About Us

The National Tax-deferred Savings Association (NTSA) is the nation's only independent, non-profit association dedicated to the 403(b) and 457(b) marketplace. The NTSA was formed in 1989 and has grown to include more than 6,000 practitioners, agencies, corporate and employer members. NTSA's mission is to protect and promote workplace savings solutions for public and non-profit employees. NTSA provides high-quality professional education, technical support, and networking forums for all professionals in the 403(b) and 457(b) marketplace. NTSA is part of the American Retirement Association.

Agenda

1. The Three-Legged Stool
2. 403(b) Public Education Survey
3. NTSA Public Education Retirement Solutions
The Three Legged-Stool

Social Security, Pensions, Personal Savings

AMERICANS WORRIED ABOUT RETIREMENT SECURITY

Americans' Top Financial Concerns
% Very/Moderately Worried

<table>
<thead>
<tr>
<th>Concern</th>
<th>% Worried</th>
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<tbody>
<tr>
<td>Retirement</td>
<td>58%</td>
</tr>
<tr>
<td>Medical Costs (Illness or Accident)</td>
<td>58%</td>
</tr>
<tr>
<td>Medical Costs (Normal Healthcare)</td>
<td>64%</td>
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<tr>
<td>Maintain Living Standard</td>
<td>43%</td>
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</tbody>
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Source: 2018 Gallup Economy and Personal Finance Survey

Social Security Will Run Out of Money in 2034
Social Security Reform Must Happen… Eventually

$1.4 Trillion State Pension Funding Gap

State Pension Reforms

Source: NASRA, Pew State Pension Reforms
The Impact of Consolidation

- A Pennsylvania school district experienced a 40% drop in participation after reducing investment provider options.
- A Maryland school district went from 10 investment providers to one, and saw the number of active participants drop from 1,000 to 775. In 2016, the district increased to four investment providers and has since seen an increase in participation.
- A Florida school district went from 12 to 5 investment providers and lost more than 1,000 active contributors, all of whom had not resumed participation since the change at the time of the survey.
- 262 school districts in Michigan went from 16 to 5 investment providers in 2009. Participation went from 23,000 to fewer than 17,000 active contributors. Today, after adding back several investment providers, they are finally back to 23,000 participants.
Matching Contributions Improve Participation

Survey Results – Do you Match Employee Contributions?
- 84% Yes
- 36.9% No

Average Participation Rate
- 26.58%

Retirement Education Makes A Difference

Survey Results – Do Employees Have Access to Retirement Education at work?
- 48% Yes
- 52% No

71% Workers Who Have Zero Retirement Savings Do Not Have Access to Any Retirement Education at Work

Employees Want Advice

- Participants who use an advisor have nearly double the median account balance than those who do not.
- Participants who work with an advisor have 15% greater diversification of assets.
- More than half of participants attribute an early start in saving to the influence of a trusted advisor.
- Participants who use an advisor contribute 49% more annually on average.
- Participants who work with an advisor are significantly more likely to have increased their contributions 24% more often since opening their account.
- Participants report higher satisfaction (72% vs. 54%) with their 403(b) plan overall and higher confidence (64% vs. 56%) in meeting their retirement goals when working with an advisor than those who do not.
95% of School Districts Offer 457(b) Plans

Half of School Districts Offer Roth 403(b) Plans

NTSA Public Education Retirement Solutions
Program Goals

• Provide Resources for Plan Sponsors
• Improve Retirement Literacy
• Improve 403(b) Participation
• Ease Administration and Promotion of 403(b) Programs
• Enhance School Safety
• Establish A Consumer Standard of Care
• Reduce IRS Audits

Retirement Education Solutions

• Plan Sponsor Educational Resources
  • Un-Biased (Non-Product) Third-Party Participant
  Retirement Education Resources
  • A Financial Advisor Standard of Care and Code of Conduct
  • Fee-Only Based Advisor Instruction for Driving Participant Action
  • Registration System for Certified Retirement Education Specialist (CRES)

Plan Sponsor Guide

• Introduction and Overview
• Research Results
• 403(b) Basics
• Responsibilities of the Employer, Vendors, and TPA
• Establishing a Plan
• Administration Basics
• “Best Practices” to Improve Participation
• Introducing the Retirement Literacy Workshop
• Certified Retirement Education Specialist
• Plan Sponsor Online Resource and Toolkit
Plan Sponsor Resources @ NTSA-CRES.org

NTSA Retirement Education Workshop

- What Will Your Retirement Look Like?
- Understanding Your State Pension
- Today’s Social Security
- Filling the Income Gap
- Investing for Retirement
- How to Take Action

Certified Retirement Education Specialist (CRES)

- Certificate Course
- Online and Classroom
- Multi-Media Presentation
- Knowledge Checks
- Advisor Code of Conduct
- Annual Re-Certification
CRES Course Outline

• Course 1: Planning Considerations for Public Education Employees
• Course 2: Financial Literacy Education at the Public School Worksite
• Course 3: Individual Consulting with Public Education Employees
• Course 4: Practices Standards, Code of Conduct and Ethics for CRES

AZ Case Study

CGE0
• 90% increase in participation

WESD
• 12% increase in participation

MESD
• 21% increase in participation

Questions?