

# RETIREMENT REPORT

Employee Benefits | 401(k)



Spring 2022

## Retirement in Motion

### Tips and Resources That Everyone Can Use

#### Knowledge Is Retirement Power

Roth options have become a common choice in many 401(k) plans, as well as 403(b) and most 457 plans. The appeal of Roth is the potential tax savings when distributions are made in retirement years. Money that goes into Roth contributions are taxed today, but all earnings and future qualified distributions are free of tax. With traditional pre-tax contributions, money goes in tax-free (and all future growth is tax deferred), but qualified distributions are taxed at ordinary income rates. Check out AARP's calculator at [https://www.aarp.org/work/retirement-planning/roth\\_vs\\_traditional\\_401k\\_calculator.html](https://www.aarp.org/work/retirement-planning/roth_vs_traditional_401k_calculator.html) to help determine which option might be right for you — and how it could affect your paycheck.

#### Q&A

##### What is the most I can save this year in my retirement plan?

Retirement plan savers can contribute up to \$20,500 in 2022. Savers age 50 and older can make an annual catch-up contribution up to \$6,500 in 2022, for a total contribution of \$27,000. These limits apply to savers with a 401(k) plan, 403(b) plan, and most 457 plans.

#### Corner on the Market

##### Basic financial terms to know

Pay Yourself First — A strategy in which saving is prioritized and made an essential cost in a budget. Typically, a certain percentage of income is deposited in an account, such as your 401(k), each month. Just as other “needs” such as housing and food are essential, so is saving. Only once those “need” expenses are covered can money be used for “want” (discretionary) purchases.

#### Quarterly Reminder

Are you expecting a tax refund this year? If so, consider creating an emergency fund with some or all of it. It's important to have this money available for when something unexpected comes up, such as a car, refrigerator or dishwasher breaking down. Here are the key tips for an emergency fund:

- Aim to have 3–6 months of living expenses saved
- Keep separate from your checking account



- Ensure there are no (or low) transaction fees; no penalties for withdrawals
- Verify you will receive interest earnings on the balance (a little something is better than nothing).

#### Tools & Techniques

More than 50% of U.S. small businesses are owned by people 55 and older, according to a Spring 2021 survey by SCORE, a nonprofit that provides resources to small-business owners. If your retirement dream is to turn your hobby into a profitable business and finally be your own boss, check out [score.org](https://score.org). You'll find free access to volunteer mentors, workshops, virtual conferences, a start-up road map and many other tools for developing and launching a small business during retirement.

# Rx for Success

## Preventive care strategies to help you deal with healthcare expenses in retirement

According to the 2021 Fidelity Retiree Health Care Cost Estimate, an average retired couple age 65 may need approximately \$300,000 saved (after tax) to cover health care expenses in retirement. There are a number of factors behind this escalating cost challenge. In general, people are living longer and health care inflation continues to outpace the rate of general inflation. In addition, according to Gallup's 2021 Economy and Personal Finance Survey, the average retirement age is 62, which is 3 years before the Medicare eligibility age of 65.

Of course, the amount you'll personally need will depend on when you retire, how healthy you are, and how long you live. Whether retirement is a long way off for you, or it's starting to get closer, it's a smart move to start planning for health care costs.

### Understand the Timing Trade-Offs

As retirement nears, you will have several big decisions to make, including when to stop working, when to take Social Security, how to pay for health care, and how to generate cash flow from your retirement assets. These decisions are interconnected and could make a difference in your living costs and lifestyle in retirement — and when you can retire.

According to the Social Security Administration, approximately one-third of early retirees who claim Social Security at age 62 do so to help pay for health care expenses until they are eligible for Medicare coverage at age 65. But if you can postpone retirement or save enough to cover health care costs until 65, then you may be able to defer your Social Security benefits. Generally speaking, the longer you can wait until age 70 to take Social Security benefits, the more you can collect.

### Save as Much as You Can

Now is the time to save as much as you can, especially if you are within 10 years of retirement. In 2022, you can contribute up to \$20,500; if you're age 50 or older, you can make an additional catch-up contribution up to \$6,500, for a total contribution of \$27,000. If you can't save that much, just make sure you are saving enough to get your full employer match, if offered.

### Take Advantage of a Health Savings Account

If you have access to a health savings account (HSA) through your employee benefits, they are a financially smart way to set aside money for expenses related to your health. Contributions reduce your taxable income, and earnings growth and qualified withdrawals are also tax-free. Many programs allow you to invest your HSA money once you hit a certain threshold. This makes it a great way to save for future health expenses during retirement. For 2022, you can contribute a maximum of \$3,650 (individual coverage) and \$7,300 (family). For those age 55 or older, the Internal Revenue Service allows an additional catch-up contribution of \$1,000.

### Rx Retrospective

Rx is commonly known as the symbol for a medical prescription. However, the symbol is derived from the Latin word recipe or "recipere," which means "to take." The word was later abbreviated and became Rx as we know it today.

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Past performance is no guarantee of future results. Investing involves the risk of loss.

This document may contain returns and valuations from outside sources. While the information contained herein is believed to be true and accurate, Innovest assumes no responsibility for the accuracy of these valuations or return methodologies.

## Whom do I call for help?

### Account Information

Balances • Investment changes • Personal info

Contact: Charles Schwab

800.724.7526

[www.schwab.com/workplace](http://www.schwab.com/workplace)

### Plan's Investment Consultant

Innovest Portfolio Solutions  
7979 East Tufts Avenue, #1700  
Denver, CO 80237

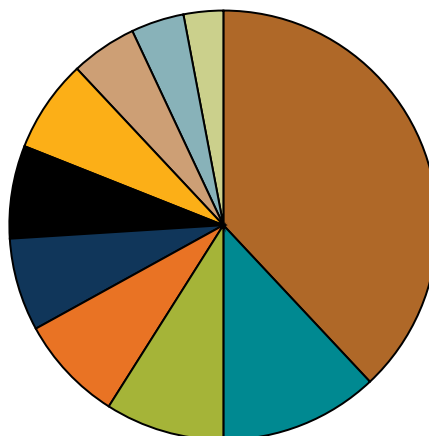
303.694.1900 | [www.innovestinc.com](http://www.innovestinc.com)

## Who typically uses this portfolio?

<b>Current Age:</b>	Over 60
<b>Risk Level:</b>	Low
<b>Expected Return:</b>	Low
<b>Time Horizon:</b>	
<b>Years to Age 65:</b>	Under 5
<b>Years to Age 85:</b>	Under 25

**Expense Ratio (%)** 0.55

## Portfolio Allocation (%)



Dodge & Cox Stock (DODGX)	8.0
Harbor:Cap Apprec;Inst (HACAX)	9.0
Artisan:Mid Cap;Inv (ARTMX)	4.0
Vanguard SC V I;Adm (VSIAX)	3.0
Am Beacon:Intl Eq;R5 (AAIEX)	7.0
Vanguard Intl Gro;Adm (VWILX)	7.0
GQG Partners EM Eq;Inst (GQGIX)	5.0
MetWest:Total Rtn;I (MWTIX)	38.0
Allspring:ST Bond+;Inst (SSHIX)	12.0
MainStay:Flt Rate;I (MXFIX)	7.0

## Past Performance (%)\*

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Ensign Conservative Portfolio	-6.52	-6.52	-2.15	6.96	6.39	5.46

## Understanding Your Professionally-Managed Portfolios

### Who typically uses this portfolio?

**Current Age:** The age (today) of an average investor with time horizon, risk level, and return expectations of the Conservative Portfolio.

**Time Horizon:** Indicates the number of years (time horizon) to the average retirement age of 65, when the investor will begin spending the money in their account, and the number of years to assumed life expectancy of age 85.

**Risk Level:** The amount of expected risk in the Conservative Portfolio. Risk is measured by the potential loss over a 12-month period that an investor might expect in the Conservative Portfolio, and is calculated via a statistical process consistent with 95% probability.

**Low:** -13% to -19%

**Expected Return:** The level of expected investment return from the Conservative Portfolio. The range of returns shown below indicates the potential gain that an investor might expect each year, on average, over a 5-year period. This is also referred to as the "mean" return, and is calculated using a statistical process to determine a range of probabilities.

**Low:** 2.75% to 4.75%

### Past Performance

Investment performance results shown above represent past performance and are not indicative of future results. Please read the information contained in the applicable fund prospectuses carefully before investing money.

### How is the portfolio diversified?

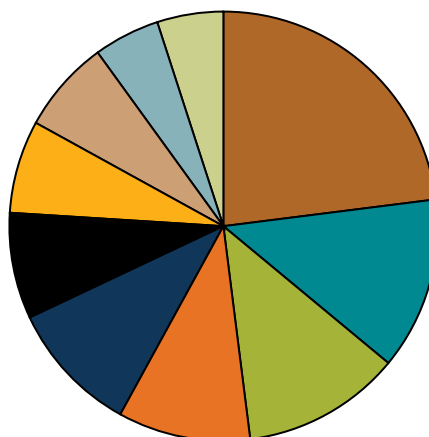
The pie chart and accompanying data shown for each portfolio illustrates the percentage allocated to each fund.

\*Innovest relies on 3rd party data for these returns. Periods greater than one year are annualized.

## Who typically uses this portfolio?

<b>Current Age:</b>	40 - 60
<b>Risk Level:</b>	Moderate
<b>Expected Return:</b>	Moderate
<b>Time Horizon:</b>	
<b>Years to Age 65:</b>	5 - 25
<b>Years to Age 85:</b>	25 - 45

## Portfolio Allocation (%)



Dodge & Cox Stock (DODGX)	12.0
Harbor:Cap Apprec;Inst (HACAX)	13.0
Artisan:Mid Cap;Inv (ARTMX)	5.0
Vanguard SC V I;Adm (VSIAX)	5.0
Am Beacon:Intl Eq;R5 (AAIEX)	10.0
Vanguard Intl Gro;Adm (VWILX)	10.0
GQG Partners EM Eq;Inst (GQGIX)	7.0
MetWest:Total Rtn;I (MWTIX)	23.0
Allspring:ST Bond+;Inst (SSHIX)	8.0
MainStay:Flt Rate;I (MXFIX)	7.0

Expense Ratio (%) 0.58

## Past Performance (%)\*

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Ensign Moderate Portfolio	-6.99	-6.99	-1.31	9.50	8.62	7.59

## Understanding Your Professionally-Managed Portfolios

### Who typically uses this portfolio?

**Current Age:** : The age (today) of an average investor with time horizon, risk level, and return expectation of the Moderate Portfolio.

**Time Horizon:** Indicates the number of years (time horizon) to the average retirement age of 65, when the investor will begin spending the money in their account, and the number of years to assumed life expectancy of age 85.

**Risk Level:** The amount of expected risk in the Moderate Portfolio. Risk is measured by the potential loss over a 12-month period that an investor might expect in the Moderate Portfolio, and is calculated via a statistical process consistent with 95% probability.

**Moderate:** **-19% to -26%**

**Expected Return:** The level of expected investment return from the Moderate Portfolio. The range of returns shown below indicates the potential gain that an investor might expect each year, on average, over a 5-year period. This is also referred to as the "mean" return, and is calculated using a statistical process to determine a range of probabilities.

**Moderate:** **3.75% to 5.75%**

### Past Performance

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### How is the portfolio diversified?

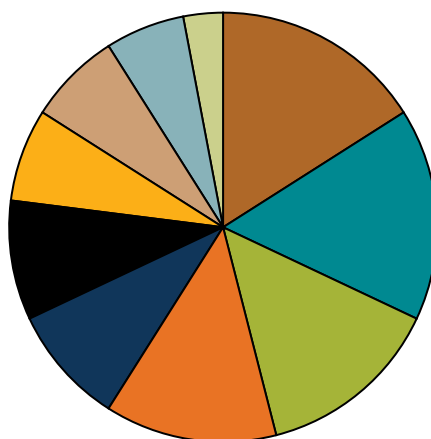
The pie chart and accompanying data shown for each portfolio illustrates the percentage allocated to each fund.

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## Who typically uses this portfolio?

**Current Age:** 30 - 50  
**Risk Level:** High  
**Expected Return:** High  
**Time Horizon:**  
**Years to Age 65:** 15 - 35  
**Years to Age 85:** 35 - 55

## Portfolio Allocation (%)



Dodge & Cox Stock (DODGX) 16.0  
 Harbor:Cap Apprec;Inst (HACAX) 16.0  
 Artisan:Mid Cap;Inv (ARTMX) 7.0  
 Vanguard SC V I;Adm (VSIAX) 6.0  
 Am Beacon:Intl Eq;R5 (AAIEX) 13.0  
 Vanguard Intl Gro;Adm (VWILX) 14.0  
 GQG Partners EM Eq;Inst (GQGIX) 9.0  
 MetWest:Total Rtn;I (MWTIX) 9.0  
 Allspring:ST Bond+;Inst (SSHIX) 3.0  
 MainStay:Flt Rate;I (MXFIX) 7.0

**Expense Ratio (%)** 0.61

## Past Performance (%)\*

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Ensign Aggressive Portfolio	-7.67	-7.67	-0.83	11.63	10.45	9.28

## Understanding Your Professionally-Managed Portfolios

### Who typically uses this portfolio?

**Current Age :** The age (today) of an average investor with time horizon, risk level, and return expectation of the Aggressive Portfolio.

**Time Horizon:** Indicates the number of years (time horizon) to the average retirement age of 65, when the investor will begin spending the money in their account, and the number of years to assumed life expectancy of age 85.

**Risk Level:** The amount of expected risk in the Aggressive Portfolio. Risk is measured by the potential loss over a 12-month period that an investor might expect in the Aggressive Portfolio, and is calculated via a statistical process consistent with 95% probability.

**High:** -24% to -33%

**Expected Return:** The level of expected investment return from the Aggressive Portfolio. The range of returns shown below indicates the potential gain that an investor might expect each year, on average, over a 5-year period. This is also referred to as the "mean" return, and is calculated using a statistical process to determine a range of probabilities.

**High:** 4.75% to 6.75%

### Past Performance

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### How is the portfolio diversified?

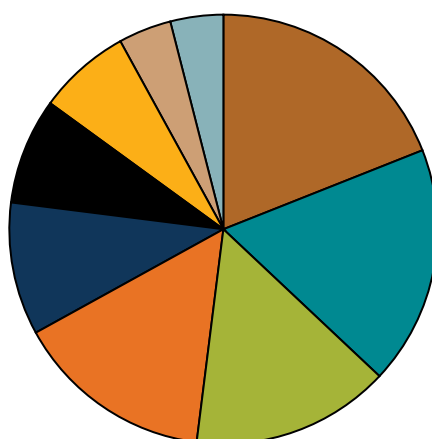
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## Who typically uses this portfolio?

<b>Current Age:</b>	Under 30
<b>Risk Level:</b>	Very High
<b>Expected Return:</b>	Very High
<b>Time Horizon:</b>	
<b>Years to Age 65:</b>	Over 35
<b>Years to Age 85:</b>	Over 55

## Portfolio Allocation (%)



Dodge & Cox Stock (DODGX)	19.0
Harbor:Cap Apprec;Inst (HACAX)	18.0
Artisan:Mid Cap;Inv (ARTMX)	8.0
Vanguard SC V I;Adm (VSIAX)	7.0
Am Beacon:Intl Eq;R5 (AAIEX)	15.0
Vanguard Intl Gro;Adm (VWILX)	15.0
GQG Partners EM Eq;Inst (GQGIX)	10.0
DFA GI RE Sec Portf (DFGEX)	4.0
Crdt Suis Cmdty Rtn;Inst (CRSOX)	4.0

Expense Ratio (%) 0.61

## Past Performance (%)\*

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Ensign Stock Portfolio (Very Aggressive)	-6.91	-6.91	2.35	13.82	11.90	10.35

## Understanding Your Professionally-Managed Portfolios

### Who typically uses this portfolio?

**Current Age:** : The age (today) of an average investor with time horizon, risk level, and return expectation of the Stock Portfolio.

**Time Horizon:** Indicates the number of years (time horizon) to the average retirement age of 65, when the investor will begin spending the money in their account, and the number of years to assumed life expectancy of age 85.

**Risk Level:** The amount of expected risk in the Stock Portfolio. Risk is measured by the potential loss over a 12-month period that an investor might expect in the Stock Portfolio, and is calculated via a statistical process consistent with 95% probability.

**Very High: -28% to -38%**

**Expected Return:** The level of expected investment return from the Stock Portfolio. The range of returns shown below indicates the potential gain that an investor might expect each year, on average, over a 5-year period. This is also referred to as the "mean" return, and is calculated using a statistical process to determine a range of probabilities.

**Very High: 5.25% to 7.25%**

### Past Performance

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### How is the portfolio diversified?

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