National Life Group®



# 457(b) Solutions for You

## HOW DO YOU SEE YOURSELF IN RETIREMENT?

Annuity Products issued by
**Life Insurance Company of the Southwest®**

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No bank or credit union guarantee | Not a deposit | Not FDIC/NCUA insured | May lose value | Not insured by any federal or state government agency

Guarantees are dependent upon the claims-paying ability of the issuing company.

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# Your decisions TODAY affect how you live TOMORROW



**Your pension may not be enough.** For those who take the time to plan for their financial future, retirement will give them an opportunity to do what they have always wanted to do. For others, it may mean working during their golden years, cutting back on their lifestyle and spending, or even relying on family members to help take care of them.

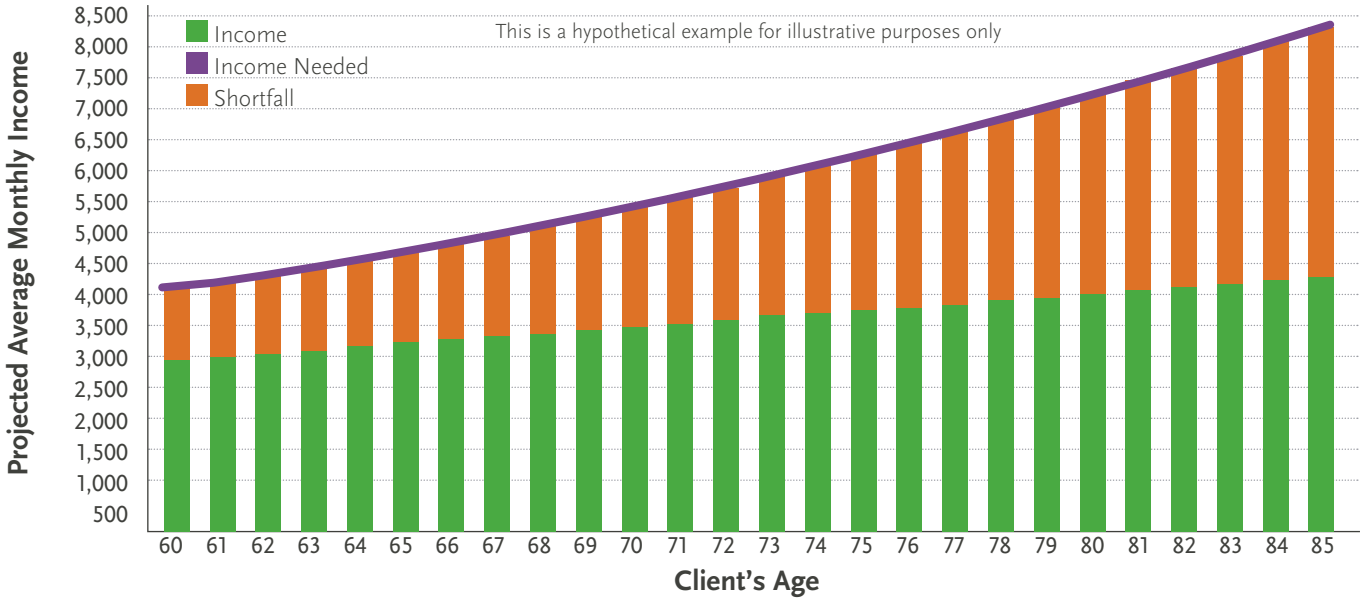
### Will your retirement income cover your ever-increasing retirement expenses?

Many state and local government employees will experience a significant drop in income when they retire, even though they may have been covered under a pension plan.[1]

## Beware of the Retirement Income Gap

### Sample Gap Analysis Report

Retirement Years




1 Source: The Retirement Analysis Kit (TRAK) Software by TrustBuilders, Inc. 2018 Version. www.tbinc.com. Assumes participant retiring at age 60 for CalPERS.




You can take control of your retirement security by contributing directly to a 457(b) savings plan through payroll deductions.

A 457(b) plan permits you to accumulate money on a tax-favored basis, in order to supplement state retirement or another retirement plan.

Additionally, your 457(b) monies can follow you wherever you go. They can be transferred to other employer plans or into a traditional IRA.

**Choose a carrier with a long history of keeping its promises.**

Fixed and fixed indexed annuities are a smart way to save for retirement, given that they provide a guarantee of income, tax-deferral advantages and flexibility and control of retirement savings. We offer both traditional fixed and indexed annuities in the 457(b) market. Products may vary by withdrawal charge periods, crediting methods and features.

**The guarantees provided by our traditional fixed and fixed indexed annuities mean that our policyowners haven't lost a penny of their policy value due to downturns in the stock market.**[2]

Our Guaranteed[3] Lifetime Income Rider offers additional value to the base policy. By purchasing and attaching it to your Annuity Policy, you can receive guaranteed lifetime income, have access to your money if your needs change and leave any remaining accumulated value to your heirs.

## The Choice is Yours: 457(b) vs Roth 457(b)

Your plan can be tax-favored today, using pre-tax contributions with a 457(b), or tax-favored tomorrow with a Roth 457(b) to earn interest tax free, if Roth conditions are met.[2]

| | Post-tax | Pre-tax |
|---|---|---|
| Gross Income per Paycheck | $4,500 | $4,500 |
| Pre-tax contributions | $0 | $133* |
| Standard tax deductions | $672 | $639 |
| Post-tax retirement contributions | $100 | $0 |
| Take-home pay | $3,728 | $3,728 |

* This hypothetical example is for illustrative purposes only. This example is based on an employee in the state of Texas claiming single and zero allowances and in the 25% tax bracket.

2 Assuming no early withdrawals. Rider charges continue to be deducted regardless of whether interest is credited. Distributions are taxed as ordinary income. Early distributions may incur applicable withdrawal charges. Indexed annuities do not directly participate in any stock or equity investments.

3 Guaranteed Lifetime Income Rider (GLIR) as represented in rider form series 20365 or form series 20135(0613), 20136(0613) with endorsement 20380(0116), or state variations thereof, is issued by Life Insurance Company of the Southwest, and is available on our fixed indexed annuities. GLIR may be optional, incurs an additional cost, and may not be available in all states or on all products. Guarantees are dependent on the claims paying ability of the issuing Company.

# We are the RIGHT CHOICE for RETIREMENT INCOME

Your representative can tailor a retirement savings program that will take into consideration your current savings and your future retirement needs.

Have peace of mind that you are contributing to a financial product that is protected and backed by a company with decades of experience.

National Life Group offers excellent annuity options for 457(b) plans through our member company, Life Insurance Company of the Southwest. We have helped thousands of people working for state and local governments save money for their future and for their retirement.

## Frequently Asked Questions

### How do I make contributions?

Contributions must be made through payroll. A salary reduction agreement is required and will inform your employer of your decision to participate. You can change the amount of your contributions by completing a new salary reduction agreement.

### May I contribute from a checking or savings account?

No. All 457(b) contributions must be made through payroll.

### How much can I contribute?

The IRS sets annual deferral limits on how much may be contributed. Special catch-up provisions apply for participants over age 50. A Retirement Specialist can assist you in calculating the Maximum Allowed Contribution.

### What is a Plan Administrator?

Most governments engage a Third-Party Administrator (TPA) to establish and manage their 457(b) plan to ensure compliance with IRS rules and guidelines.

### Are loans available to me?

If the 457(b) plan allows, loans are permitted to individuals. The plan sponsor must approve loans in advance. Loan limits apply and are aggregated with any other loans from other 457(b) annuities/accounts within the plan and any loans from any other qualified retirement plan of the employer.

### When can I take money out?

You can take distributions from the 457(b) plan upon retirement or separation from service without tax penalty (no age requirement). Regular income tax will be due on the distribution. Distributions due to unforeseen emergencies may be available. Please check with the Plan Administrator for eligible unforeseen emergencies, and be ready to provide any supporting documentation of the situation. All distributions must be approved by the Plan Administrator.

Be sure to talk with your financial professional to find out how you can get started today!