

Save more for your future with a 403(b) account

What is a 403(b)?

A 403(b) is a supplemental retirement savings plan available to all employees—certificated and classified—of public school districts, community college districts, county offices of education and charter schools. A 403(b) account provides an opportunity to supplement your CalSTRS or CalPERS defined benefit pension.

Why do I need a 403(b)?

On average, the CalSTRS or CalPERS defined benefit pension replaces about 50 to 60 percent of an employee's final salary. 403(b)s are designed to help fill the gap between your defined benefit pension and your retirement income goal. It's never too early—or too late—to start saving for your future.

How do I start a 403(b)?

403(b) plans are sponsored by your employer. Enroll with your selected 403(b) vendor, then complete your employer's salary reduction agreement to start contributing to your account. Your contributions may be either pre- or post-tax, depending on what's available to you and what you choose. Your pre-tax contributions and earnings grow tax-free until you withdraw the funds in retirement.

What should I know before enrolling in a 403(b)?

Use 403bCompare to answer these four questions:

- 1 Have I explored and researched all my options?
- 2 Do I understand all the details of how my 403(b) works?
- 3 What are the fees and expenses—and are there any commissions or surrender charges?
- 4 How easily can I pull my money out?

403bCompare.com

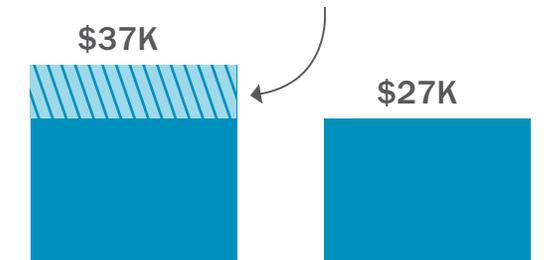
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Why fees matter

The difference even 1 percent can make

All 403(b) products charge fees and expenses. But not all 403(b) plan providers charge fees the same way. In addition, there could be commissions, surrender charges and other restrictions to accessing your savings, so it's important to do your research and consider all fees when choosing a 403(b). Even a small difference can add up.

Let's say you invest \$10,000 for 30 years, make no contributions and earn an average of 5 percent. Investment fees usually range from 0.5 percent to 1.5 percent a year. Pay 1 percent less in fees and after 30 years, you could have 37 percent more—that's an additional \$10,000.



Account balance with 0.5% annual fee

Account balance with 1.5% annual fee

Will your pension be enough?

According to the Employee Benefit Research Institute's 2016 Retirement Confidence Survey, 38 percent of retirees found their expenses in retirement to be higher than they expected and 21 percent found them to be lower than expected.

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Provided by **CALSTRS**

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Your guide to choosing the 403(b) retirement savings product that best matches your needs.

Provided by **CALSTRS**

Compare retirement savings products to find the right one for you

403bCompare gives you an easy and transparent way to compare investment fees, performance and services for your employer's 403(b) products.

At 403bCompare, you can:

- Learn about the advantages of a 403(b) account.
- Find your employer's list of approved 403(b) vendors.
- Compare 403(b)s side by side.
- Get information about how to enroll and start easy contributions from your paycheck.

You'll also find savings calculators, retirement planning tips and videos, and more.

403bCompare was created by CalSTRS, the California State Teachers' Retirement System, as required by state legislation.

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How to use 403bCompare.com

1 First, register and create your 403bCompare account.
It's easy and secure. With an account, you can conveniently save information about your employer, favorite 403(b)s, past 403(b) comparisons and more.

2 Once registered, there are two ways to explore the site:

If you're comfortable exploring on your own, you'll find links along the top and bottom to get you started.

OR

If you prefer to be guided in a few easy steps, the My Next Steps tool is for you. It's a checklist to:

- Find and select your employer
- Compare and select your product
- Contact a vendor to enroll
- Set up contributions



You'll find an instructional video for the My Next Steps tool at 403bCompare.com.

No matter which direction you take, it's important to find and select your employer first. This ensures you're comparing only 403(b) vendors and products approved by your employer.

Why 403bCompare?

403bCompare takes the guesswork out of choosing the best retirement savings plan for you.

Most likely, your district offers dozens of 403(b) products and hundreds of investment options to choose from. With 403bCompare, you can easily compare products to choose the one that best matches your needs.

