MyFRS FINANCIAL GUIDANCE PROGRAM

MyFRS
Florida Retirement System

Protecting Yourself and Your Loved Ones

The Reasons We Are Here

- Learn the basics of estate planning
- Review the financial risks that affect our lives
- Discuss ways to manage those risks
- Create an easy-to-follow action plan
  - Customized to meet your insurance planning needs

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Tools and Resources

- MyFRS.com
- MyFRS Financial Guidance Line 866-446-9377
- Employee workshops
- Print and e-mail communications

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Personal Action Plan

Action Steps	Done

See Appendix H for your own Personal Action Plan

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How Much Do I Know About Estate Planning?

True	False	
	✓	Estate planning is only important for wealthy people
	✓	Estate planning is only for people who are old
	✓	Joint ownership of property makes having a will unimportant
	✓	Spouses automatically inherit everything

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What is an "Estate"

An estate consists of everything you own, as well as any money or assets in your name

Do you have

- A home?
- A retirement plan…in addition to FRS?
- A 403(b) or 457 account?
- Life insurance?

If the answer is "yes" to any of the above - you have an estate

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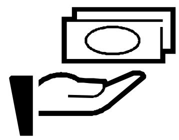
What Can Estate Planning Do For Me?

- Distribute property according to my wishes
- Take care of survivors' needs
- Specify my wishes for medical treatment and handling of personal affairs
- Understand estate tax exposure and manage gifting to loved ones



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Estate Planning Begins With a Will

What does a will do

- A will makes your wishes "legal" and helps your heirs handle your estate during a difficult time

With a will you can

- Document who will receive your property when you die
- Name guardians for your child(ren) should both you and your spouse die
- Appoint a personal representative

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How Property is Transferred

Type of Property	Transferred by:
Individually owned	Will
Jointly owned with spouse	Ownership
Jointly owned with non-spouse	Ownership
Tenancy in Common	Will
Retirement plans, IRAs	Beneficiary
Life insurance	Beneficiary
Trusts	Beneficiary

"By Will" = Passes through <u>Probate</u>

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What is Probate?

- Processing of your will by a special court
- Court names personal representative if no will
- Supervises distribution of assets, payment of debts, handling of personal affairs

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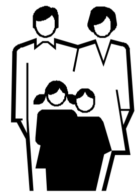
Naming Guardians

There are two types of guardians

- Day-to-day child care
- Financial well-being



You may wish to assign both responsibilities to a single guardian or nominate two separate individuals

If you don't have a will yet, put it in writing!

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Who is a Personal Representative?

The personal representative or "executor" is the individual you appoint through your will that:

- Carries out all of the wishes stated in your will
- Files papers in court and with tax authorities
- Gets copies of the death certificate
- Prepares a listing of the estate's assets
- Pays debts and taxes
- Notifies insurance companies and banks

Complete the Vital Records Organizer in Appendix E to assist your executor in locating your estate information and executing your estate

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Who Should Be My Personal Representative?

- Someone you trust
- Organized and dependable
- Financial and administrative aptitude

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After My Will is Prepared

- Pick a safe place to keep your will
  - Don’t keep your will in your own safe deposit box. Usually, state law requires that safe deposit boxes be sealed when the renter dies.
  - Consider using your spouse’s safe deposit box in a “cross-box arrangement” OR in the safe deposit box of your executor.
- Make copies of your will
  - Place a copy of your will in your home, office, or in your own safe deposit box.
- Create a document locator

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Reviewing My Will

- Set a date for review
  - You should review your will at least once every three years OR in the case of
    - Marriage/divorce
    - Birth/death *(spouse, beneficiary, executor, etc.)*
    - Relocation *(change in state of residency)*
    - Law change

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What Role Do Other Documents Play?

- **Durable Power of Attorney** - grants another the power to act on your behalf regarding non-health related matters even if you become incapacitated
- **Living Will** - states your wishes as to health care that should or should not be provided
- **Health Care Surrogate Designation** - provides another with authority to make health care decisions on your behalf

The effects and availability vary under state law

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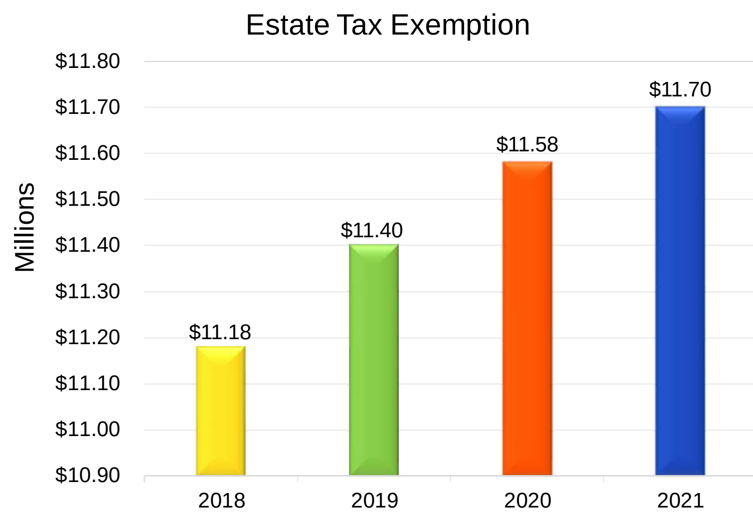
Will I Owe Federal Estate Tax?



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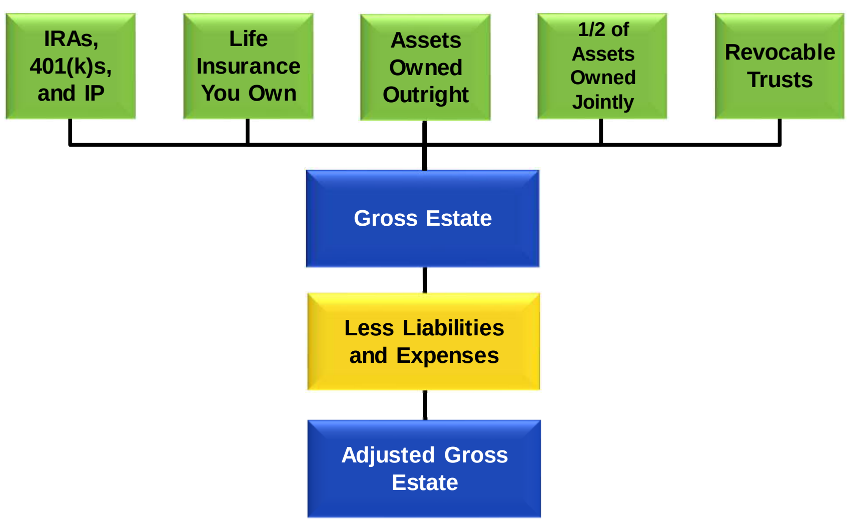
What Is Included In My Estate?



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How is My Estate Calculated?

	Tom	Gail	Joint	Total
Retirement Acct	$120,000	–	–	$120,000
IRA's	$7,000	$41,000	–	$48,000
Mutual Funds	$11,000	$11,000	*($22,000)*	$22,000
House (Net)	$25,000	$25,000	*($50,000)*	$50,000
Life Insurance	$100,000	$75,000	–	$175,000
Total Assets	**$263,000**	**$152,000**	**-**	**$415,000**

See Appendix D to calculate the size of your estate

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Gifting to Loved Ones - 2021

- Can currently give up to $15,000 per year per recipient without paying gift tax
- Married people can currently give up to $30,000 by gift-splitting
- Your "unified credit" currently pays tax on gifts over $15,000, up to $11,700,000

Caution: Before making a gift (even to your children), be certain you and your spouse will not need the money

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Finding the Right Lawyer

- Seek a lawyer specializing in estates
- Should act as a legal counselor and educator
- Consider the fees based upon your needs
- Visit AmericanBar.org to search and screen lawyers
- Can they communicate on your level?

Insurance Planning

How Do You Protect Your Assets and Income?

- Disability insurance
- Property insurance
- Medical insurance and Medicare
- Long-term care insurance
- Life insurance

See Appendix B to know which questions you should ask a potential insurance agent

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Disability Insurance – Why Be Concerned?

- Disability insurance provides protection against your most valuable asset; your ability to earn income
- 25% of twenty year-olds will become disabled before the age 67*
- The average disability lasts around 35 months**

Sources: *Social Security Administration, 2020
**Council for Disability Awareness, 2016

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Disability Insurance – How Much Coverage?

- Determine need
- Considerations
  - Partial salary replacement
  - Unpredictable expenses in the event of disability

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Disability Insurance – Insurance Policy Considerations

- Benefit amount
- Waiting period
- Definition of disability
- Social Security offset provisions
- How premiums paid affects taxability of benefits

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Property Insurance – Overview

- Auto
- Home owners
- Flood/Hurricane
- Excess liability/Umbrella

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Medical Insurance – Considerations

- Monthly premium
- Out-of-pocket maximums
- Deductible/Co-insurance
- Coverage/exclusions
- Lifetime limits

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Medicare – Eligibility

- Age 65 and older
- Disabled
- Spousal Eligibility
  - Spouse can qualify at 65 based on your work record, even if you have not reached age 65

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Medicare – What Should You Know?

Medicare Part A	• Hospital Coverage • Automatically enrolled at age 65 if collecting Social Security • No out-of-pocket cost
Medicare Part B	• Doctor coverage • Automatically enrolled if enrolled for Part A and don't decline • 2021 premium is $148.50 per person per month for new enrollees (may be higher depending on AGI and whether premiums are withheld from Social Security)
Medicare Advantage Part C	• Part of Balanced Budget Act of 1997 • Brings managed care to Medicare system • Options include HMOs, POS plans, PPOs and PSOs • Medicare+Choice health plan options vary depending on where you live
Medicare Part D	• Prescription drug benefit to help pay for some or all drug costs • Must enroll to receive Medicare prescription drug plan • Monthly premiums, co-payments for each medication, deductibles and co-insurance apply

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Medicare – Medigap

- Supplemental medical insurance
- Sold by private insurance companies
- Designed to fill the gaps between Medicare benefits and any other coverage you may have

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Long-Term Care (LTC) – What is it?

- Custodial
  - Daily non-medical living requirements
- Intermediate nursing care
  - Care may not be daily, but under a doctor's supervision
- Skilled nursing care
  - Care on a daily basis under a doctor's supervision

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Long-Term Care – Paying the Cost

- Medicare
- Medicare supplement plan
  - Limited skilled nursing
- LTC insurance
- You
- Medicaid

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Long-Term Care – Insurance Policy Considerations

- Cost of insurance
- When benefits begin/How long they last?
- Inflationary increases
- Type of care provided
  - Skilled nursing care
  - Custodial care
  - Intermediate nursing care

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Long-Term Care – Additional Insurance Policy Considerations

- Is hospitalization required?
- Waiver of premium
- Guaranteed renewable
- Mental disorders covered
- Nervous system disorders covered

Call the MyFRS Financial Guidance Line to learn more about long-term health care needs

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Life Insurance – What Are Your Goals?

- Pay for funeral expenses?
- Pay off mortgage?
- Pre-fund college education?
- Pre-fund future wedding?
- Establish emergency fund?
- Maintain standard of living?

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Life Insurance – How Much Will Your Survivor's Need?

Expenses At Death		Ongoing Expenses
Estate Taxes and Costs Pre-fund Education Pay Off Debts Other	+	Living Expenses of Survivors

See Appendix C and D to estimate the survivor's ongoing expenses and liabilities

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Life Insurance – What Will Your Survivors Have?

- Survivor's annual earnings
- Pension benefits
- Social Security
- Savings and investments
- Life insurance
- Other sources

See Appendix E to help organize your vital records

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FRS Pension Plan Benefit
Payment Options

All options are lifetime monthly payments*:

Option 1:	Single life annuity
Option 2:	Reduced lifetime annuity to retiree with 10-year payout guarantee
Option 3:	Reduced joint and survivor annuity
Option 4:	Reduced annuity with 2/3rd survivor annuity

*Beneficiaries of non-vested pension members are eligible for a refund of employee-paid contributions, or may be eligible to purchase enough service to vest if the member was within one year of vesting.

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FRS Investment Plan Benefit
Payment Options

You may receive distribution of your vested benefit in the following forms of payment:

- Lump-sum distribution
- Distributions on demand or by any schedule
- Guaranteed annuity payments for life, including survivor options and 3% annual benefit increase
- Any combination of the above distribution options
- Rollover to an IRA or another tax-deferred plan

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In the Line-of-Duty Survivor Benefits

Pension Plan* and *Investment Plan

- Spouse receives 50% of member's monthly salary for life
- Upon spouse death, member's child receives benefit until age 18 or is married, if earlier

Special Risk

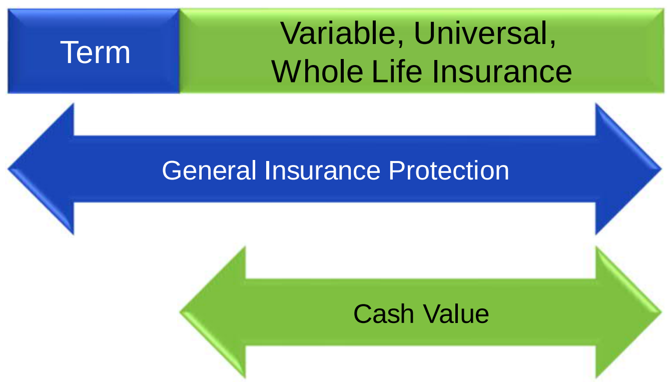
- Spouse receives 100% of member's monthly salary for life

Social Security

What benefits are payable to the survivors of a deceased *insured* worker?

- Spouse (or divorced spouse) caring for child benefit
  - Child under age 16 or disabled before age 22
- Child's benefit
  - Under age 18, over age 18 and disabled before age 22, or under age 19 and in high school
- Spouse (or divorced spouse) at age 60 benefit
- Disabled widower's benefit
- Parent's benefit
- Lump-sum death payment

Life Insurance – What Type(s) of Life Insurance Do You Need?



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The Reasons We Are Here

- Review the financial risks that affect our lives
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Tools and Resources

- MyFRS.com
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- Employee workshops
- Print and e-mail communications

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Next Steps: Personal Action Plan

Action Steps	Done

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Questions and Answers

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MyFRS FINANCIAL GUIDANCE PROGRAM

MyFRS
Florida Retirement System

Protecting Yourself and Your Loved Ones

Protecting Yourself and Your Loved Ones Workshop

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A. NOTICE TO ELIGIBLE PARTICIPANTS

Dear Eligible Participant:

Ernst & Young LLP ("EY") has been engaged to provide financial wellness services to you through this program. We expect that you will find EY's services to be valuable, but we think it is also important that you understand the scope of these services. The following explains what financial wellness services can and cannot do for you, particularly as regards investment planning.

General Financial Planning Considerations

Here are points to understand regarding your personal financial planning and your participation in financial wellness services:

- EY has prepared certain financial planning materials and is providing other services for your personal use as an eligible participant; such materials may not be shared publicly.
- The financial education program includes historical financial information and well-accepted financial planning strategies. It may also include information on Social Security benefits and your sponsoring organizations benefit plans. This information is based on sources that EY believes to be reliable. However, EY cannot guarantee its accuracy.
- Past performance, which may be referenced in the program, is not a guarantee or even necessarily an indication of future results.
- The financial planning materials you receive will not change or affect your rights under your sponsoring organization's benefit plans. In all cases, the benefit plan documents will govern.
- As you plan your financial future, you will need to make assumptions about future financial trends (such as inflation and rates of return), laws and regulations, and apply these to your particular circumstances. Your results can be significantly affected by even small changes in your assumptions, your individual circumstances or laws and regulations, as well as the extent to which your assumptions ultimately vary from actual financial conditions. You may need to reevaluate your financial planning strategy and your decisions from time to time to determine if any changes have occurred that would necessitate amendments to your assumptions or plan.
- A financial education program provides only some of the resources for assisting you in preparing your financial planning strategies. Financial education does not provide accounting, tax or legal advice and does not involve recommendation of specific investments.
- You need to decide on your own whether to consult with a financial advisor or other professional regarding your personal circumstances. If you do, please be aware, you may incur additional costs.
- In providing financial education, EY may help you decide on your asset allocation or help you make informed assumptions about rates of return and other investment issues. While EY will help you understand what you need to do, you are responsible for making and acting on these decisions. EY cannot provide you with all information that may be relevant nor can any materials provided address every possible scenario in connection with such decisions.
- Neither EY nor your employer will make any financial planning decisions for you or assume any responsibility for decisions you make.
- EY may provide audit or other accounting services to the investments or service providers discussed. The provision of other services will not be a determining factor whether to discuss or recommend an investment or service provider.

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Privacy of Information Provided to EY

In the event EY collects nonpublic personal information about you from you or other sources authorized by you, EY will not disclose such information to third parties, except as permitted by law or as otherwise authorized by you. EY maintains physical, electronic, and procedural safeguards to guard your nonpublic personal information.

Further Considerations

All services are provided “as is,” and there are no warranties of any kind or nature, whether express or implied, including but not limited to warranties of merchantability or fitness for a particular purpose or use. In addition, neither EY nor its affiliates nor any of their partners, officers, directors or employees shall be liable to you for any services performed or omitted or for any errors of judgment, or for consequential, incidental, indirect, punitive or special damages in connection with providing the services described above. Federal securities laws impose liabilities under certain circumstances on certain persons, even those who act in good faith, and therefore nothing in this notice constitutes a waiver or limitation of any rights that you may have under these laws.

If you should have any kind of claim or dispute with EY as a result of this program, these will be resolved in accordance with EY’s Alternative Dispute Resolution Procedures (“Procedures”) in effect on the date of this notice. You may receive a copy of the Procedures by requesting them from the Compliance officer of EY, at the following address:

200 Plaza Drive

Suite 2222

Secaucus, NJ 07094

* * * * * * *

If, after considering the issues discussed above, you do not want to participate in financial education and counseling in conjunction with this program, please contact your sponsoring organization, as soon as possible.

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FOR INFORMATIONAL PURPOSES ONLY

DISCLOSURE STATEMENT

Ernst & Young LLP
Ernst & Young Investment Advisers LLP
Employee Financial Services

07/10/2020

Please note that this disclosure statement provides a summary of the investment advisory services provided by Ernst & Young LLP. Please note that a full copy of Form ADV Part 2 can be located at this link www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx[1]

Form ADV Part 2A

Ernst & Young LLP ("EY"), under the supervision of Ernst & Young Investment Advisers LLP ("EYIA"), provides Employee Financial Services ("EFS"), including investment education and counseling services to employees, members of associations, unions or other large groups ("Participants") pursuant to engagements by corporate employers, pension plan trustees, or other entities formed for the benefit of such Participants ("Sponsors"). Such services are provided through EFS, a functional specialty within the firm's Tax Department. EYIA is registered with the Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act") and maintains its main office at 200 Plaza Drive, Suite 2222, Secaucus, NJ 07094 (telephone: 800-273-0588).

Employee Financial Services ("EFS")

Employee Financial Services provides financial wellness services that educates participants with different learning styles and approaches to financial planning, including via interaction with EY financial planners as well as digital tools. The service offers the convenience of different learning methods and tools (telephone counseling, web-based and mobile tools, group learning, and interaction through social media) providing participants the opportunity to "try out" all the available learning styles to select their preferred one or a combination that best meets their needs. (Please note: these services can be bundled together or sold separately.)

- **Telephone-based financial planning** provides:
    - Unlimited toll-free access to experienced, credentialed and objective EY financial planners
    - EY financial planners who are trained on sponsoring organizations' benefit plans and programs
    - EY financial planners who provide information and guidance across all areas of financial planning. Common topics include: employer-provided benefit plans, cash flow and debt management, investment planning, education funding, etc.
    - Personalized reports are available on a variety of topics including retirement, asset allocation, cash flow, net worth, education funding, insurance planning, and debt management
- **Financial planning website** offers:
    - A unique and interactive planning experience that grows as the participant's needs and knowledge level expand
    - Robust resources, including calculators and videos

[1] From this webpage follow these steps to view the most current Form ADV: a) select Firm, b) enter CRD #110921, c) click **Ernst & Young Investment Advisers LLP**, d) Part 2 Brochure link is below.

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- EY financial planner communication through messaging
- Chat feature for help
- Single sign on which allows users to access the EFS website from client sites without further login
- Connection of financial accounts to facilitate information-sharing with EY financial planners (this feature will not be available to clients with independence restrictions)
- Access to a user dashboard which provides participants with the ability to view their personal financial situation, including their aggregation of financial account information if applicable
- Mobile app to allow users to obtain financial education and communicate with EY financial planners

- ***G*roup learning:**
  - Group learning that informs participants about their benefits and comprehensive financial planning. This learning can be delivered as live workshops, live webinars and/or recorded sessions.
  - A list of action items that apply to a participant's personal situation
- **Organization support:**
  - Dedicated EY project manager(s), including periodic service reviews
  - Periodic engagement reports highlighting participant activity
  - Integration of services with other benefit providers to create a cohesive program
  - Assist client with developing communication materials to promote service

As part of the personal financial advisory services EY may prepare personal asset allocation targets (based on modern portfolio theory and using EY's own or other approved financial planning tools) for such Participants after obtaining and evaluating information concerning their individual circumstances provided by each Participant either in conversation with an EY financial planner and/or by completing a questionnaire.

EY does not recommend, and should not be deemed to have recommended, any particular investment as an appropriate investment for the Participants and discussions of various investments should not be construed as such a recommendation.

EY's advisory services also may be offered by a Sponsor to Participants in tandem with the personal advisory services of another registered investment adviser designated by the Sponsor that is not affiliated with EY ("Other Adviser"). In some EFS engagements, the Sponsor contemplates that EY will refer individual Participants to the Other Adviser for specific recommendations and/or implementation of the Participant's investment decisions. Such referrals by EY do not constitute a recommendation of the Other Adviser by EY to Participants, and, in such cases, EY does not perform any quantitative or qualitative screening procedures with respect to the Other Adviser.

EY, in certain circumstances, is contracted solely to help train employees of financial institutions seeking to offer financial and tax planning services to clients. Such services do not involve EY providing advice directly to the clients of such financial institutions, but rather entails training a financial institution's counselors on financial and tax planning topics and such other support as is mutually agreed upon by EY and the financial institution.

All Selections and Investments Are Made Solely by the Participant

EY's investment education and counseling does not include recommendations concerning the purchase or sale of particular investments or particular industry sectors. EY may provide counseling

on the purchase or sale in the context of providing tax, compensation and benefits, or estate planning services, but that counseling does not reflect a view as to the intrinsic merits of the investment. All decisions to invest in or dispose of particular investments are made solely by the Participant in the exercise of his or her own discretion.

Fees

Fees for EFS Services generally are negotiated between EY and the Sponsors of such groups on a case-by-case basis. They usually are based upon (i) a "per capita" eligible participant amount, (ii) a "usage by Participants" amount, (iii) the number of workshops designed and presented by EY, or (iv) other negotiated factors. EY's fees in such engagements are paid by the Sponsor. Participants may incur expenses for fees to any other investment adviser they may consult and will be responsible for transaction charges imposed by broker-dealers through or with whom they effect transactions for their accounts. Generally, EY's contracts with Sponsors for services to Participants are terminable by either party in accordance with a specified notice period. If such a contract is terminated at a time other than the end of the quarter, a pro rata portion of any quarterly or other fee paid in advance is refunded.

Investment Advisers

All personal investment advice, and most impersonal investment advice, typically is given only by EY Financial Planners. Financial Planners are persons who spend all or substantial portions of their time on financial planning. Typically, all of these professionals have at least a degree from a four-year college or university and must meet such other standards as EYIA may establish from time to time. Those standards may include participation in continuing education programs each year and maintaining what EY regards as significant involvement in financial counseling engagements. Moreover, financial planners must satisfy applicable State investment adviser representative registration requirements or pass the Series 65 Uniform Investment Adviser Exam of the Financial Industry Regulatory Authority ("FINRA"). In some instances, EY may retain consultants to assist in providing workshops and staffing the telephone-based financial planning service. Generally, consultants are subject to the same requirements as EY Financial Planners. However, consultants are not subject to the same public accounting independence requirements as EY Financial Planners and their continuing education programs differ in some respects.

Monitoring, Reviews and Reports

In the case of EFS engagements that extend beyond one year and involve the provision of personal advisory services to Participants, Participants are asked questions concerning any changes in their relevant individual circumstances. EY will take into account the changed circumstances of any Participant of which it has notice in the event that Participant seeks additional personal advisory services from EY.

Miscellaneous

Clients and prospective clients of EY also should be aware of the following additional information concerning EY and EYIA:

Custody of Securities or Funds. EY does not manage participant accounts on a discretionary basis and does not take custody of participant securities or participant funds.

Other Financial Industry Activities. As noted above, EYIA is responsible for supervising the investment advisory services provided by EY. EY and Ernst & Young (U.S.) are general partners of EYIA. In consideration of EYIA's supervising the rendering of investment planning services provided by EY, EY provides EYIA with office and filing space, staff and other assistance. All of EYIA's time is spent supervising the compliance and operations of the investment planning services provided by EY.

Other Business Activities. EY is a public accounting firm which spends substantially all of its time providing accounting, audit, tax, and business advisory services.

Form ADV Part 2B Client Brochure Supplement

Ernst & Young Investment Advisers LLP (“EYIA”)
200 Plaza Drive, Suite 2222, Secaucus, NJ 07094

07/10/2020

EYIA’s investment advice is provided by a team comprised of more than five Supervised Persons and EYIA has provided group supplementary information for the five supervised persons with the most significant responsibility for the day to day advice provided to clients:

(1) Name, (2) year of birth, (3) education and (4) business background for preceding five years:

1. Christopher Williams – Chair, EYIA Board
2. 1970
3. B.A. Political Science, Union College, Schenectady, NY; JD, Albany Law School, Albany, NY
4. 1998 to date, Ernst & Young LLP

1. Glenn H. Hascher, EYIA Board Member
2. 1961
3. B.S., Economics, Rutgers University, New Brunswick, NJ
4. November 1988 to date, Ernst & Young LLP

1. Robert J. Porter, EYIA Board Member
2. 1964
3. B.S., Siena College, Loudonville, NY
4. 1998 to date, Ernst & Young LLP

1. Greg Rosica, EYIA Board Member
2. 1964
3. B.S., Accounting with Honors, M.S., Accounting, University of Florida, Gainesville, FL
4. 2002 to date, Ernst & Young LLP

1. Donald A. Culp, EYIA Chief Compliance Officer
2. 1959
3. B.S.in Accounting, Seton Hall University, M.S. in Taxation Seton Hall University, South Orange, NJ
4. 1988 to date, Ernst & Young LLP

Disciplinary Information for the above: None

Other Business Activities for the above: None

Additional Compensation for the above: None

Supervision: Christopher Williams serves as the Chairman of EYIA and supervises all of the above individuals. He is not subject to any additional supervision as EYIA Board Chairman.

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Form CRS: Customer Relationship Summary

Ernst & Young Investment Advisers LLP ("EYIA")
200 Plaza Drive, Suite 2222, Secaucus, NJ 07094

07/10/2020

Introduction

EYIA is registered with the Securities and Exchange Commission ("SEC") as an investment adviser. Brokerage and investment advisory services differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at http://investor.gov/crs, which also provides educational materials about broker-dealers, investment advisers, and investing.

Please note that we are required to include "Conversation Starter Questions" in Form CRS to help you in your discussions of our investment services with EY financial planners. In addition, these questions can help you compare our services with other providers you may be considering. Certain questions relevant to our services have been answered here. Please address any additional questions you may have with an EY financial planner.

What Investment Services and Advice Can You Provide Me?

We offer investment education and counseling services to employees, members of associations, unions or other large groups ("Participants") pursuant to engagements by corporate employers, pension plan trustees, or other entities formed for the benefit of such Participants ("Sponsors"). These services include, at a Participant's request, the following:

- Investment education on various topics including, but not limited to: risk management; asset classes; asset allocation; diversification; dollar cost averaging; rebalancing; market timing; potential implementation strategies; mutual funds/ETFs, and investment-related costs.

- Preparation of personal asset allocation targets (based on modern portfolio theory and using EY's own or other approved financial planning tools) after obtaining and evaluating information concerning a Participant's individual circumstances provided either in conversation with an EY financial planner and/or by completing a questionnaire.

- Please note that EY's investment advisory services may also be offered by a Sponsor to Participants in tandem with the personal advisory services of another registered investment adviser designated by the Sponsor that is not affiliated with EY ("Other Adviser"). In some engagements, the Sponsor contemplates that EY will refer individual Participants to the Other Adviser for specific recommendations and/or implementation of the Participant's investment decisions. Such referrals by EY do not constitute a recommendation of the Other Adviser by EY to Participants, and, in such cases, EY does not perform any quantitative or qualitative screening procedures with respect to the Other Adviser.

Please note that our investment advisory services do **NOT** include the sale and/or recommendation of any type of investment or insurance product and we do **NOT** manage and/or monitor investments on behalf of Participants. In particular, please note the following:

- **EY's investment education and counseling does not recommend, and should not be deemed to have recommended, any particular investment as an appropriate investment for a Participant and discussions of various investments should not be construed as such a recommendation.**

- **EY's investment education and counseling may provide counseling on the purchase or sale in the context of providing tax, compensation and benefits, or estate planning education services, but that counseling does not reflect a view as to the intrinsic merits of an investment. All decisions to invest in or dispose of particular investments are made solely by the Participant in the exercise of his or her own discretion.**

Conversation Starters when speaking with your financial professional:
Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me?
What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What fees will I pay?

EY's fees are paid by the Sponsor. Participants may incur expenses for fees to any other investment adviser they may consult and will be responsible for transaction charges imposed by broker-dealers through or with whom they effect transactions for their accounts.

Conversation Starter when speaking with your financial professional:
Help me understand how these fees and costs might affect my investments. If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. The way we make money (EY fees are paid by the Sponsor) does not conflict with your interests does not impact our ability to act in your best interest.

Conversation Starter when speaking with your financial professional:
How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Our financial professionals are compensated on a salaried or hourly basis.

Do your financial professionals have legal or disciplinary history?

No

Visit http://investor.gov/crs for a free and simple search tool to research us and our financial professionals.

Conversation Starter when speaking with your financial professional:
As a financial professional, do you have any disciplinary history? For what type of conduct?

For additional information about our services, please see the rest of this Disclosure Statement and/ or speak with your EY planner. If you would like additional, up-to-date information or a copy of this disclosure, please call 800-273-0588.

Conversation Starter when speaking with your financial professional:
Who is my primary contact person? Is he or she a representative of an investment-adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

B. QUESTIONS TO ASK A POTENTIAL INSURANCE AGENT

1) Are you a full-time insurance agent? Generally, you will want to work with a full-time agent who will know about all the available products and be easy to reach when you have questions.

2) How long have you been in the insurance business? Many financial advisors feel that at least three years in the insurance industry is important. An experienced agent is more likely to be around in the future than someone just starting out and may be more familiar with the different policies available for your needs.

3) Do you have a college degree? In what area? What is your background? Most people feel comfortable with an agent who is more than just a salesperson. Although a college degree is not necessary, you may find that someone with a degree is better-versed in the industry.

4) What professional designations do you have? Generally, financial professionals who have obtained professional designations within their field will be more knowledgeable and more likely to be in the insurance business for a longer period of time.

CLU is a Certified Life Underwriter. This designation is sponsored by the American College in Bryn Mawr, PA. An agent must complete and pass 10 courses related to the insurance industry in order to hold this designation.

A ChFC (Chartered Financial Consultant) is a designation also sponsored by the American College. This designation requires passing 10 classes. It focuses a little more on investments and financial planning and is less insurance-oriented than the CLU designation.

A CFP is a Certified Financial Planner. To receive this designation, a person must complete seven courses and a comprehensive financial exam, and must have at least two years' related work experience.

The areas of focus include insurance, investments, taxes, and financial planning.

5) Are there currently any complaints against you? You want to be dealing with someone you can trust. The best way to find out if your agent has any complaints against him or her is to contact your state's insurance department.

6) What companies do you represent? You want to know where your agent's loyalty lies. You also want to be sure your agent is not going to provide you with quotes from only one company. No one company will have the best policy for every circumstance.

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7) Which do you sell more of: term, universal, or whole life insurance? Generally, the types of products the agent most often sells may give you an indication of his or her philosophy. You want your agent to recommend the product that will best fulfill your needs, not the product he or she prefers to sell.

8) Can I speak with a few of your clients who are or were in situations similar to mine? References are important! Most financial advisors feel that one of the best methods of judging an agent's effectiveness is speaking with present clients. Ask the agent to allow you to speak with clients in situations similar to yours.

9) At how many companies will you shop for my insurance? Generally, the more companies the agent is willing to get quotes from, the more options you will have when choosing a policy.

10) How often do you sit with clients to review their programs? Most financial advisors feel that you should review your financial plans at least annually. You probably want an agent who will be calling every so often to remind you of the need to review, and to help keep you on track.

A CLU and ChFC can be found in your area by visiting http://www.designationcheck.com/. A CFP can be found in your area by visiting http://www.cfp.net/utility/find-a-cfp-professional.

C. CASH FLOW WORKSHEET

	Monthly		Annually
<u>Income</u>			
Salary	$		$
Bonuses			
Dividends			
Capital gains			
Interest			
Net rents and royalties			
Self-employment income			
Social Security			
Distributions from trusts or partnership			
Pension income			
Other income ____________________________			
Total cash available (A)	$	**(A)**	$

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	Monthly		Annually
<u>**Expenditures**</u>			
Home mortgage (or apartment rent)	$		$
Utilities			
Gas/oil			
Electricity			
Water			
Sewer			
Home maintenance			
Property taxes			
Car payments			
Car/commuting expenses			
Maintenance and repairs			
Gas			
Commuting fees/tolls			
Credit card/loan payments			
Insurance premiums			
Life			
Health			
Disability			
Car			
Home			
Liability			
Other			
Income taxes			
Employment taxes (Social Security & Medicare)			
Clothing			
Child care			
Food			
Medical expenses			
Education			
Vacations			
Entertainment			
Alimony			
Charitable contributions			
Gifts			
Personal items			
Savings/investments			
Company savings plans			
Emergency fund			
Investment fund			
Other payments ______________________			
Total cash expenditures	$	**(B)**	$
Net cash inflow/(outflow)	$	**(A-B)**	$

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D. NET WORTH STATEMENT

As of ________________

What You Own (Assets)		**What You Owe (Liabilities)**	
Cash and Equivalents		**Housing Debt**	
Checking account	$ ________	Mortgage loan balance *(primary)*	$ ________
Savings account	________	Mortgage loan balance *(secondary)*	________
Money market	________	Home equity loan balance	________
Certificates of Deposit *(CDs)*	________	Property taxes	________
Other ________________	________	Maintenance loan *(other than through home equity loan, e.g., for roofing, major repairs)*	________
		Other ________________	________
Investments			
Government issues *(e.g., bonds, notes, and Treasury bills)*	________		
Corporate & Municipal bonds	________	**Loans**	
Stocks	________	Automobile 1	________
Mutual funds	________	Automobile 2	________
Investment real estate	________	Other auto debt	________
Life insurance cash value	________	Education loans	________
Other ________________	________	Other ________________	________
Retirement Assets		**Installment Debt**	
IRAs	________	Department store 1 debt	________
Annuities	________	Department store 2 debt	________
Deferred Compensation	________	Gas credit card debt	________
Vested profit sharing/ savings plan balances	________	National credit card 1 debt	________
		National credit card 2 debt	________
Vested pension benefit	________	National credit card 3 debt	________
Other ________________	________	Other ________________	________
Personal Assets		**Additional Debt**	
Primary residence	________	Other ________________	________
Second residence (summer home)	________	Other ________________	
Automobile 1	________		
Automobile 2	________	***Total*** **Liabilities**	$ ________ (B)
Household furnishings	________		
Collectibles	________	**Your Total Assets (A)**	$ ________
Jewelry/Antiques	________		
Other ________________	________	***minus (-)***	
Additional Assets	________	**Your Total Liabilities (B)**	$ ________
Other ________________	________	***equals (=)***	
Total **Assets**	$ ________ (A)	**YOUR NET WORTH (A-B)**	$ ________

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E. LETTER OF INSTRUCTION

To make your executor's job easier and to help speed up the distribution of your estate, draft a list telling your executor where to obtain all of the necessary information about every element of your estate. This document is sometimes referred to as a letter of instruction. It will be extremely helpful, especially if your executor is someone close to you.

The letter of instruction would typically include such information as:

- The location of your will
- Funeral Instructions
- The names, addresses and phone numbers of all people who should be notified, and their relationship to you
- The location of all legal documents, such as Social Security and Medicare Cards, title papers to autos, deeds to real property, marriage papers, armed forces discharge papers, or birth certificates
- All employee benefit papers and the location of any descriptive materials
- The location of all insurance policies, including the name of the company, policy number, beneficiary, and amount of coverage. This should be provided for life, casualty, homeowner, or any other insurance policies you own or on which you have been paying premiums
- The name of the bank and the account number of all savings and checking accounts in your name; also the location of all checkbooks, passbooks, and certificates of deposit
- All U.S. Savings Bonds and the names in which they are registered, their serial numbers, and denominations
- All stocks and bonds, their locations and the names, addresses, and phone numbers of brokers who handled them
- The name, address and phone number of any financial professionals with whom you have worked
- Location of any safe deposit boxes, the names in which they are registered, and location of keys
- Location of recent Federal and State income tax returns
- Location of particular personal possessions
- Anything else your executor should know about quickly, and which might not be clear in the will

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F. MYFRS FINANCIAL GUIDANCE LINE APPOINTMENT

There are two ways of setting an appointment to speak with a financial planner at the MyFRS Financial Guidance Line. Please use the method below which is most convenient for you.

Text "Callback FRS" to 609 644 9622

After sending a text, you will receive a reply asking you to provide your first and last name. Upon receipt of this information, a representative from the MyFRS Financial Guidance Line will call you within 3 business days to schedule an appointment with a financial planner at a time and date convenient for you.

Call the MyFRS Financial Guidance Line – 1 866 446 9377 (option 1)

Start planning your finances by directly calling the MyFRS Financial Guidance Line - scan this QR Code with your mobile phone to call now and/or save this number for future use. Select "option 1" from the phone menu to speak with a representative.

You may schedule an appointment at a time and date that is convenient for you, or if you'd like to begin planning immediately, you may hold an introductory call if a planner is available when you call. Our lines are open Monday-Friday, 8 a.m. – 6 p.m. Eastern Time.

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G. WORKSHOP SURVEY

There are two ways of providing feedback on this workshop. Please use the method below which is most convenient for you. There are 12 questions which should take approximately 5 minutes to complete.

Text “FRS survey” to 609 644 9622

After sending a text, you will receive a reply with a link to the survey.

Go directly to the survey – www.surveymonkey.com/r/FRSWorkshop

Type the web address into your browser or scan this QR Code with your mobile phone to go directly to the survey.

Thank you for providing feedback to help ensure we are meeting your needs!

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H. PERSONAL ACTION PLAN ☑

Action Step	When	Done
		☐
		☐
		☐
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		☐
		☐
		☐
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