on your tax situation, they will share information related to the potential tax implications of taking receipt of the proceeds from your retirement investments.

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