State of Alaska
DEFINED CONTRIBUTION PLANS

Tips on Making Retirement *More Bear-able*

SUGGESTIONS FOR YOUR MID-CAREER

Your mid-career is your retirement planning sweet spot. It's when many people are entering their prime earning years — when the hard work they've put in over the years begins to pay off. Also, your retirement is still years —even decades —away. That means you still have time to take advantage of everything the State of Alaska Deferred Compensation Plan (DCP) has to offer to get you ready for the retirement you want. Here are some suggestions to get you started:

Reconsider your contribution level

Are you contributing enough to your DCP account to help you build the retirement income you'll need? Keep in mind that many experts estimate that we'll need to replace at least 70% of our working income to maintain a comfortable retirement.[1] Log in to your account on **www.akdrb.com** and check out your Lifetime Income Score. It can help you see whether you may want to increase your contribution amount to help you achieve your goals. While you're there, you can even increase your contribution amount on the spot.

Bjorn says...

When you first started your career, the idea of retirement probably didn't seem real. Now you're starting to realize that it's coming faster than you expected. The good news is that you still have a lot of time to get ready. And the DCP offers a lot of resources to help you get there. Log in to your account and check out your Lifetime Income Score. Schedule some time with a Retirement Plan Advisor to talk about risk management. Take advantage of age 50+ catch-up contributions. After all, you're in the retirement planning sweet spot.

Review your asset mix

Another factor that affects your retirement readiness is your approach to risk. Does your portfolio for your Alaska DCP account have the right mix of risk and return potential for your situation? Remember, as you approach your planned retirement date, you may want to consider gradually decreasing the amount of investment risk in your portfolio. However, you also still have some time to recover from market downturns, so an overly conservative approach now could reduce the amount of future income you'll have.

With a Target Date Retirement Trust or My Total Retirement™, your balance of risk and return potential adjusts automatically.* Generally, the asset allocation of each Target Date Retirement Trust will gradually become more conservative as the fund nears the target retirement date. The date in a Target Date Retirement Trust's name is the approximate date when investors are expected to start withdrawing their money (generally assumed to be at age 65). The principal value of the fund(s) is not guaranteed at any time, including at the time of the target date and/or withdrawal. There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

If you manage your own portfolio, it's up to you to keep things on course. You may want to talk to your local Retirement Plan Advisor to see if your approach to risk is right for you.

Continued on back

* Online Advice and My Total Retirement are part of the Empower Advisory Services suite of services offered by Empower Advisory Group, LLC, a registered investment adviser.
1 Source: https://www.ssa.gov/pubs/EN-05-10035.pdf, September 2022.

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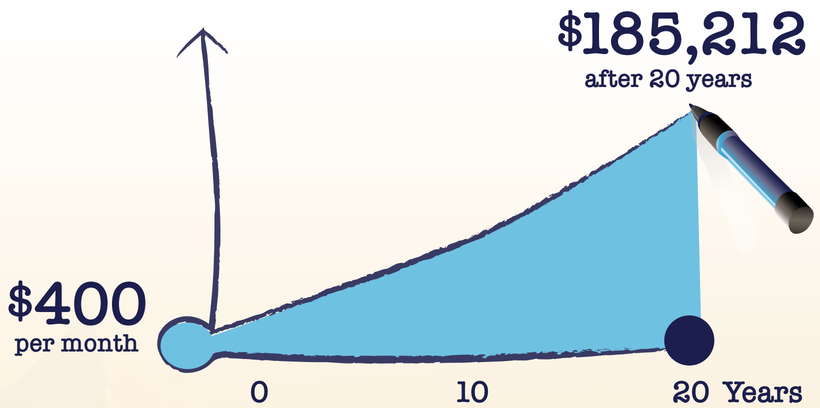
Tips on Making Retirement *More Bear-able* (Continued)

Consider keeping it simple with account rollovers

Your list of responsibilities is probably a little longer than when you first started your career. So, why not make life simpler and consider rolling over balances from any eligible 457(b), 401(k), 403(b) or 401(a) plan or an IRA into your Alaska DCP account? Instead of keeping track of multiple accounts, you'll have one statement to read, one website to access, and one number to call for support. And it may be easier to apply a consistent investment strategy across all your retirement assets. Also, the State of Alaska works to keep your DCP fees low, so more of every dollar stays in your account to help you build future retirement income. You can learn more about fees in your Plan Highlights. As with any financial decision, you are encouraged to consider all your options and their features and fees before moving money between accounts.

Look into catch-up contributions

Getting older can have its advantages — and one of them is the age 50+ catch-up contribution. The IRS sets a limit each year for how much people can contribute to an employer-sponsored retirement account like the DCP. But if you're 50 or older, you can contribute an additional amount over and above that limit. And it adds up. The chart shows how contributing $400 a month for 20 years can add up to more than $185,000! Give your local Retirement Plan Advisor a call with any questions about the age 50+ catch-up contribution.



FOR ILLUSTRATIVE PURPOSES ONLY. This is a hypothetical illustration to show the value of an increase in contributions. This hypothetical illustration is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It assumes a 6% average annual rate of return, 24 pay periods, and reinvestment of earnings with no withdrawals. Rates of return may vary. This illustration does not include any charges, expenses or fees that may be associated with your plan. The tax-deferred accumulations shown above would be reduced if these fees had been deducted.

Watch this video

for a look at how you can make the most of your time in the retirement planning "sweet spot."

Carefully consider the investment option's objectives, risks, fees and expenses. Contact Empower for a prospectus, summary prospectus for SEC-registered products or disclosure document for unregistered products, if available, containing this information. Read each carefully before investing.

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