



National Plus Plan

INVESTING FOR A BRIGHTER FUTURE

Retirement Planning Newsletter

For participants of the National Plus Plan

April - 2023

Your Personal Investment Advisor

In addition to the many retirement savings benefits offered through the National Plus Plan you also have direct access to your own personal Investment Advisor at J.W. Thompson Investments.

As our dedicated retirement plan consultants they are available to help you determine the right investment allocation to help meet your retirement needs.

Should you have questions regarding your account, or would like to receive additional information on the investments offered in the National Plus Plan they are available to answer your questions.

To contact J.W. Thompson Investments please call 800-929-9479.



Tax Day and Your 401(K) - Things to Consider for your Taxes

With 2022 now a fading memory for most of us and spring 2023 fast approaching, income tax day is most likely on your mind. While you're thinking about your income taxes, take a moment to review your retirement plan investments as well. Not only does the National Plus Plan provide a great way to save for your future, it also offers tax advantages that can deliver significant benefits to your financial bottom line.

When you save for retirement in the National Plus Plan, you receive some distinct advantages: the opportunity to build toward financial security in retirement, an easy way to make contributions, and a variety of investment options. The National Plus Plan also offers opportunities for you to learn how to invest smarter, including direct access to your own personal Investment Advisor so you can ask questions and get investment advice when you need it.



Additionally, there are some tax advantages when saving for retirement in the National Plus Plan. These advantages begin with the fact that you make contributions on a pre-tax basis. This means you can deduct your contributions in the year you make them, which lowers your taxable income for the year. Please note that this benefit applies to traditional pre-tax contributions and not after-tax Roth contributions to the Plan.

To compound the benefit, your NPP earnings accrue on a tax-deferred basis. That means the dividends and capital gains that accumulate inside your account are also tax deferred until you begin withdrawals.

If your review of 2022 leaves you wishing you had contributed more to the National Plus Plan and paid less in taxes, you can take steps now to increase your contributions to the Plan and improve your 2023 tax situation at the same time. By increasing your contributions now, you reduce your taxable income and could see yourself paying less in taxes for 2023.



WHEN TO START RECEIVING YOUR BENEFITS?

Many investors often ask, “What’s the best age to start receiving Social Security retirement benefits?” The answer is that there’s not a single “best age” for everyone and, ultimately, it’s your choice. The most important thing is to make an informed decision. Base your decision about when to apply for benefits on your individual and family circumstances. The following information is intended to help you understand more about these benefits and how they fit into your retirement decision.

Your decision is a personal one, would it be better for you to start getting benefits early with a smaller monthly amount for more years or wait for a larger monthly payment in a shorter timeframe? The answer depends on several factors, such as your current cash needs, your current health, and family longevity. Also, consider if you plan to work in retirement and if you have other sources of retirement income. You must also study your future financial needs and obligations and calculate your future Social Security benefit. It is important that you weigh all the facts carefully before making the crucial decision about when to begin to receive Social Security benefits. This decision affects the monthly benefit you will receive for the rest of your life and may affect benefit protection for your survivors.

Your monthly retirement benefit will be higher if you delay your start date, your full retirement age varies based on the year you were born. You can visit (www.ssa.gov/benefits/retirement/planner/ageincrease.html) to find your full retirement age. Here you will be able to calculate your basic Social Security benefit — the amount you would receive at your full retirement age — based on your lifetime earnings. However, the actual amount you are entitled to each month depends on when you start to receive benefits. You can start your retirement benefit at any point from age 62 up until age 70. Your benefit will be higher the longer you delay your start date. This adjustment is usually permanent. It sets the base for the benefits you’ll get for the rest of your life. You may get annual cost-of-living adjustments and, depending on your work history, may receive higher benefits if you continue to work.

Let’s say you turn 62 in 2023, your full retirement age is 67, and your monthly benefit that starts at full retirement age is \$1,000. If you elect to collect your SSA benefit at age 62, your monthly payment will be reduced by 30% to \$700 per month in order to account for the longer period you will receive benefits. This decrease is usually permanent. If you choose to delay your receipt of benefits until age 70, you would increase your monthly benefit to \$1,240. This increase is the result of delayed retirement credits you earn for your decision to postpone receipt of benefits past your full retirement age. The benefit at age 70 in this example is about 77% more than the benefit you would receive each month if you start to collect benefits at age 62 — a difference of \$540 each month. When you think about retirement it is important to think long-term. Should you have questions regarding Social Security and how it will impact your National Plus Plan retirement benefit please contact J.W. Thompson Investments to discuss your specific retirement goals.

National Plus Plan Contact Information

For information about investing in the National Plus Plan and the funds offered, contact J.W. Thompson Investments toll free at: **1-800-929-9479**

For information about the administration of the National Plus Plan, contact the Pension Office toll free at: **1-800-452-4155 EXT: 78305**

Information about the National Plus Plan is also available on the internet at: www.NationalPlusPlan.com

Para informacion sobre el Plan Nacional Mas en espanol, contacte a la oficina del Plan de Pension al **1-800-452-4155**