USI CONSULTING GROUP

Knox County Retirement & Pension Board

Asset Accumulation Plan, Deferred Compensation, Medical Expense Retirement Plan

Presented by:
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USI Consulting Group
2023

Agenda

- Your Plan
- Benefits of Retirement Savings
- Understanding Your Account Statements
- Website Demonstration
- Contact Information
- Questions

The information provided in this presentation is an overview of your Plan's features and benefits. The Summary Plan Description ("SPD") provides greater detail and other important information concerning your participation in the plan. Keep in mind that if there is a discrepancy between this and the information in the SPD, the SPD will govern.

This presentation has been prepared for general educational purposes only and is not designed to be a comprehensive analysis of any topic discussed herein. It should not be relied upon as the only source of information, and is not intended to represent advice or a recommendation specific to your situation. Prior to action, we recommend that you seek independent advice specific to your situation from a qualified legal/tax/investment professional. Investors should consider their financial situation, time horizon and risk tolerance before making an investment decision.

Vesting

Years of Service	401 (a) Vesting %	457 (b) and MERP
Less than 1	0%	100% Immediate Vesting
1	20%	
2	40%	
3	60%	
4	80%	
5 or more	100%	

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Knox County Plans

	Asset Accumulation 401 (a)	Deferred Compensation Plan 457 (b)	Medical Expense Retirement Plan MERP
Participation Requirement	Mandatory	Voluntary	Voluntary
Participant Contribution	Mandatory 6%	Up to IRS Limits	Up to IRS Limits
Employer Contribution	6% Match	Maximum of 6% based on participant contribution amount and years of service	50% of participant contribution up to a maximum annual match of $416
Investment	Participant Directed	Participant Directed	Participant Directed

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Knox County 457 (b) Matching Schedule

Years of County Service	Maximum Employer Match as % of Compensation
Less than 5 years	0%
At Least 5 but less than 10 years	Up to 2%
At Least 10 but less than 15 years	Up to 4%
15 years or more	Up to 6%

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Knox County 457 (b) Contribution Schedule

As a participant in the 401 (a) Plan, you are eligible to contribute to one of the 457 (b) vendors approved by the Knox County Retirement & Pension Board. You may contribute an additional percentage of pay on a pre-tax basis. You may only contribute to one 457 (b) at a time.

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Your Retirement Savings Plan: Plan Limits

- **Employee Contributions - 457 (b)**
  - Defer any whole % of your eligible compensation, up to the IRS maximum:
    - **$22,500** for 2023
    - Age 50+ catch-up contribution = **additional $7,500** for 2023

- All Employer 457 match contributions are deposited into the 401(a) plan

- **Employer Contributions – 401 (a)**
  - Currently 100% of your contributions up to a maximum of 6% of eligible compensation

Your 401 (a) Retirement Savings Plan: Example

- **Example:** 35-year-old employee who makes $30,000 a year:
  - Mandatory Employee Contribution: 6% $1,800
  - County Base Contribution Match: 6% $1,800

$3,600

Your 457 (b) Retirement Savings Plan: Example

- **Example:** 35-year-old employee who makes $30,000 a year:

Years of County Service	457 Match	Employee	Employer	Total 457(b)	With 401(a) & 457
More than 5, less than 10	2%	$600	$600	$1,200	$4,800
10 – 15	4%	$1,200	$1,200	$2,400	$6,000
15 and above	6%	$1,800	$1,800	$3,600	$7,200

Knox County 401 (a) Plan

Eligibility

- Participation is a required condition of employment for all members of the eligible class.
- You are a member of the eligible class if you are designated by Knox County or Knox County Schools (hired prior to July 1, 2022) as a regularly scheduled (at least) 18 ½ hour per week employee status A-1,A-2 or equivalent
- You are also in the eligible class if you were a participant in the Closed Defined Benefit Plan and previously elected to transfer to this Plan in accordance with the provisions of the Retirement System

Exclusions

- Hired or rehired on or after July 1, 2022, by Knox County Schools
- A certificated employee (teacher) covered by the provisions of the City of Knoxville Pension Plan
- An employee participating in the Tennessee Consolidated Retirement System
- Also excludes, temporary, seasonal employees, reserve officer of the Sheriffs Office
- An employee who stayed in the Knox County closed DB Plan with certain exceptions
- A Knox County School substitute or timecard employee
- A Sworn Officer regularly employed by the Sheriffs Office who participates in the UOPP or STAR
- A reemployed retired UOPP officer

Enrollment

Automatically enrolled upon meeting eligibility in the Plan

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Knox County 401 (a) Plan

Retirement Eligibility

- *Normal Retirement*-Age 65 with a minimum completion of 5 years of service
- *Early Retirement*-Age 55 with a minimum completion of five years of service
- *Delayed Retirement*-The first of any month following your Normal Retirement
- *Longevity Retirement*-At or after age 50 when the sum of your age plus years of service is equal to or exceeds age 70

Retirement Payment Options

- *Standard Form of Payment-Installments over a period equal to life expectancy*
- *Fixed Period Installments- Specified period of years*
- *Fixed Payment Installments-Specified equal payments*
- *Modified Lump Sum-25% of your account balance in a lump sum with the balance as any other option indicated in the plan*
- *Lump Sum- account balance paid in full, subject to 20% federal income tax with holding*

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Your Retirement Savings Plan

Eligibility
Completed 90 days of continuous service

Entry Date
First day of the month following eligibility

Enrollment
Indicate your contribution % and choose your investments

Beneficiary
Indicate your designated beneficiary(s)

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Benefits of Tax Deferred Saving in a 401(a)

RETIREMENT SAVINGS	Without your contribution into plan	With your contribution into plan	Difference
Gross Pay	$30,000	$30,000	
6% 401(a) Deferral	$0	-$1,800	
Taxable Pay	$30,000	$28,200	
Federal Income Tax*	-$4,500	-$4,230	
FICA (7.65%)	-$2,295	-$2,295	
Net Take Home Pay**	**$23,205**	**$21,675**	
6% Regular Retirement Savings	-$1,800	$0	
Disposable Income	**$21,405**	**$21,675**	**$270**
Employer Match	**$0**	**$3,600**	
Retirement Savings	**$1,800**	**$5,400**	**$3600**

*Example assumes 15% Federal Income tax rate.

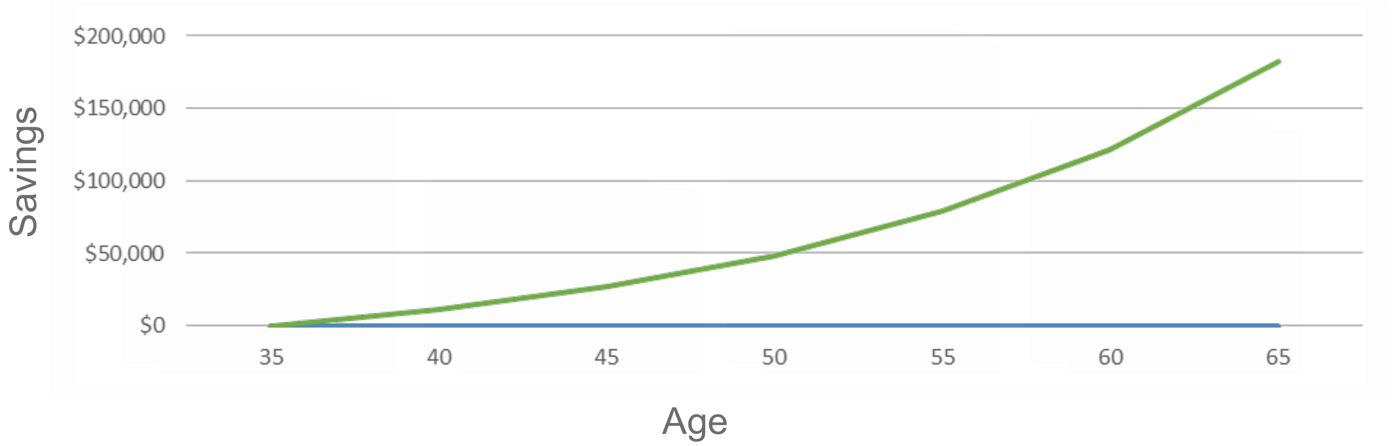
**Before any medical, dental insurance or other benefits related deductions.

See how saving in a 401(a) plan will provide you with $270 worth of spending money throughout the year!

This information is provided solely for educational purposes and is not to be construed as investment, legal or tax advice. Prior to acting on this information, we recommend that you seek independent advice specific to your situation from a qualified investment/legal/tax professional.

Long-Term Compounding

$1,800 invested every year for 30 years with no additional contributions or withdrawals.
Graph assumes a 7% annual return.



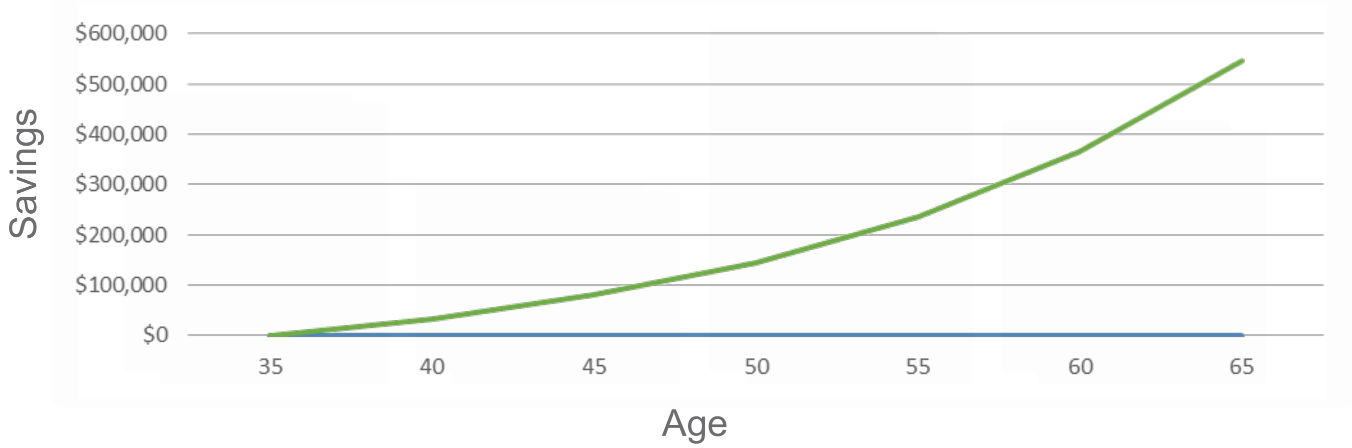
$181,931

This information is for illustrative purposes only and does not represent an actual investment. Actual returns may be more or less than this example. Past performance is not indicative of future results.

Long-Term Compounding-With the County's Matching Deposit

$5,400 invested every year for 30 years with no additional contributions or withdrawals.

Graph assumes a 7% annual return.



$545,795

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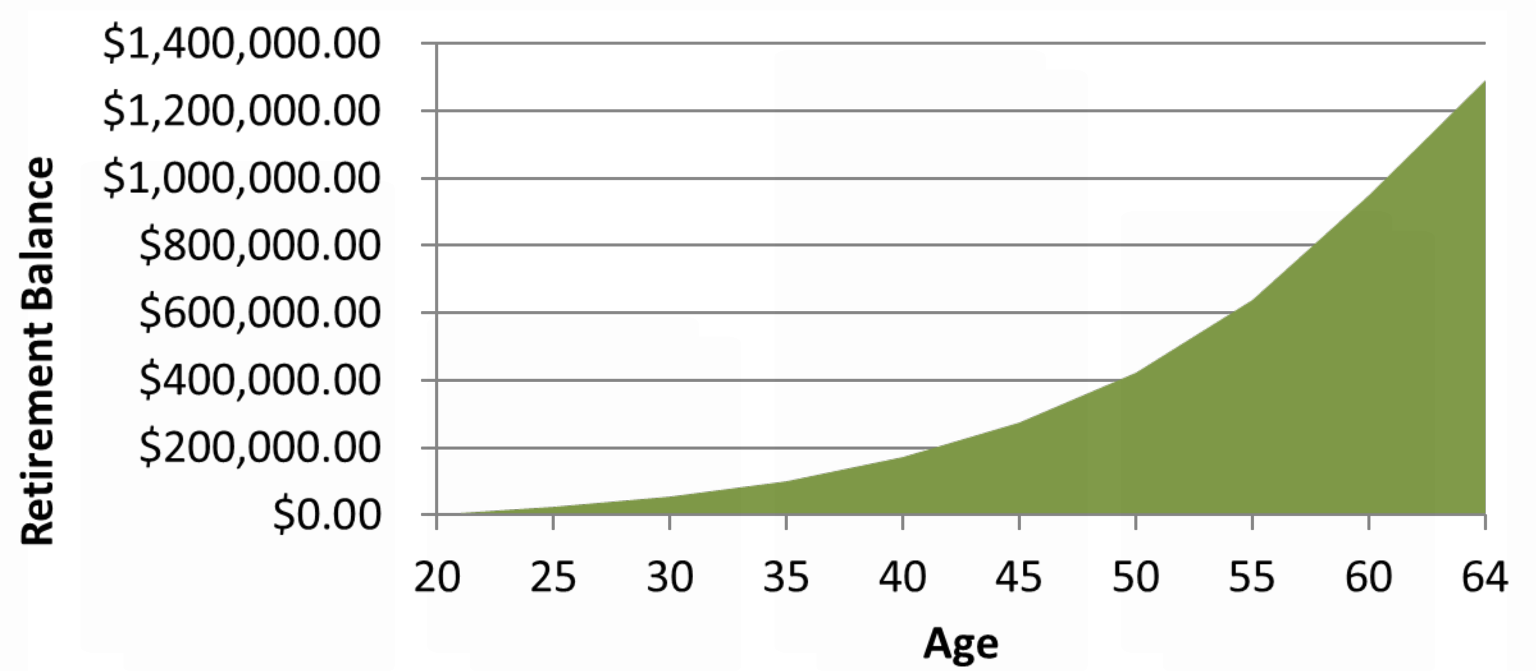
Start Investing Early!

- Starting Early
  - May allow you to make much smaller contributions over time
  - May provide you with a larger nest egg at retirement
- Waiting (or procrastination)
  - May require you to make unrealistically large contributions
  - May provide you with a smaller nest egg at retirement

Reaching Your Retirement Goal

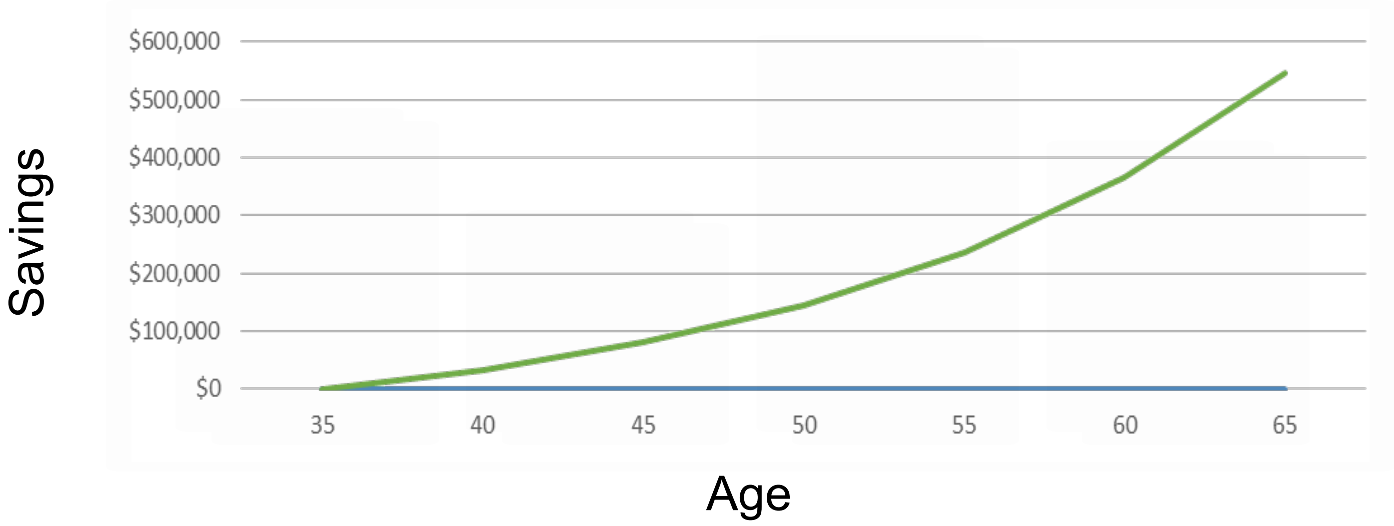
- Save as much as you can, 10-15% of your salary is generally recommended
- Build a portfolio that could potentially earn an average annual return of 6-7%



Example assumes a starting balance of $3,000, savings rate of 10% of annual salary of $30,000 with a 3% annual increase and an annual return of 7%. Quoted returns are hypothetical and do not represent the return of any particular security or group of securities. Calculations provided by http://money.msn.com/retirement/retirement-calculator.aspx.
Numbers are based on gross annual income.
Information is for illustrative purposes only. Past performance is not indicative of future results. Actual returns may be more or less than this example.

Long Term Compounding with County's Match

$5,400 invested every year for 30 years with no additional contributions or withdrawals.
Graph assumes a 7% annual return.



$545,795

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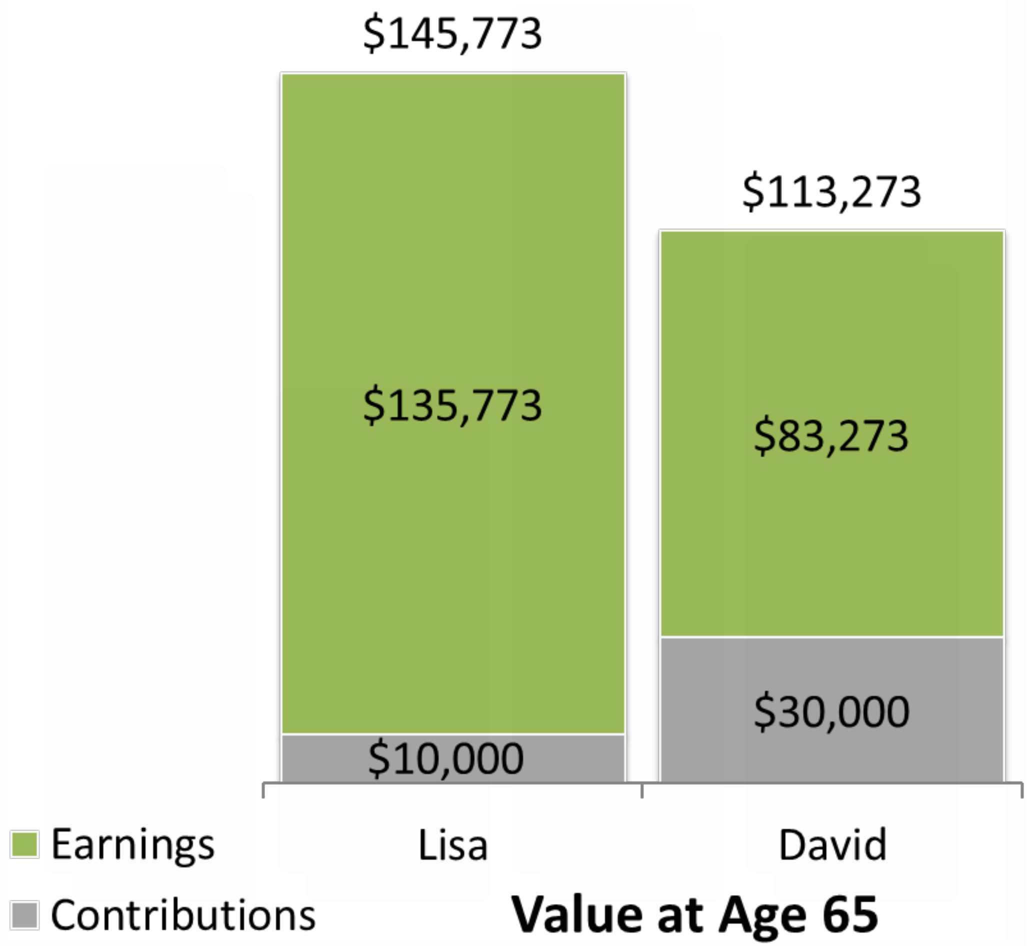
The Cost of Waiting

- Lisa and David both invested $1,000 a year.
- Lisa contributed for 10 years, starting at age 25, while David contributed for 30 years starting at age 35.
- By starting earlier, Lisa ended up with over $35,000 more than David and contributed *$20,000 less!*



Assumes 8% return. Quoted returns are hypothetical and do not represent the return of any particular security or group of securities.

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Utilizing Your Retirement Tools

Knox County Retirement & Pension Board

Here for you and your Nest Egg!

KNOX COUNTY
RETIREMENT & PENSION BOARD

(865) 215-2323

Room 371

City-County Building

- General Plan Information
- Change withholding amounts
- Address changes
- Investment Information
- Life Event Changes
- Beneficiary Updates

Understanding Your Statement

- Starting balance
- Contributions
- Gains & losses
- Ending balance
- Rate of return

USI | Direct Solutions
CONSULTING GROUP
95 Glastonbury Boulevard, Suite 102, Glastonbury, CT 06033

Knox County Employee Retirement and Asset Accumulation 401(a) Plan

Your Retirement Savings Statement

For the Period October 01, 2022 to December 31, 2022

Special Messages

Please review this statement carefully and immediately notify your employer in writing of any errors. Transaction activity posted to your account during the reporting period listed above is reflected in this statement.

You may view account/investment information, make changes to your account and access investment education and research tools at www.usicg.com or via the USICG Mobile App. You may listen to account information using the Voice Response System at 1-877-220-8997.

Account Summary

Beginning Balance		$187,592.34
Contributions		$4,219.02
Loan Activity		$0.00
Distributions		$0.00
Transfers		$0.00
Gain/Loss/Misc		$2,175.81
Other Activity (Breakdown below)		$8,072.74
Conversion Activity	$0.00	
Forfeiture Receipts	$0.00	
Forfeitures	$0.00	
Fees	$0.00	
Interest/Dividends	$8,072.74	
Ending Balance		**$202,059.91**
Vested Balance		**$202,059.91**

Important Dates

Date of Birth: 10/30/1958
Date of Hire: 12/01/2004

Customer Service

Phone: 1-866-305-8846, enter plan code: 524
Email: directsolutionsparticipantquestions@usi.com
*Reference plan name & 3-digit plan code shown above in subject line.

Personal Rate of Return Information

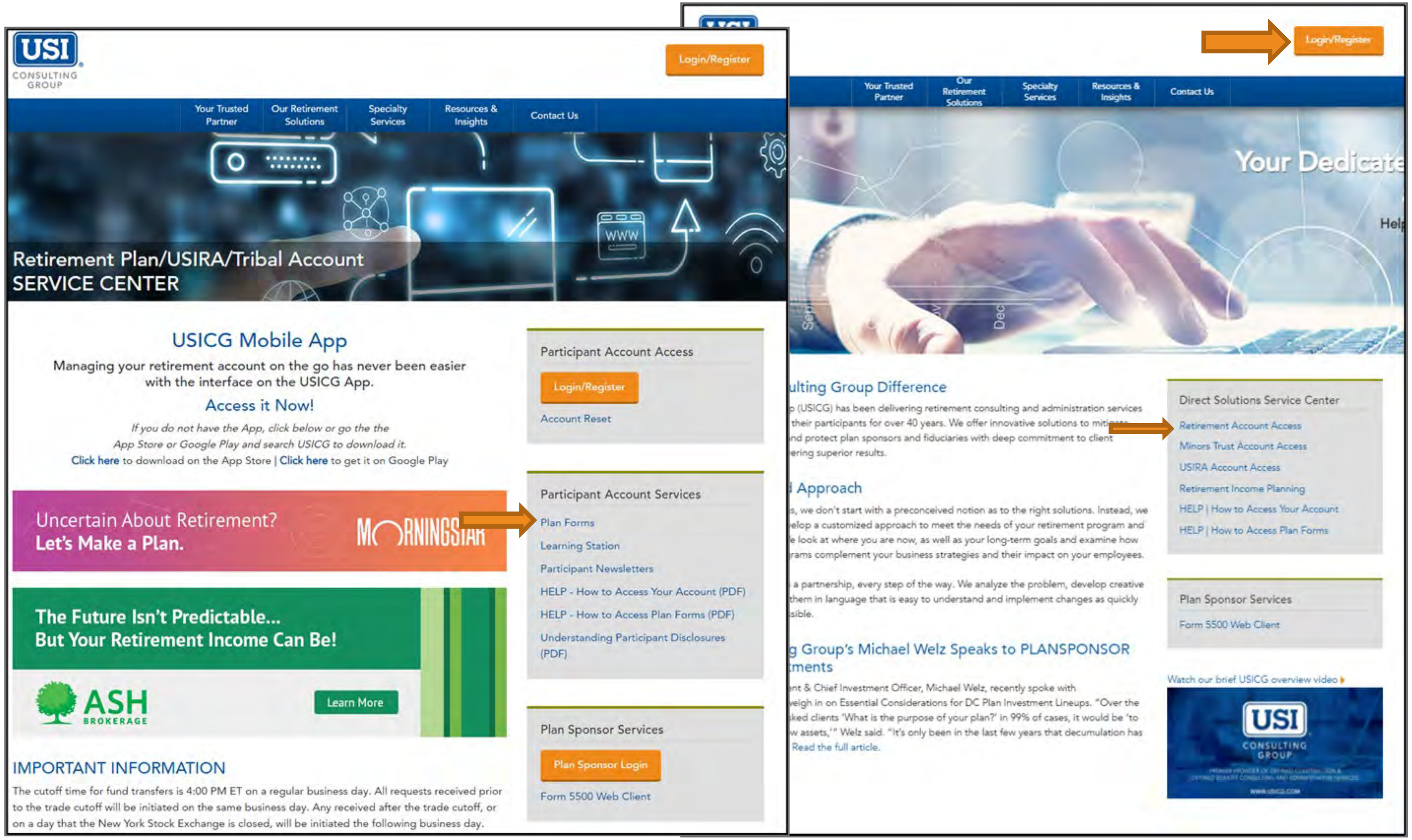
Current Period	Year to Date
5.41%	-13.06%

Your Personal Rate of Return is impacted by several factors including your personal asset allocation, the timing and amount of any transactions in the account, and the performance of the funds that you invested in during the period.

A number within parenthesis indicates a negative number.

PLEASE NOTE: Your personal Rate of Return may not be accurate until you have a January 1 opening balance.

Accessing your Online Account – www.usicg.com



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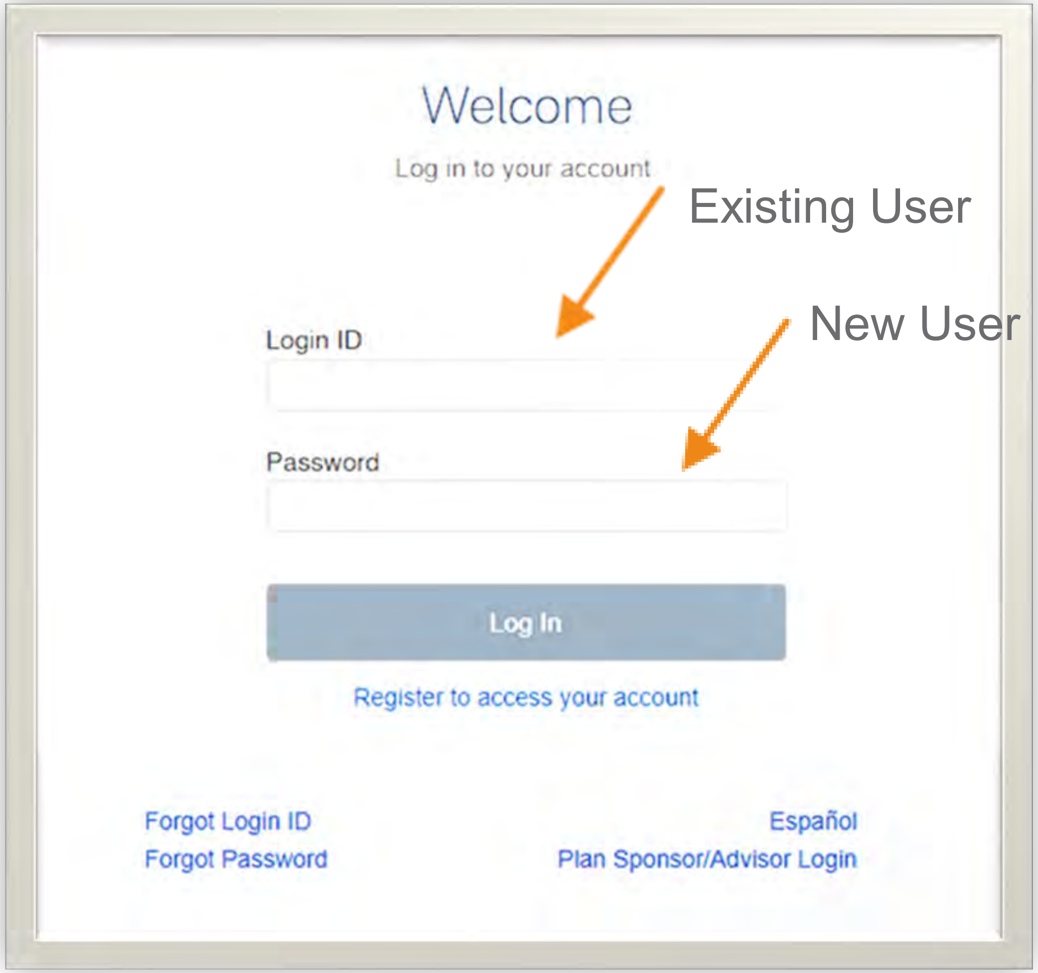
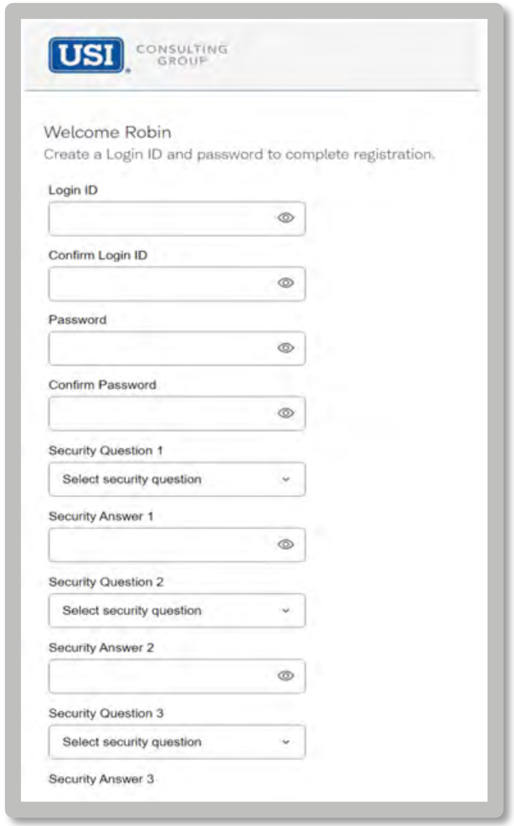
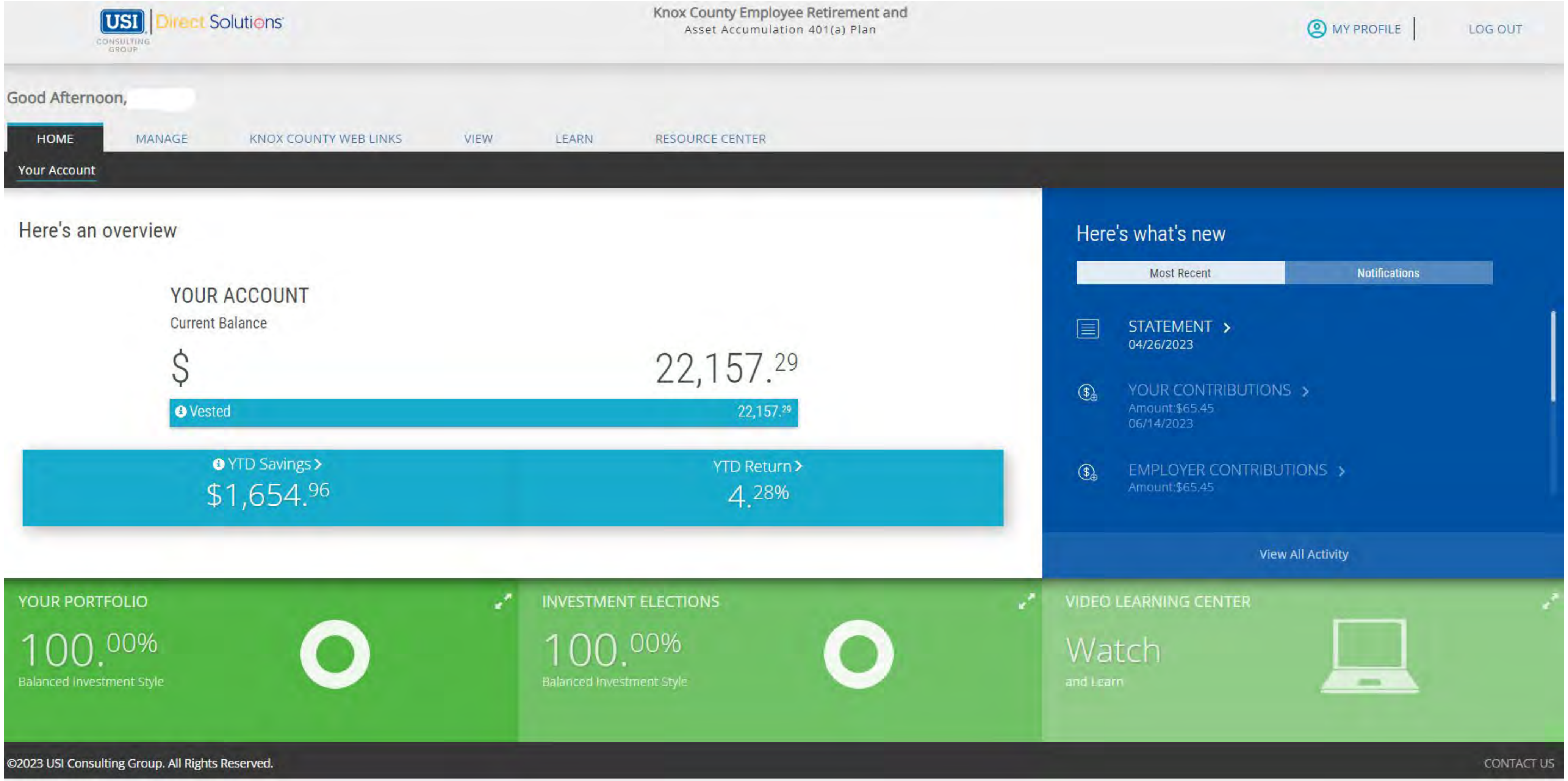




For illustrative purposes only

Your Online Account



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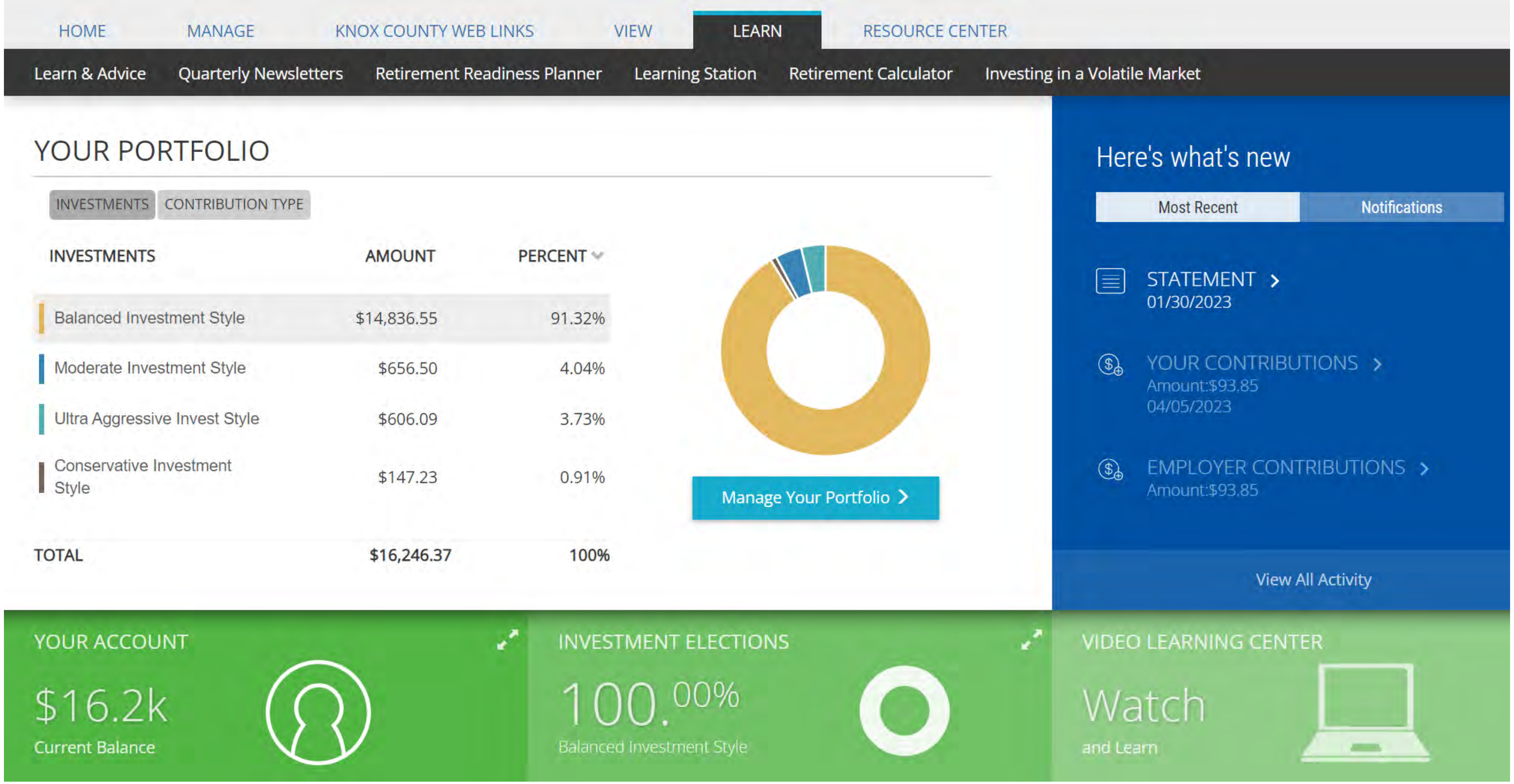
Your Online Account



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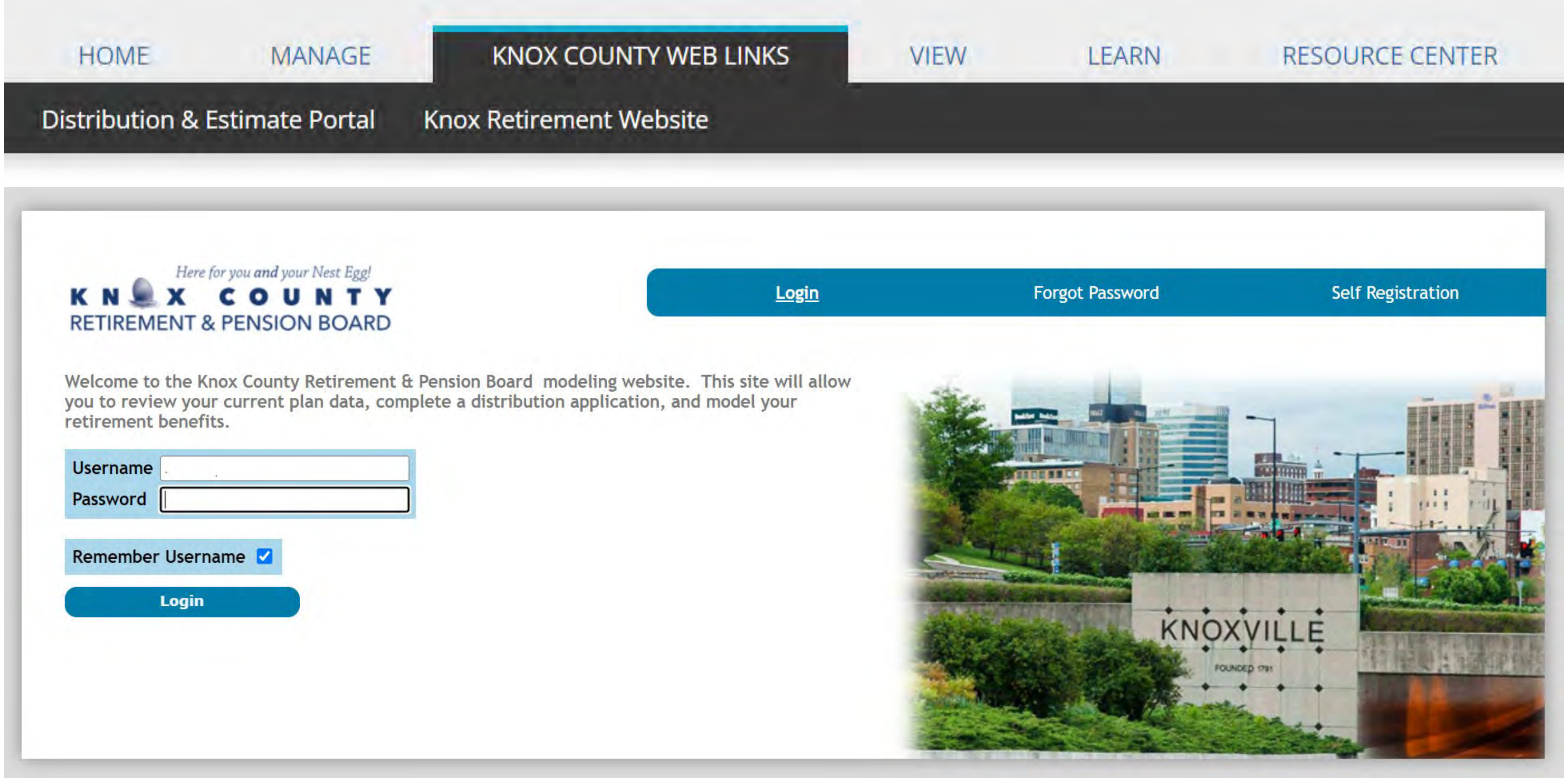

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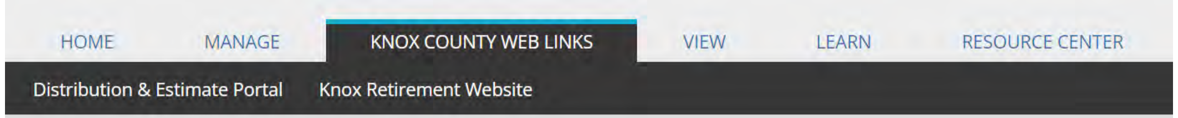
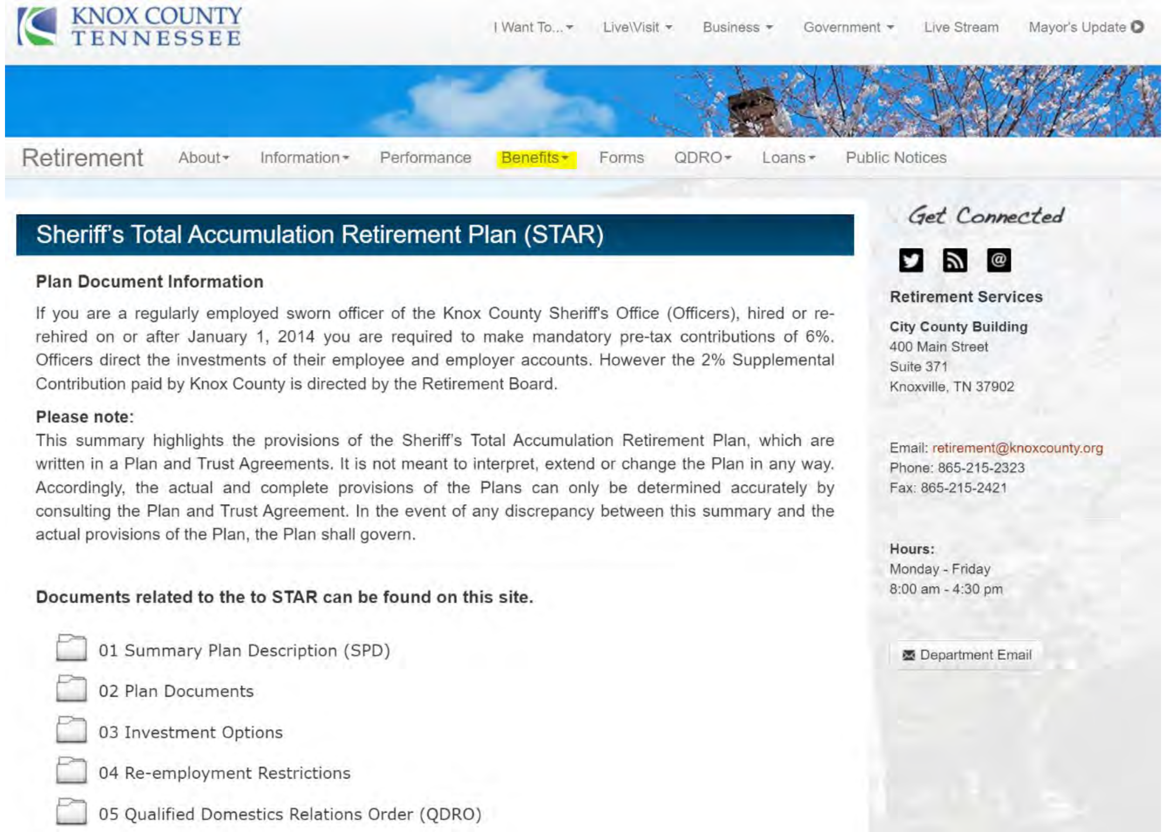
Your Online Account




KNOX COUNTY TENNESSEE

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Sheriff's Total Accumulation Retirement Plan (STAR)

Plan Document Information

If you are a regularly employed sworn officer of the Knox County Sheriff's Office (Officers), hired or re-rehired on or after January 1, 2014 you are required to make mandatory pre-tax contributions of 6%. Officers direct the investments of their employee and employer accounts. However the 2% Supplemental Contribution paid by Knox County is directed by the Retirement Board.

Please note:
This summary highlights the provisions of the Sheriff's Total Accumulation Retirement Plan, which are written in a Plan and Trust Agreements. It is not meant to interpret, extend or change the Plan in any way. Accordingly, the actual and complete provisions of the Plans can only be determined accurately by consulting the Plan and Trust Agreement. In the event of any discrepancy between this summary and the actual provisions of the Plan, the Plan shall govern.

Documents related to the to STAR can be found on this site.

- 01 Summary Plan Description (SPD)
- 02 Plan Documents
- 03 Investment Options
- 04 Re-employment Restrictions
- 05 Qualified Domestics Relations Order (QDRO)

Get Connected

Retirement Services

City County Building
400 Main Street
Suite 371
Knoxville, TN 37902

Email: retirement@knoxcounty.org
Phone: 865-215-2323
Fax: 865-215-2421

Hours:
Monday - Friday
8:00 am - 4:30 pm

Department Email

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Your Connections with USICG

Direct Line

24 hours/day
7 days/week
1-877-220-8997

Direct Access

www.usicg.com
Forms Code: Knox

Professional Service Team

Monday-Friday
8am to 5pm ET

1-866-305-8846
Plan Code: 524

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Appendix: Asset Class Definitions

ASSET CLASSES
There are three basic investment categories or asset classes: Equity Investments, Fixed Income Investments, and Cash Equivalents.

Equity Investments involve the direct or indirect ownership (e.g., through mutual funds or other types of pooled portfolios) of company stock. Owning stock in a corporation is represented by holding share certificates that are a claim on a corporation's earnings and assets; therefore, stockholders are owners of the corporation. Equity investments have historically had the highest return potential, but also the greatest level of risk amongst the asset classes.

Fixed Income Investments are a type of investment that pays a fixed rate of return. Typically, this category refers to bonds issued by governments or corporations. Bonds are essentially loans made by investors to issuers (i.e., the investor is a creditor and the issuing government/corporation is a debtor). The issuer is obligated to pay a fixed rate of interest periodically and to repay the principal amount of the loan at maturity. Bonds are generally less volatile than stocks, but offer more modest returns.

Cash Equivalents involve investments that are highly liquid and the safest asset category (e.g., stable value funds, money market mutual funds). In general the chances of losing money on an investment in this category is extremely low; however, the potential returns are also the lowest of the three major investment categories. The principal concern for those who invest in cash equivalents is inflation risk. Meaning that these lower returns, over time, will not keep pace with the rising cost of goods and services.

Source: https://www.investor.gov/introduction-investing

Appendix: Investment Category Definitions

Capitalization

Large Cap: Companies whose share price multiplied by the number of shares outstanding typically exceeds $10 billion.

Mid Cap: Companies whose share price multiplied by the number of shares outstanding typically falls in the range of $2 billion to $10 billion.

Small Cap: Companies whose share price multiplied by the number of shares outstanding typically is less than $2 billion.

Investment Style

Value: An investment style that invests in the stocks of companies that are considered undervalued relative to a major unmanaged stock index based on statistics such as price-to-current-earnings, book value, asset value or other factors.

Growth: An investment style that invests in stocks of companies with long-term earnings expected to grow significantly faster than the earnings of the stocks represented in a major unmanaged index. These funds will normally have an above average price-to-earnings ratio, price-to-book ratios, and three-year earnings growth figure compared to the universe of funds.

Blend: An investment style that invests in a combination of Growth and Value oriented stocks.

Sector/Specialty: These portfolios may focus investments on certain economic sectors, thereby increasing vulnerability to any single economic, political or regulatory development. This may result in greater price volatility.

Real Estate: There are special risks associated with an investment in real estate, including credit risk, interest rate fluctuations and the impact of varied economic conditions.

Global/World: These types of funds invest primarily outside the United States but may invest some of their assets within the United States.

Diversified Emerging Markets: These portfolios will have at least 50% of assets in stocks invested in emerging markets.

Foreign/International: These funds typically will invest in foreign securities, and will not generally invest within the United States.

Conservative Allocation: A fund that invests in both stocks and bonds and maintains a relatively smaller position in stocks. The funds typically have 20% - 50% of assets in equities and 50% - 80% of assets in fixed income and cash.

Moderate Allocation: A fund that invests in both stocks and bonds and maintains a higher position in stocks. The funds typically have 50% - 70% of assets in equities and the remainder in fixed income and cash.

Target Date Funds: Target Date Funds are subject to the risks associated with their underlying funds, and are multi-fund portfolios that adjust their asset allocation to become more conservative as the target date approaches.

Source: Morningstar Category Classification Definitions & Investment Definitions. https://www.usiadvisorsinc.com

Appendix: Investment Category Definitions

Stable Value: Stable-value portfolios seek to provide income while preventing price fluctuations. The most common stable-value portfolios invest in a diversified portfolio of bonds and enter into wrapper agreements with financial companies to guarantee against fluctuations in their share prices. These wrapper agreements typically provide price stability on a day-to-day basis, thereby insulating each portfolio's net asset value from interest-rate volatility. Therefore, the duration for each of these funds is essentially zero.

Ultrashort Bond: Used for funds with an average duration or an average effective maturity of less than one year. This category includes general and government-bond funds, and excludes any international, convertible, multisector, and high-yield bond funds.

Short-Term Bond: Short-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed-income issues and have durations of one to 3.5 years (or, if duration is unavailable, average effective maturities of 1 to 4 years). These portfolios are attractive to fairly conservative investors, because they are less sensitive to interest rates than portfolios with longer durations.

Intermediate-Term Bond: Intermediate-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed income issues and have durations of 3.5 to 6 years (or, if duration is unavailable, average effective maturities of 4 to 10 years). These portfolios are less sensitive to interest rates, and therefore less volatile, than portfolios that have longer durations.

Long-Term Bond: Long-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed-income issues and have durations of more than six years (or, if duration is unavailable, average effective maturities greater than 10 years). Due to their long durations, these portfolios are exposed to greater interest rate risk.

High-Yield Bond: High-yield bond portfolios concentrate on lower-quality bonds, which are riskier than those of higher-quality companies. These portfolios generally offer higher yields than other types of portfolios, but they are also more vulnerable to economic and credit risk. These portfolios primarily invest in U.S. debt securities where at least 65% or more of bond assets are not rated or are rated by a major agency such as Standard and Poor's or Moody's at the level of BB (considered speculative for taxable bonds) and below.

Multisector Bond: Used for funds that seek income by diversifying their assets among several fixed-income sectors, usually U.S. government obligations, foreign bonds, and high-yield domestic debt securities.

Bank Loan: A fund that invests primarily in floating-rate bank loans instead of bonds. In exchange for their credit risk, they offer high interest payments that typically float above a common short-term benchmark.

Source: Morningstar Category Classification Definitions & Investment Definitions. https://www.usiadvisorsinc.com