









2025 STRATEGIC PARTNERSHIP PLAN

Tulare County

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Senior Relationship Manager, Government

Agenda

- 01 Your Empower Partners
- 02 2024 Accomplishments and Work in Progress
- 03 2025 Industry Hot Topics
- 04 2025 Priorities / Business Planning
- 05 Participant Communications and Engagement
- 06 AI / Cybersecurity

Your Empower Partners

Julie Klassen, ChFC, REBC, RICP, CLU

Senior Relationship Manager, Government

Jenai Humiston

Senior Client Services Manager

Arturo Mendez Vega

Retirement Plan Advisor

Mark Bojanowski, CFA

Investment Director

Cynthia Egger, CRPC, CRPS

Director, Participant Engagement






Matt Krywicki, CPC

Senior Consultant ERISA

Rob Luciani

Vice President, Government Markets

2024 Accomplishments

Actions Taken <i>or In Progress</i>				
	Plan design	SECURE 2.0: opted to permit Super Catch Up – Age 60 to 63; Removed 1 st day of month rule for 457(b); annual De minimis to \$7,000. Add Roth to 3121; added Domestic Abuse withdrawals.		
	Participant communications	Empower Communications Engine (ECE) and RPA for virtual and onsite services.		
	Investments	In Plan Retirement Income discussion / education and Institutional Separate Accounts (ISAs) possible.		
	Administration	Full PDI file opportunity (eligibles)?		
	Fiduciary	SECURE 2.0 Plan Document Amendments expected late 2025 or early 2026.		

2025 Industry Hot Topics

Interpreting legislation



SECURE 2.0; Social Security Fairness Act (windfall elimination and government pension offset repealed).

Bridging the gaps in plan design



In Plan and/or Out of Plan retirement income.

Meeting participant needs



Advisory services and personalization.

Advancing technology/cybersecurity



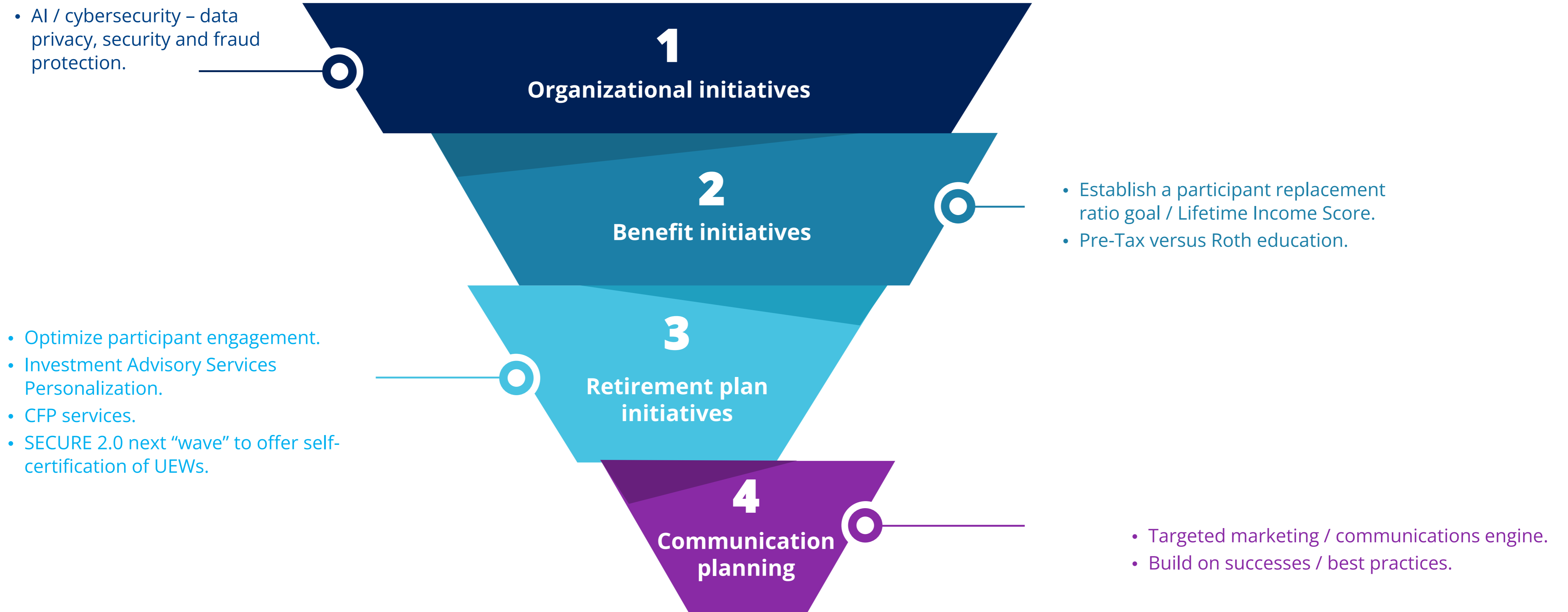
Defining AI, focus on cybersecurity.

Source: Empower data August 31, 2024.

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2025 Priorities That May Drive Business Planning

Tulare County goals and initiatives inform and influence business planning



Mandatory Roth Catch-up

SECURE 2.0 Section 603 (for 401(k), 403(b), and governmental 457(b) plans that offer age 50 catch-up contributions)

What is it?

- Effective January 1, 2026, employees in plans that allow for catch-up contributions who made over \$145,000 in FICA compensation in the prior year must make any catch-up contributions as Roth.
- *On January 10, 2025, the Department of Treasury and the IRS issued proposed regulations. An individual who did not have any FICA wages from the “employer sponsoring the plan” for the preceding calendar year would not be subject to the mandatory Roth catch-up requirement under the plan in the current year.*
 - *Comments on the proposed regulations by March 14, 2025. A public hearing is scheduled for April 7, 2025.*



**Mandatory
provision**



**Review
communication**



**Plan
amendment
required**

An award-winning experience

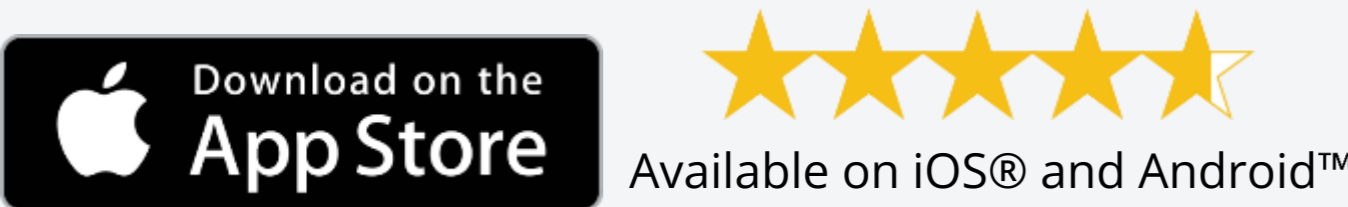
that is continually being enhanced

“Best of both budgeting and investment management”
CNBC, April, 2024¹

“Best financial overview”
Newsweek, May, 2024²

“Best in Class online mobile planning tools,
Best in Class financial wellness offering”
PlanSponsor, 2024³

Average app rating 4.7 out of 5
Over 150,000 5-star app ratings⁴

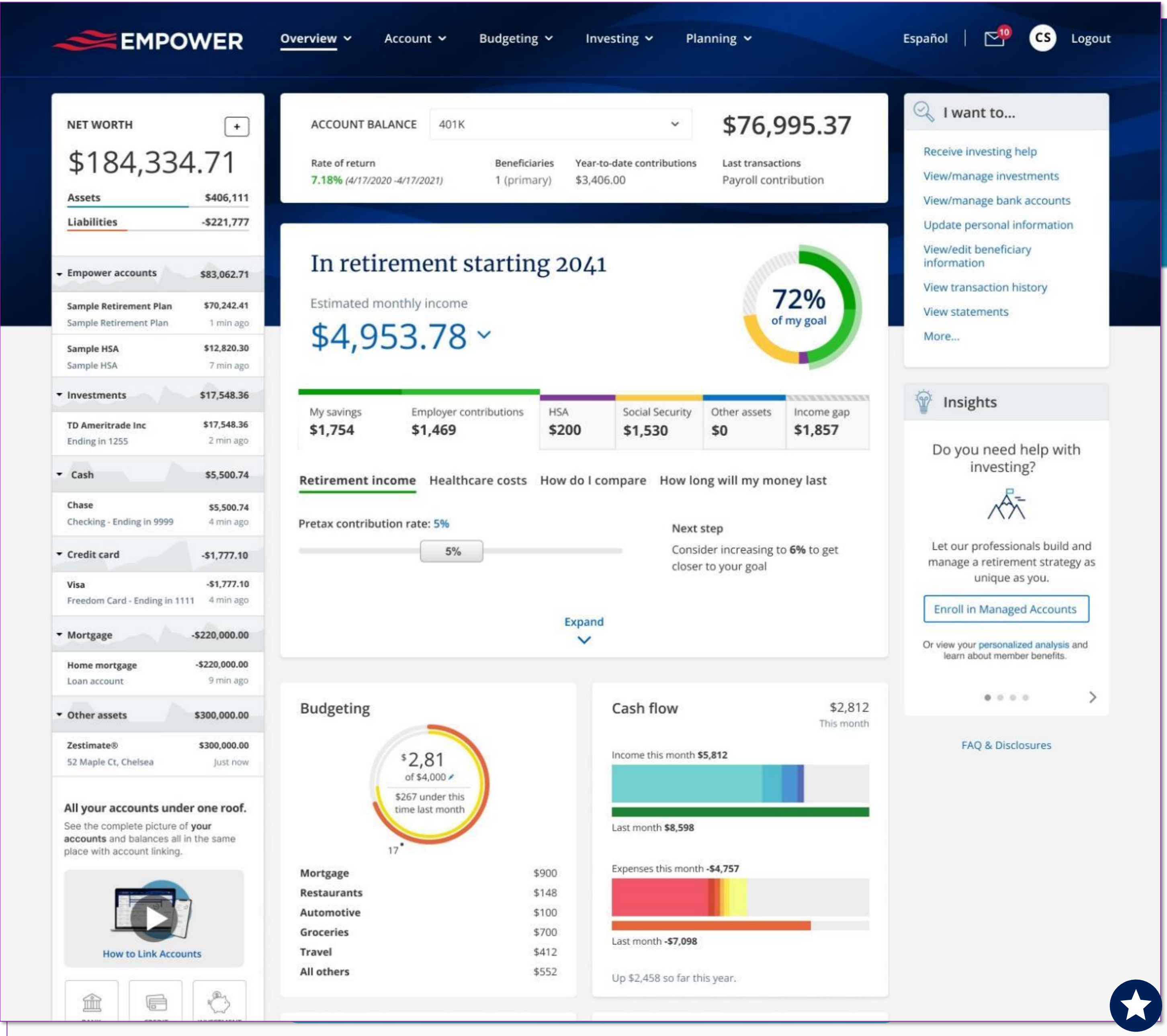


1 CNBC, “Empower budgeting app review 2024”, April 22, 2024

2 Newsweek May 1, 2024

3 2023 PLANSPONSOR Best in Class: DC Providers Survey, February 2024.

4 App Store® from Apple® ratings and reviews as of January 1, 2024.
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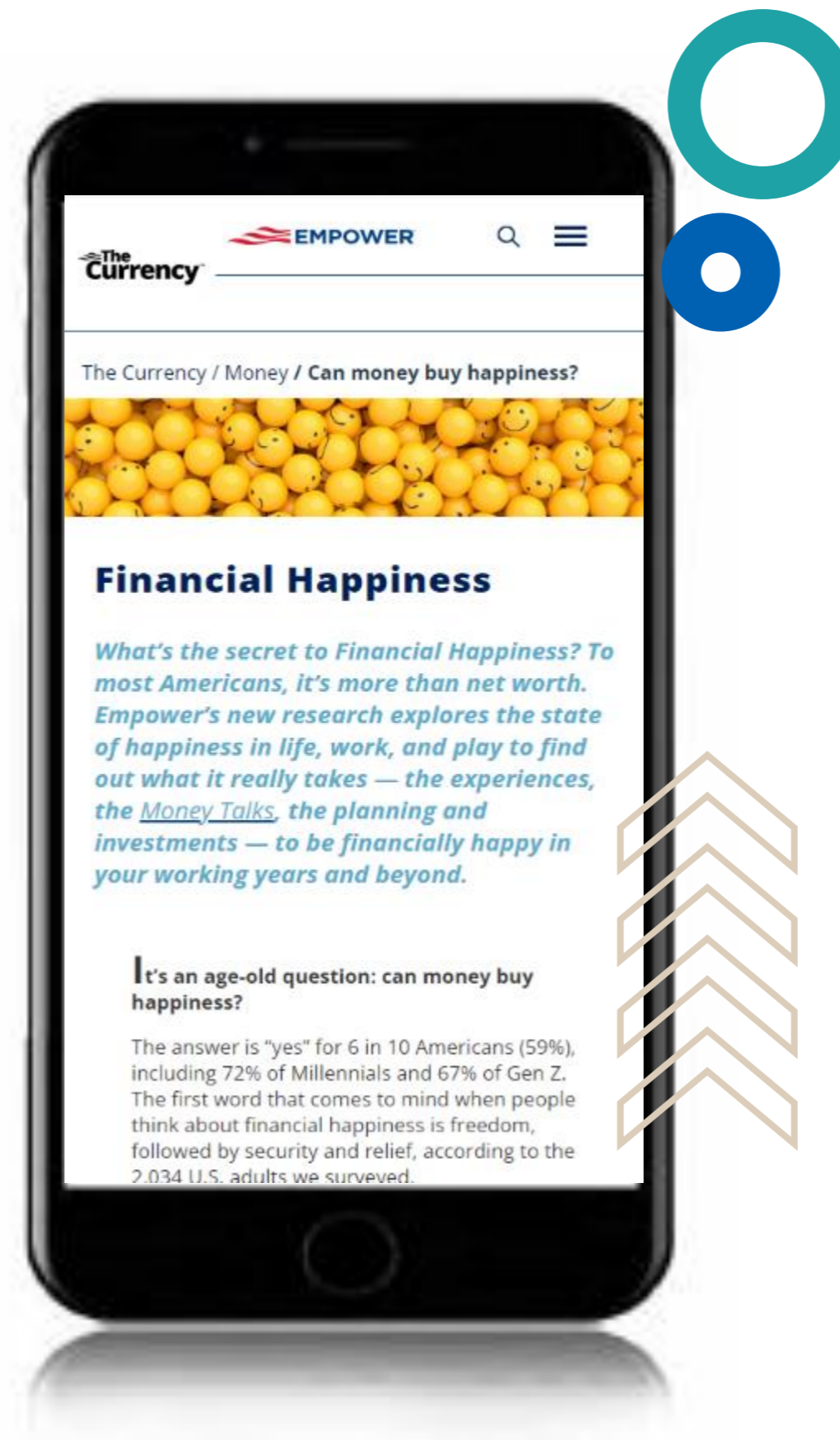
The Currency™—empowering what's next in money, life, work and play

Weekly digital newsletter delivering what's current and relevant to daily life.

Tips for living in the now, while planning for the future.

Empowering real conversation on money matters.

Stay in the know



Capturing the attention of employees and the media

“Perks: The app and website offer a blog called *The Currency* where users can brush up on their financial knowledge and learn about industry insights.”

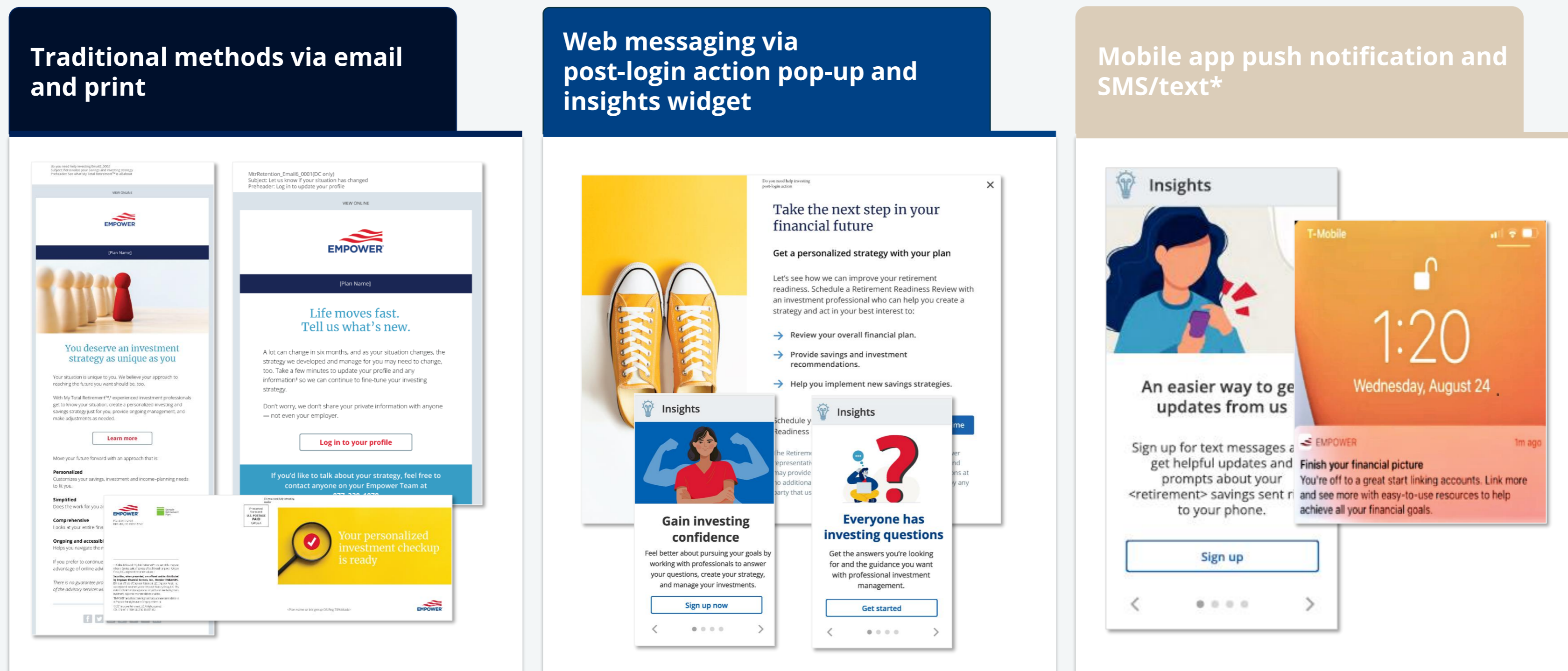
~CNBC, [Empower budgeting app review 2024](#). April 22, 2024.

Proprietary data and surveys, such as *Financial Happiness*, *Money Talks*, and *Who's the boss* featured in [MarketWatch](#), [Forbes](#), [Yahoo!Finance](#), [USA Today](#)

Engaging individuals with the Empower experience

Personalized messages that are **dynamic and responsive** to help drive results

- Targeted messages drive individuals to participate in the plan, learn about the benefits of the Empower Personal Dashboard™, save more, invest wisely, and take steps to build financial wellness.



Spend Down Advice

- Income sustainability
- Year by year detailed cash flow
- Inclusive of all income sources
- Withdrawal strategy by account type
- Tax liability inclusion
- Spending events
- Portfolio estimates through spend down years
- Ongoing coaching/reminders of current spend down pace

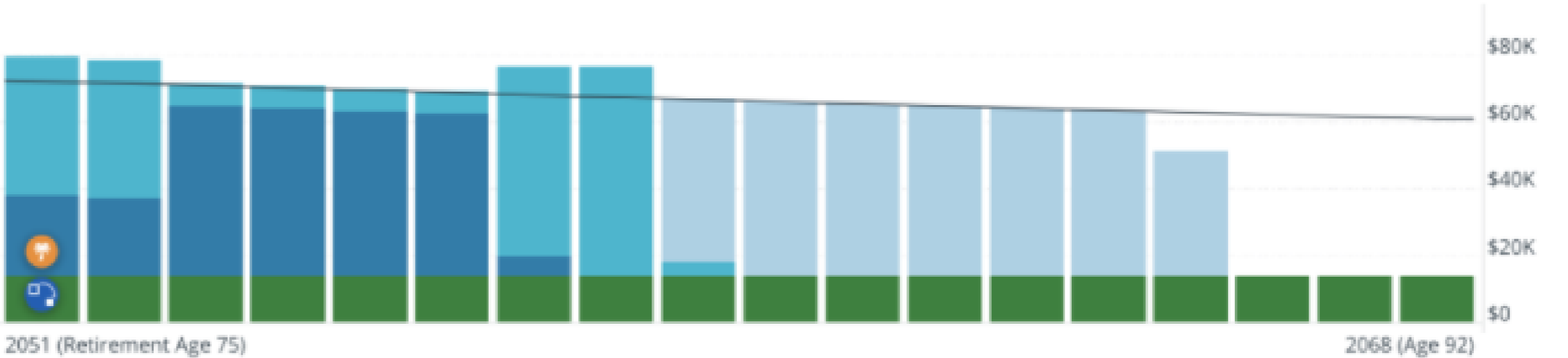
Retirement planner

Retirement Smart Withdrawal™ Strategy

Follow this tax-smart withdrawal sequence to deliver annual retirement income to support your budgeted spending while minimizing taxes and maximizing your portfolio throughout retirement.

Retirement income sources

Income Taxable portfolio Tax deferred portfolio Tax free portfolio Budgeted spending



YEAR (AGE) RETIREMENT INCOME SOURCES ESTIMATED TAXES BUDGETED SPENDING PORTFOLIO BALANCE

2051 (75) 



Smart Withdrawal Sources
\$79,167

Taxable	\$24,008
Tax Deferred	\$41,270
RMD Estimate	\$9,366

	\$79,167		-\$7,167		-\$72,000		\$656,004
Income Events ▶	\$13,889	Federal Inc...	-\$4,664	 Retirement Spen...	-\$72,000	Taxable	\$213,912
Portfolio Withdrawal	\$65,278	State Income	\$0			Tax Deferred	\$177,447
		Gains & Divi...	-\$2,503			Tax Free	\$264,645

Your tax bracket is likely to be higher in the future. A partial Roth conversion strategy may help. Talk to your advisor for details.

2052 (76)	\$78,323	-\$7,043	-\$71,280	\$604,516
2053 (77)	\$78,552	-\$6,809	-\$71,743	\$581,582
2054 (78)	\$71,648	-\$622	-\$71,026	\$538,127
2055 (79)	\$70,943	-\$627	-\$70,316	\$485,546
2056 (80)	\$77,748	-\$8,135	-\$69,612	\$433,728

AI can enhance the experience for your participants

Enhance 1:1 human interactions



- Natural language IVR **improves participant experience**
- Enhanced **fraud detection**
- Scaled and enriched **call quality analysis and agent coaching**
- Efficient **service knowledge assistance** for agents²

Provide more convenient service

- 24/7 Virtual Assistant delivers **instant response**, tailored to your needs
- Next Best Action (NBA) will **expand to mobile/web** for anytime/anywhere service²
- AI-based automation **accelerates processing** of client requests with highest quality



Create and execute a robust financial plan

- Next Best Action (NBA) will give associates **suggested insights** to serve participants¹
- Evaluate the financial data of participants to **aid in modifying plans** as their life circumstances evolve.²



Protect personal data from bad actors

- Security incident and **event monitoring**
- **Call fraud detection**
- **Compliance:** trade monitoring and customer due diligence



¹ Anticipated for the first half of 2025

² Anticipated for the second half of 2025

Some tools described above may not be implemented or their availability is subject to change without notice.

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