

The Fayette County Public Schools Retirement Guide for **PSERS Participants**



FAYETTE COUNTY
PUBLIC SCHOOLS
TOTAL
REWARDS

Save.
Invest.
Prosper.



Section 1

Savings Guide

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Save.
Invest.
Prosper.

Introduction to Your Retirement

As an employee of Fayette County Public Schools, your retirement plan has three parts:

1



Your Basic Retirement Plan (PSERS)

2



Social Security

3



Retirement Savings Plan (RSP)

Parts 1 and 2 are mandatory. You decide whether to participate in Part 3. To start, first choose a target retirement date and estimate your expected benefits from Social Security and PSERS starting on that date.

The benefits you receive from Social Security and PSERS are determined by three main factors: your earnings, your years of service, and your age when benefits begin to be paid.

For more detailed and personalized information regarding your benefits, you are encouraged to visit the plan websites, beginning with the Fayette County Public Schools Benefits page, which serves as the central resource for all benefits-related inquiries. At this point, assume that based on your salary, years of service, and anticipated benefit start date, your projected monthly income from Social Security and PSERS will fall approximately \$200 short of your desired retirement income. The following section offers a straightforward method for calculating an appropriate savings target.

$\$200 \times 12 \text{ months} = \$2,400/\text{Year}$

$\$2,400 \times 20 \text{ years} = \$48,000$ savings target if you want \$200/month for 20 years

$\$2,400 \times 30 \text{ years} = \$72,000$ savings target if you want \$200/month for 30 years

NOTE: These totals do not account for any interest or investment income earned after retirement. For example, if you have \$48,000 saved, you can withdraw \$200 per month for 20 years with certainty.

The Value of Saving

Paying yourself first by consistently saving is one of the most effective ways to build financial security and flexibility for the future. The easiest way to force yourself to save is to do it via payroll deductions. Before long, you won't miss the money in your take home pay.

To grow your savings, consider increasing your contribution slightly each January. For example, increasing your savings contribution from 2% to 3% can significantly impact your long-term balance. **You should never save less than 3% to take full advantage of the FCPS dollar-for-dollar match.**

Finally, compounding plays a powerful role in growing your savings. As your account balance increases, so does the impact of interest and investment returns, especially in the later years when your account balance is at its highest.

The earlier you start saving, the better off you'll be!



Pay Yourself First!

"The easiest way to force yourself to save is to do it via payroll deduction."

Hitting Your Savings Target

Using the example from page 3, let's assume your goal is to save \$48,000 by age 60. The amount you need to begin saving now depends on how many years remain until retirement and the expected rate of return on your savings. The chart below provides a general illustration to help guide your planning:

	If You Save:	For:	And Earn/Yr	You'll Have
1	\$125/month*	22 Years	4%	\$52,779
2	\$75/month	30 Years	4%	\$52,057
3	\$100/month	20 Years	7%	\$52,096
4	\$75/month	23 Years	7%	\$51,170
5	\$125/month	20 Years	4%	\$45,849

As shown in Line 2, saving \$75 per month for 30 years at a 4% return exceeds the \$48,000 goal. To reach the goal sooner, you can either increase your monthly contribution (Line 1) or seek a higher return (Line 4).

Remember to factor in the FCPS dollar-for-dollar match.

Use the savings calculator at the link below to estimate results based on your own numbers.



Understanding your personal risk tolerance is essential to choosing the right investment strategy.



What's Your Personal Risk Tolerance?

Becoming a saver sets you apart, especially since saving is often a challenge for many Americans. At Fayette County Public Schools, we simplify your investment decisions by starting with an assessment of your risk tolerance.

To determine your personal risk tolerance, please consider the following five questions and circle your answer from 1 (**strongly disagree**) to 5 (**strongly agree**). On the final question, simply circle the answer with which you most agree.

A. Earning a high investment return over the long haul is one of my most important objectives.

1 2 3 4 5

B. What happens to my account over the long haul is more important to me than what happens over 1 or 2 years.

1 2 3 4 5

C. To get higher, long-term returns, I'm willing to give up steady guaranteed returns.

1 2 3 4 5

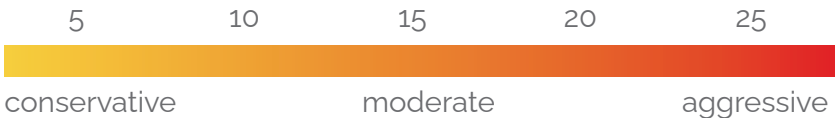
D. I won't fret about sharp up and down swings in the value of my account for the chance to get higher long-term returns.

1 2 3 4 5

E. I would probably switch investments if, in any 30-day period, my account value dropped by more than:

5% 10% 15% 20% 25%
(1) (2) (3) (4) (5)

Next, total the numbers you circled above to determine your position on the scale below. These statements and your overall score are not intended to prescribe specific investment choices but to help you better understand your investment objectives and risk tolerance, enabling you to make informed decisions that align with your personal goals.



You Know Your Risk Tolerance, Now What?

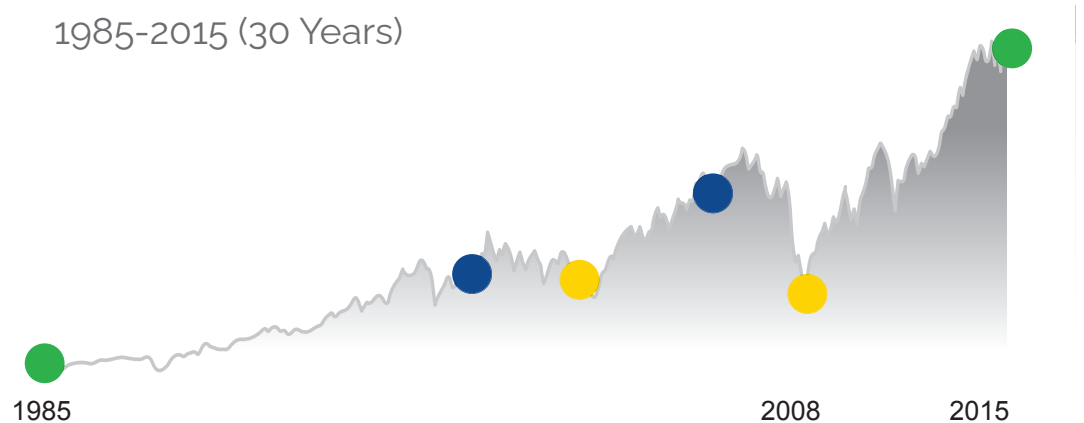
Your score from the previous page provides a clear indication of your risk tolerance and investor type: a low score suggests a conservative approach, while a high score indicates a more aggressive style. Maintaining a consistent strategy aligned with your risk tolerance is essential to reaching your savings goals.

The accompanying graphic illustrates how the value of a stock index fluctuated over 30 years, highlighting key points marked by **green**, **yellow**, and **blue** dots.

Keep in mind that your risk tolerance may evolve over time as you gain investment confidence. Or as you approach retirement, you might choose to adopt a more conservative approach to protect your accumulated balance.

Why “Staying Your Course” is Important

Russell 2000 Stock Index
1985-2015 (30 Years)



A. ● **Green Dots**

Investing from 1985 to 2015 would have yielded significant growth despite experiencing major downturns, such as in 2008.

B. ● **Yellow Dots**

Selling during market declines, like in 2008, results in missing subsequent recoveries. More conservative investors may be tempted to sell, but staying the course is crucial, as steep losses are often followed by strong gains. Knowing yourself is the key to choosing the investment that is best for you.

C. ● **Blue Dots**

Following friends' investment moves may lead to buying near market peaks, limiting growth potential since high peaks are frequently followed by sharp declines.

A conservative investor may feel uneasy and not able to sleep at night investing entirely in stocks. However, investing two-thirds of retirement savings to conservative, guaranteed investments and one-third to riskier investments can improve potential returns. This approach, known as **asset allocation**, balances risk tolerance with return objectives. **Consistently following your personal strategy is essential to achieving your savings target.**

The Fayette County Public Schools Retirement Plan

As noted earlier, your Fayette County Public Schools retirement plan consists of three parts. To determine if, how much, and how to save, you first need an estimate of the benefits from the Public School Employees Retirement System (PSERS) and Social Security. A detailed overview of PSERS is available on the FCPS website; here, the focus is on estimating benefits from these two plans to guide your savings decisions.

Public School Employees Retirement System (PSERS)

PSERS offers a state-guaranteed retirement benefit backed by the strong financial stability of both the State of Georgia and the Plan. The basic benefit is calculated as:

Years of Service × \$17.00*

For example, retiring after 30 years would provide a benefit of **\$510 per month for life**.

*As of July 1, 2024

To learn more, you can visit the PSERS website:

www.ers.ga.gov/public-school-employees-retirement-system
or by phone at **404-350-6300**.



Social Security

Estimating Social Security benefits is more complex, as there is no simple formula. If you are over 55, you likely receive an annual statement from Social Security with an estimate based on your age, earnings, and work history. You can also obtain estimates directly from the Social Security website or use general calculators for estimates like the one at:

www.bankrate.com/calculators/retirement/social-security-benefits-calculator.aspx



Like PSERS, Social Security promises a benefit at a specified age, backed by the U.S. government rather than the state of Georgia. However, unlike PSERS, Social Security faces significant funding challenges, and long-term benefit reductions may be necessary. Currently, fewer than two active workers support each retiree, and this ratio is declining.

Another key difference is the eligibility age for full benefits: PSERS provides full benefits at age 65 with 10 years of service, while Social Security's full benefit age is 67, regardless of service years.

Below is a rough estimate of monthly Social Security benefits at different income levels for those age 67.

If your pay was	Your SS benefits would be
\$12,000/year	\$570/month
\$24,000/year	\$1,014/month
\$36,000/year	\$1,215/month

To calculate your Social Security benefit based on your actual age and earnings go to the Social Security website: www.ssa.gov/OACT/quickcalc/.



Over the long term, it may be wise to plan for the possibility of receiving reduced or no benefits from Social Security.



Total Expected Benefits

Based on our example, an individual earning \$24,000 annually could receive a combined monthly benefit of approximately \$1,633 at age 67 from PSERS and Social Security, about \$400 less than their pre-retirement income. To make up this difference, you may plan to work at another job, save more to supplement your retirement, or both!

Keep in mind, your retirement income goal doesn't have to match your current salary. You may aim for more if you plan to travel or spend more in retirement, or less if expenses like a mortgage are no longer a factor. Your savings strategy should reflect your personal goals and financial needs.



Things to Keep in Mind

As you determine how much to save and where to invest within our retirement plan, consider the following:

1. **Guaranteed Income:** A significant portion of your retirement income will come from PSERS and, at least in the near future, Social Security. These benefits are backed by strong guarantees, PSERS, in particular, offers a level of security comparable to or greater than many investment products.
2. **Balanced Approach:** With much of your income secured, even conservative investors may consider allocating some savings to higher-risk investments with greater return potential.
3. **Know Your Risk Tolerance:** Are you conservative, moderate, or aggressive? Be realistic about your ability to handle market fluctuations. If you're unlikely to stay invested during downturns, avoid high-risk investments. Reactively moving money during declines can lock in losses.

The key to long-term success is following a strategy aligned with your goals and most importantly, **start saving now**.



Now that you
know how much
to save, check
out the **best
place to do it!**



Section 2

Retirement Savings Plan

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The FCPS Retirement Savings Plan (RSP)

Planning for retirement is essential, and the earlier you begin saving, the better prepared you will be. This section provides a clear overview of the Fayette County Public Schools (FCPS) Retirement Savings Plan (RSP), designed to help you build financial security for the future.

Fayette County Public Schools supports your retirement goals by automatically enrolling all new employees in the RSP at a 3% contribution rate. To maximize your benefits, it's your responsibility to understand the plan, contribute at least 3% to receive the full employer match, and make informed investment choices.

FCPS **matches** contributions of PSERS employees dollar-for-dollar up to 3% of your pay, which is instantly doubling your savings. We encourage you to increase your contributions as your financial situation allows and take full advantage of this valuable benefit.

Introduction

At Fayette County Public Schools, we think saving for retirement is important. So much so, that we **automatically enroll** every new employee in the Plan, at a savings level of 3% of pay. Our hope is that all our employees will take the matter of saving for their future very seriously and look for ways to increase the amount you save, at every stage of your life. In fact FCPS now **matches** contributions of PSERS members **dollar-for-dollar** up to 3% of your pay. Which instantly **doubles your savings**. Take a look at this chart:

If You Earn:	and contribute 3% of your monthly pay:	FCPS Match	Total Monthly
\$12,000 / yr	\$30	\$30	\$60
\$24,000 / yr	\$60	\$60	\$120
\$36,000 / yr	\$90	\$90	\$180
\$48,000 / yr	\$120	\$120	\$240

The FCPS Retirement Savings Plan offers a straightforward approach, with 12 investment "buckets" to choose from. It's among the best plans of its kind! By learning more about the RSP, you're taking an important step toward enhancing the foundation provided by your PSERS benefit.

Now that you have completed Section 1, you are ready to explore The Fayette Retirement Savings Plan.



Below are answers to some frequently asked questions:

What is the Fayette County Public Schools Retirement Savings Plan (RSP)?

The RSP is the name for FCPS's 403(b) and 457 retirement savings options. It allows you to save for retirement through payroll deductions, helping supplement the income you'll receive from PSERS and Social Security. And yes, you will likely need more!

Why does Fayette County Public Schools offer the RSP?

Because we believe in helping employees build financial security. While PSERS provides a foundation, additional savings are essential for a comfortable retirement, especially given the uncertainty around Social Security.

Why should I save for retirement in the RSP?

It's the smartest and most convenient way to save. Here's why:

- **Dollar-for-dollar match up to 3% of your pay, your savings are instantly doubled.**
- **Automatic payroll deductions make saving easy.**
- **Pre-tax contributions increase your savings power.**
- **Simple investment options tailored to your needs.**
- **Access to a dedicated advisor whose only goal is to help you make the best decision.**
- **Low plan fees maximize your returns.**

Dollar-for-dollar match up to 3% of your pay, your savings are instantly doubled!



When can I enroll in the RSP?

You can start, increase, decrease, or stop your contributions at any time.

How much can I contribute?

As much as you can. For 2025, the IRS limit is \$23,500 (more if you are over 50).

Example: If you earn \$3,000/month, saving 3% equals \$90/month or \$1,080/year.

Not sure you can afford \$90/month?

You can't afford not to. FCPS matches your 3% which doubles your savings to \$180/month.

And if your contribution is pre-tax, \$90 only reduces your take-home pay by about \$64/month, or \$16/week.

Does \$16/week really make a difference?

Yes, especially when you start early and your account has time to grow! With the FCPS match, \$180/month becomes \$2,160/year. At a 6% return, that grows to about \$2,290 in just one year, and even more over time.

If you contribute \$180 per month and you earn 6% on your money, here's how just one year of contributions will grow:						
YEARS	5	10	15	20	25	30
\$ IN YOUR ACCOUNT	\$2,998	\$4,042	\$5,452	\$7,356	\$9,922	\$13,382

All of the above money from just **one year** of contributions earning 6%.



What if I save that amount continuously every year?

This chart shows how your account will grow from a continuing monthly contribution of \$90, earning 6%:						
YEARS	5	10	15	20	25	30
\$ IN YOUR ACCOUNT	\$12,562	\$29,502	\$52,352	\$82,774	\$124,748	\$180,824

Keep in mind this costs you only about \$16 per week in take-home pay.

Not confident about investing?

You're not alone. Most people are not investment experts. But understanding the basics helps:

- Savings accounts earn low interest with no risk your money is safe and available when needed. However, inflation can outpace your returns, reducing purchasing power over time.
- Stocks can offer much higher returns but carry greater risk. Companies like Home Depot have delivered strong long-term gains, while others have failed entirely.

The trade-off:

- Savings accounts = low risk, low return.
- Stocks = higher potential return, but higher risk.



How can I grow my RSP savings without taking on too much risk?

The Retirement Savings Plan is designed to help you do exactly that.

Your contributions are invested in professionally managed funds that include a wide variety of companies and asset types. These funds are grouped into 12 diversified portfolios—or “buckets”—each with a different risk/return profile.

- Conservative buckets prioritize stability but offer lower potential returns.
- Aggressive buckets aim for higher returns but may fluctuate more in the short term.

Even the more aggressive buckets are diversified, meaning your money isn't tied to just one company or investment. This mix helps balance performance—when one investment lags, others may lead.

Think of it like traffic on I-85: each lane moves at its own pace. Diversifying your investments is like spreading out across all lanes, some slow down, others speed up, but overall, you keep moving forward.



How do I choose the right investment bucket?

Start by assessing your comfort with risk. Are you conservative, moderate, or aggressive? The Risk Tolerance Questionnaire in this booklet will help you decide.

Understanding Your Investment Style

An aggressive investor is comfortable with risk and accepts short-term losses for potential long-term gains. A conservative investor prioritizes safety and steady, modest growth, even if returns are lower. This type of investor is comfortable with modest gains as long as the funds are secure.

Choosing Your Investment Bucket

It's easy. Use the grid on the next page: find your years until retirement, then select the bucket that matches your risk tolerance: conservative, moderate, or aggressive. This simple approach helps ensure your investments align with your goals. For most employees, this strategy will suit you well for many years to come.

You can adjust your choices anytime, but be honest with yourself about how you feel about risk, so you make the investment choice that is best for you. It is important to "stay the course" with your investments.

Next Steps

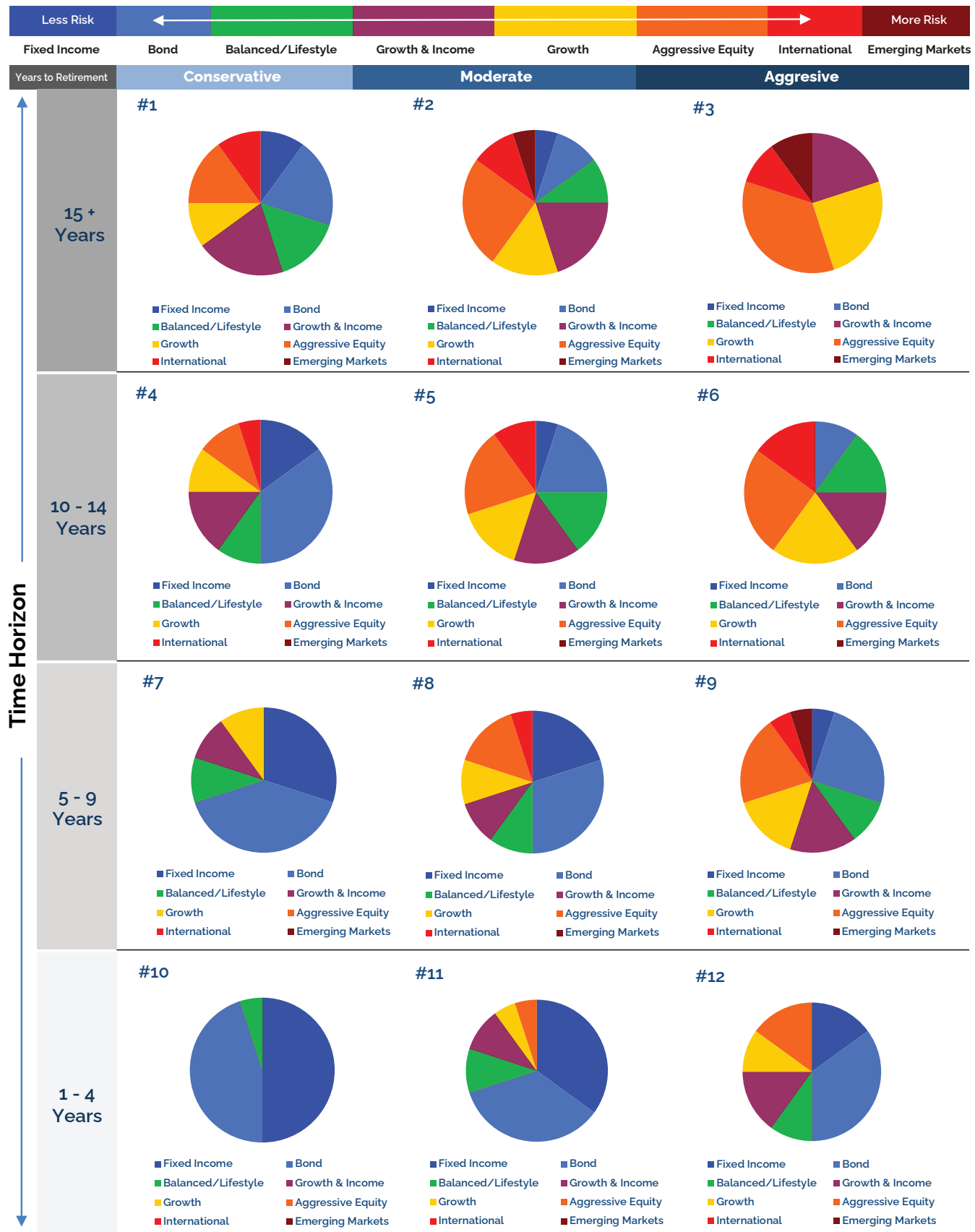
Complete the Fayette County Public Schools Retirement Planning Worksheet: **Can I Afford to Retire?** found at the end of this booklet. This tool will help you estimate expenses and retirement income from PSERS, Social Security, and personal savings.

Then, schedule a session with our FCPS dedicated Corebridge advisor to review your worksheet, confirm your goals, and create a plan, including selecting your investment bucket. Ask about Retirement PathFinder for a clear view of your retirement readiness.

Finally, don't forget to **name a beneficiary** and keep your beneficiary information current.



Investment Buckets



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Can I afford to retire?

Fayette County Public Schools Retirement Planning Worksheet

TYPE OF EXPENSE	MONTHLY COST
<u>Home</u>	
Mortgage or Rent	_____
Taxes & Insurance	_____
Maintenance	_____
Fees	_____
<u>Utilities</u>	
Gas	_____
Electric	_____
Water/Sewer	_____
Phones	_____
Cable	_____
Internet	_____
<u>Transportation</u>	
Car Payments	_____
Gas	_____
Insurance	_____
Maintenance	_____
<u>Insurance</u>	
Life Insurance Premiums	_____
Medical Insurance (pre-65)	_____
Medicare Premiums	_____
Medicare Supplement	_____
<u>Debt</u>	
Monthly payments	_____
<u>Food</u>	
Groceries	_____
Eating Out	_____
<u>Personal Care</u>	
Hair Cuts	_____
Prescriptions	_____
Out-of-Pocket Medical Costs	_____
Clothing	_____
Make-up	_____
Other	_____
<u>Entertainment</u>	
Travel	_____
Hobbies	_____
Movies, etc.	_____
Other	_____
<u>Donations</u>	
Church	_____
Other	_____
Other	_____
<u>Pets</u>	
Food	_____
Care	_____
Total	_____

This is your estimated monthly **expenses**

INCOME SOURCE	Monthly Income YOU	Monthly Income YOUR SPOUSE
Social Security	_____	_____
Other Work Income	_____	_____
Retirement Benefit	_____	_____
Veteran's Benefits	_____	_____
Other	_____	_____
Other	_____	_____

Totals

1 _____ **2** _____

SAVINGS

YOU YOUR SPOUSE

Retirement Savings _____

IRA _____

Personal Savings _____

Totals

3 _____ **4** _____

* To calculate a monthly income from a lump sum of money, estimate how many years you expect to live. Multiply that number by 12. Now divide your lump sum by that number to get a very conservative estimate of your monthly income.

Lump Sum Amount Add 3 +4 _____ Line 1

Years to live _____ x12 _____ Line 2

Divide Line 1 by Line 2 _____ Line 3

enter in B. below

TAXES

YOU YOUR SPOUSE

Federal _____

State _____

FICA _____

Totals

5 _____ **6** _____

YOUR ESTIMATED INCOME CALCULATED

A: Add Boxes 1 + 2 = _____ A _____

B: Enter amt from Line 3 = _____ B _____

C: Add Boxes 5 + 6 = _____ C _____

D. Add A+ B minus C _____

This is your estimated monthly **income**

Do you have enough to retire?

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Questions? Visit the Fayette County Public Schools Benefits website.

