CALIFORNIA VIRTUAL ACADEMIES™ POWERED BY K12

UNDERSTANDING YOUR 403(B)

An Educator’s Guide

CTA

CTA VOLUNTARY RETIREMENT PLANS FOR EDUCATORS, LLC

Workshop Overview

- Do Educators need to save for retirement?
- What is pre-tax savings?
- What type of investment vehicle is best for an Educator?
- About the CTA 403(b) Retirement Savings Program
- How to get started?

Important Highlights

- Educators covered by CalSTRS do not contribute to Social Security

- Educators receive a CalSTRS pension for life (you never outlive your pension)

- A CalSTRS pension on average is worth about 50% of your final pay

- (Years of Service) x (Age Factor %)
  = % of Final Pay

Pre - Tax Retirement Savings

Pre-Tax Contributions

Growth

Withdrawals

Tax Deductible

Tax – Deferred

Taxable

Type of 403(b) Products

Insurance Products

Fixed Annuity

A **fixed annuity** is a type of insurance contract that promises to pay the buyer a specific, guaranteed interest rate on their contributions to the account

Equity Index Annuity

An **equity index annuity** is a type of insurance contract that tracks a modified investment index paying a variable rate of return.

Variable Annuity

A **variable annuity** is a type of insurance contract with mutual fund-like investments inside the account

Mutual Fund Product

A **mutual fund** is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt.

The Components of a Good 403(b) Product?

Our Opinion

- No Commissions
- No Surrender Fees
- Probability of Good Growth
- Low Cost
- Fiduciary Standard of Care
- Can you understand it?

The Components of a Good 403(b) Product?

Our Opinion

Product Feature	Fixed Annuity	Fixed Index Annuity	Variable Annuity
Commissions	Yes	Yes	Yes
Surrender Fees	Yes	Yes	Yes
Chance for Good Growth	No	No	Yes
Low Cost	No	No	No
Fiduciary Standard of Care	No	No	No
Complexity (Can you understand it)	Less complicated	Very complicated	Complicated

The Components of a Good 403(b) Product?

Our Opinion

Product Feature	Mutual Fund	CTA Retirement Savings Plan
Commissions	Usually	No
Surrender Fees	No	No
Chance for Good Growth	Yes	Yes
Low Cost	Maybe	Yes
Fiduciary Standard of Care	Not typically	Yes
Complexity (Can you understand it)	Less complicated	Less complicated

CTA 403(b) Retirement Savings Plan

Huge Cost Savings

Typical CTA member is saving 60% per year versus the average cost of a 403(b) mutual fund product*

60%

Cost Savings

Based on a $19,614 average account balance of a CTA Retirement Savings Plan participant. The study used the following fees to simulate the CTA Retirement Savings Plan annual charges. A flat fee of $95 per year and 0.10% for the cost of a mutual fund and 0.05% for custody fee. This comparative study looked at 35 mutual fund products with an average cost of 1.45% and $27.43 of fixed fees per year. The information was gathered on www.403bcompare.com as of 12/31/2019.

CTA 403(b) Retirement Savings Plan

Huge Cost Savings

Typical CTA member is saving 71% per year versus the average cost of a 403(b) variable annuity product*

71%

Cost Savings

Based on a $19,614 average account balance of a CTA Retirement Savings Plan participant. The study used the following fees to simulate the CTA Retirement Savings Plan annual charges. A flat fee of $95 per year and 0.10% for the cost of a mutual fund and 0.05% for custody fee. This comparative study looked at 29 variable annuity products with an average cost of 2.11% and $22.07 of fixed fees per year. The information was gathered on www.403bcompare.com as of 12/31/2019.

CTA 403(b) Retirement Savings Plan

Fee Structure

Fee Item	Cost
Recordkeeping and Financial Services	$23.75 per quarter
Mutual Fund Expenses	0.13%
Custody Fees	0.05%
Enrollment Fee (one-time)	$10

CTA 403(b) Retirement Savings Plan

Investment Returns (as of 12/31/2019)

Fund Description	Ticker	Quarter	1 Yr	3 Yrs	5 Yrs
BlackRock LifePath® Index 2025 K	LIBKX	4.89%	18.98%	9.04%	6.64%
BlackRock LifePath® Index 2030 K	LINKX	5.82%	21.08%	9.99%	7.27%
BlackRock LifePath® Index 2035 K	LIJKX	6.77%	23.08%	10.88%	7.87%
BlackRock LifePath® Index 2040 K	LIKKX	7.68%	25.01%	11.69%	8.42%
BlackRock LifePath® Index 2045 K	LIHKX	8.28%	26.25%	12.23%	8.75%
BlackRock LifePath® Index 2050 K	LIPKX	8.47%	26.77%	12.37%	8.85%
BlackRock LifePath® Index 2055 K	LIVKX	8.60%	26.89%	12.42%	8.89%
BlackRock LifePath® Index 2060 K	LIZKX	8.52%	26.92%	12.43%	N/A
BlackRock LifePath® Index Retire K	LIRKX	3.47%	15.90%	7.39%	5.49%
PIMCO Diversified Inc Instl	PDIIX	1.67%	12.78%	6.72%	6.35%
Vanguard 500 Index Admiral	VFIAX	9.06%	31.46%	15.23%	11.66%
Vanguard Extended Market Index Admiral	VEXAX	8.90%	28.03%	11.08%	9.01%
Vanguard Federal Money Market Investor	VMFXX	0.43%	2.14%	1.58%	1.01%
Vanguard Inflation-Protected Secs Adm	VAIPX	0.56%	8.16%	3.15%	2.45%
Vanguard Total Bond Market Index Adm	VBTLX	0.03%	8.71%	4.02%	3.00%
Vanguard Total Intl Stock Index Admiral	VTIAX	9.01%	21.51%	9.87%	5.85%

CTA 403(b) Retirement Savings Plan
How to get started

Online Enrollment

enroll.ctaretirementplan.org

- Enrollment process takes three to five minutes

CTA VOLUNTARY RETIREMENT PLANS FOR EDUCATORS, LLC

Existing participant login

Personal and employer information

First Name: Gary

M.I.:

Last Name: Allen

Your Employer

The name of your employer is your employing School District or County Office of Education. For example, you might work at Morello Park Elementary, but Martinez Unified School District is your employer.

Employer Name: California Virtual Academy

Hire Date: January 1 2018

Contact Information

We take your privacy very seriously and never share any of your personal information with third parties.

Street Number: 1234

Street Name: Any Street

City: Folsom

State: CA

ZIP Code: 95630

Address Line 2 (optional):

Contact Information

We take your privacy very seriously and never share any of your personal information with third parties.

Street Number: 1234

Street Name: Any Street

City: Folsom

State: CA

ZIP Code: 95630

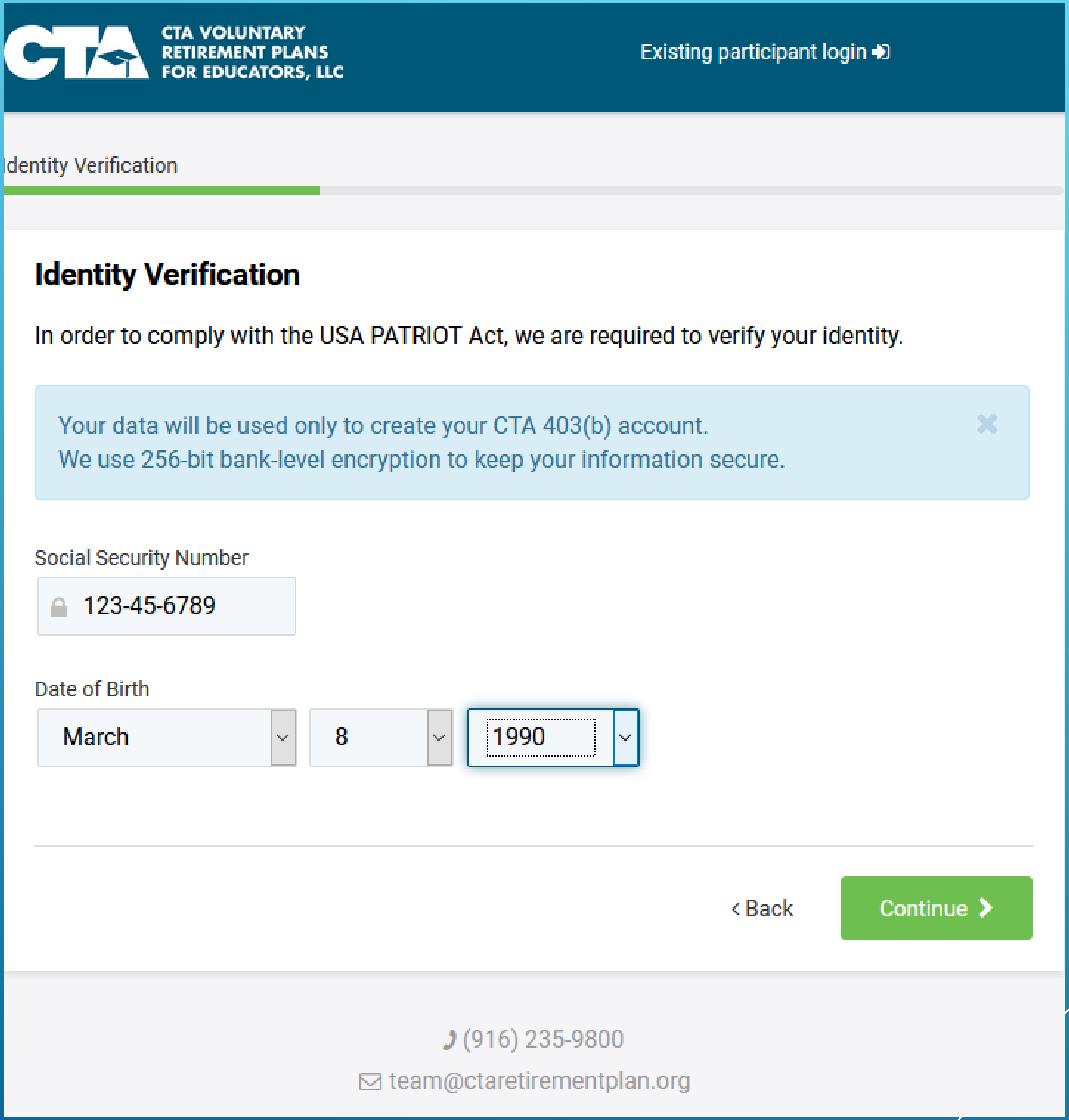
Address Line 2 (optional):

Personal Email Address: team@ctaretirement.org

Mobile Phone (xxx-xxx-xxxx): (916) 436-8331

You will receive investment and account related information including notices at the email you provided on this form. If you prefer to receive paper forms at no cost, you can opt-out of electronic delivery when you set up your account online at a later date.

Continue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Identity Verification
Identity Verification
In order to comply with the USA PATRIOT Act, we are required to verify your identity.
Your data will be used only to create your CTA 403(b) account.
We use 256-bit bank-level encryption to keep your information secure.
Social Security Number
123-45-6789
Date of Birth
March
8
1990
Back
Continue
(916) 235-9800
team@ctaretirementplan.org

Investment Selection

How would you like your contributions invested?

OPTION 1: DO IT FOR ME

The CTA Retirement Savings Program selected an appropriate LifePath fund for you (below) based on the date of birth you provided - March 8, 1990.

Most educators in the program select a LifePath fund.

BlackRock LifePath Index 2055 (LIVKX)

View Detailed Fund Information (performance, fact sheet, prospectus, etc.)

Asset-based fees: 0.09%

Select "Continue" at the bottom of the page if you want professional managers to take care of your investments.

Show more information about LifePath funds

☐ I would like to create and manage my own investment portfolio

You can change your investments any time after your account is set up.

Administrative plan fees

You pay a flat annual recordkeeping fee of $95.00 and 0.05% for custodial services based on the assets in your account. These fees will be deducted from your account balance on a quarterly basis. Additionally, you pay an asset-based fee for the investments selected and certain transactions such as loans and distributions are subject to fees.

A one-time $10 enrollment fee will be assessed with the first quarterly recordkeeping fee payment at the end of the quarter in which your account is funded.

All fees are clearly outlined in the annual fee disclosure statement and will be reported as transactions on your quarterly statement.

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Beneficiary Designation

Beneficiary Designation (Optional)

Designating your beneficiaries is an important financial matter. The beneficiary designations that you make on a retirement account direct who you wish to receive your benefits in case of your death. If you have a will, trust or other directives, you may wish to consult with an attorney or advisor prior to designating beneficiaries here.

You may add or change your beneficiary designations at any time by completing a Beneficiary Change form after you enroll. If you wish to skip this step and designate your beneficiaries after you enroll, please click/tap the Continue button.

Beneficiary 1

Primary

First Name	M.I.	Last Name
Christine		Allen

Relationship	Percent Share
wife	100

+ Add Beneficiary 2

Primary Total: 100

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team@ctaretirementplan.org

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Account(s) consolidation

Do you have an existing 403(b) retirement account?

I do

I don't

Would you like to consolidate your accounts?

It can be advantageous to simplify your financial life and in some cases, it can save you account fees by consolidating multiple retirement accounts. We will help you through the process.

Yes, I would.

Not at this time.

You will receive an email from us in 7-10 business days with the instructions on how to proceed with your account consolidation request.

Note: The email will come from "CTA Retirement Team".
If you don't see it in your inbox, please check your spam folder.

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Existing participant login

Salary Reduction Agreement

Salary Reduction Agreement (SRA)

Complete this section in order to start deducting money out of your paycheck and fund your CTA Retirement Savings 403(b) account.

- [x] Pre-Tax Contribution

Dollar amount (per pay period)

$300

This Agreement supersedes and replaces ALL previous Salary Reduction Agreement(s) currently in place.

Contributions shall begin as soon as administratively possible under the limitations imposed by your employer (i.e. but not limited to monthly cutoff dates).

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CTA VOLUNTARY RETIREMENT PLANS FOR EDUCATORS, LLC

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Terms & Conditions / E-Signature

CTA Retirement Plan Terms and Conditions

Terms and Conditions

CTA Retirement Savings Plan 403(b)(7) Custodial Account Agreement

I acknowledge that I have received and read the CTA Voluntary Retirement Plans for Educators, LLC CTA Retirement Savings Plan 403(b)(7) Custodial Account Agreement (the Custodial Account Agreement). I hereby agree to the terms and conditions of the Custodial Account Agreement as well as this Enrollment Agreement.

CTA Voluntary Retirement Plans for Educators, LLC has promised to oversee the CTA Retirement Savings Plan (the RSP) solely in the interest of the participants, which includes me, for the exclusive purpose of providing benefits to participants and their beneficiaries, and in accordance with fiduciary standards of care. The RSP is

☑ I have read and agree to the terms and conditions

Download/Print Custodial Account Agreement (PDF)

Important!

In order to complete your application, please click "Proceed to e-signature" button, allow a few moments for next screen to reload, and then **electronically sign your name**.

After you sign, you will be taken to a thank you page which completes the online enrollment portion.

Without your electronic signature, we cannot process your application.

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Proceed to e-signature ›

CTA 403(b) Retirement Savings Plan

Additional Resources

Ctainvest.org
Great website with information, calculators and a financial wellness center

review.ctaretirementplan.org
Website to upload your information for an existing 403(b) product. CTA RSP team will do a review for you.

CTA 403(b) Retirement Savings Plan

Contact Information

Telephone: 916.235.9800

Email: team@ctaretirementplan.org

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