

Save Smart! Save Early!

Through the UW TSA 403(b) Program

Imagine! Some day you will want to retire. To live comfortably, you'll probably need around 75% of your pre-retirement income. It can take years of preparation to reach this goal. That's why it's important to make sure every year you are building your retirement assets, which may include:

- Social Security benefits
- Wisconsin Retirement System (WRS) benefits
- Personal Savings, such as 403(b), individual retirement account (IRA), and/or taxable investments

As a UW System employee, you have an opportunity to invest for retirement right from your paycheck through the UW Tax-Sheltered Annuity (TSA) 403(b) Program. That's saving smart.

Save Smart!

Contributions that automatically come out of your paycheck make it easier to save!

With pre-tax 403(b) deductions, your contributions reduce your current taxable income. Both your principal and your earnings grow on a tax-deferred basis.

With Roth (after-tax) deductions, your contributions are included in taxable income in the year they are made, but the account balance and earnings are not taxed when distributed (subject to certain restrictions).

If you contribute pre-tax, your tax liabilities during your earning years can be substantially reduced.

IN 2018, 9,779 UW SYSTEM EMPLOYEES CONTRIBUTED OVER \$76 MILLION TO THE UW TSA 403(B) PROGRAM.

The following example provides a snapshot of how pre-tax deductions work.

An employee who earns \$42,000 and is married can save \$2,400 in the TSA Program at a cost of just \$1,853.

	PRE-TAX	NO TSA
Earnings	\$3,500.00	\$3,500.00
TSA Deferral	(\$200.00)	(\$0.00)
Fed & State Tax	(\$435.60)	(\$481.20)
Social Security	(\$267.75)	(\$267.75)
Take-Home Pay	\$2,596.65	\$2,751.05

Note: amounts may change based on current tax laws.

The TSA participant who made pre-tax contributions in this example pays \$45.60 per month less in taxes than the non-participating employee and accumulates \$200 per month for retirement at an out-of-pocket cost of \$154.40.

If you buy mutual funds with non-retirement plan dollars, you owe taxes each year on the dividends and capital gains your investment realizes. If you sell one investment and buy another, you owe taxes on the profit.

With a 403(b), you get to keep and invest the money you would otherwise owe in taxes each year. The extra dollars produce more earnings. In your 403(b) account, you can shift your money among investments without incurring fees or capital gains taxes. Though you must pay income tax on the money you withdraw from your TSA pre-tax account, your net return will be higher than with a taxable account earning the same return.

A qualified distribution from a Roth (after-tax) account is tax-free.

The TSA Program is a long-term savings vehicle to be used for retirement. IRS regulations limit the access you have to your savings. You may withdraw your contributions only when you leave employment with the UW System, reach age 59½, or become disabled. Withdrawals before age 59½ may result in tax penalties. If you have time on your side, even a small

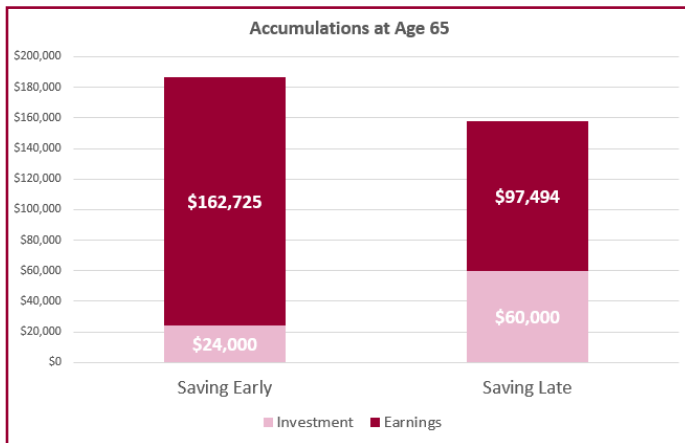
Make TIME your ally:

Save Early!

Investment is worth a lot. A modest investment made early can be worth more than a larger sum invested later. Here's an illustration:

If you invest \$200 per month between the ages of 30 and 40 (10 years) at a 7% growth rate, then simply let the earnings compound until you reach age 65, your \$24,000 will grow to \$186,725.

But suppose you wait until age 40 to begin saving: \$200 per month for 25 years, from age 40 to age 65, at 7%, will accumulate to \$157,494, even though you invested \$60,000 -- \$36,000 more than in the previous example.



The earlier you start, the greater impact compounding will have on your investment.

The easiest way to increase your savings is to let time work. Time is a precious resource that can never be replenished. Put time on your side by saving early!

Investment Opportunities

The UW TSA 403(b) Program offers investments through two no-load mutual fund providers (Fidelity and T. Rowe Price), a mutual fund and insurance provider (TIAA), and two insurance providers (Ameriprise and Lincoln). There are many investment options available to you, ranging from conservative to aggressive. You can invest in one or several according to your time frame, risk tolerance, and financial goals.

WITH AS LITTLE AS A 1% CONTRIBUTION, YOU CAN INVEST IN YOUR FUTURE THROUGH THE UW TSA 403(B) PROGRAM.

How to Get Started

- Visit the UW TSA 403(b) Program website to learn more about the program.
- Set up your account with a provider(s). The Enrollment section of the UW TSA Program website has easy to follow instructions. Here is a brief overview:
 - ◆ Enroll via the EZ Enrollment Form, online, or by paper application for Fidelity, T. Rowe Price, and TIAA (you will also need to fill out a Salary Reduction Agreement if you choose to set your account up online or via paper application).
 - ◆ If you'd like to set up an account with Ameriprise or Lincoln, you'll need to work directly with an agent. They will assist you with filling out a Salary Reduction Agreement.

Start Now!

To reach your retirement goals, you need to save smart and save early!

Provider Contact Information

Fidelity	T. Rowe Price	TIAA	Ameriprise	Lincoln National
netbenefits.com/uofw	rps.troweprice.com/wisconsin	tiaa-cref.org/uwsa	Ameriprise.com/uw403b	lfg.com
800-343-0860	800-922-9945	800-842-2776	608-819-0500	608-231-2231 or 800-967-2046



UW Tax-Sheltered Annuity (TSA) 403(b) Program

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