


## The Reasons We Are Here

- Learn a process for cash and debt management
  - 4 simple steps
- Review the resources available to you
  - Through the FRS and your Employer
- Create an easy-to-follow action plan
  - Customized to meet your cash flow needs and debt reduction goals



2



## Tools and Resources



MyFRS.com





MyFRS  
Financial  
Guidance Line  
866-446-9377






Employee  
workshops






Print and e-mail  
communications






## Personal Action Plan



Action Steps	Done






See Appendix G for your own  
Personal Action Plan

## The Cash/Debt Management Process

- Step 1: Evaluate current spending
  - Who is spending?
  - How much are you spending?
  - How are you spending?
  - Why are you spending?
  - Is spending reflecting your values?
- Step 2: Deal with shortfalls and debt
- Step 3: Create a spending plan
- Step 4: Review your progress

## How Can You Keep Track of Your Spending? The “Notebook Method”

	Cost Per Week	Cost Per Year	Possible Savings
 Coffee	\$15	\$750	\$750
 Soda	\$5	\$250	\$150
 Newspaper	\$6	\$300	\$200
<b>Total Per Year</b>		\$1,300	\$1,100

**\$1,100 / year at 7% for  
20 years= \$48,300!**

## The Cash/Debt Management Process

- Step 1: Evaluate current spending
  - Step 2: Deal with shortfalls and debt
  - Step 3: Create a spending plan
  - Step 4: Review your progress
- What type of debt?
  - How much debt?
  - How much is debt costing you?
  - What is your ability to manage debt?

## Types of Debt



***Convert non-tax deductible debt to tax deductible debt***

***Convert both to lower rate debt***

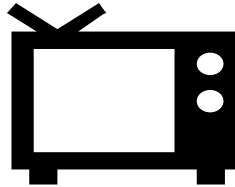


Review your debts and determine which are deductible and nondeductible

## How Much is Debt Costing You?

### *How Much Do Your Credit Cards Cost You?*

\$1,500  
\$60/month



**Credit Card Rate**

18%

**Payoff Time**

32  
Months

**Total Paid**

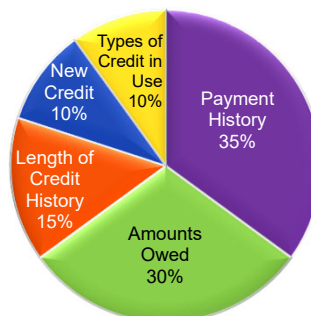
\$1,920

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9

## FICO Credit Risk Score

- Scores range from 300 to 850
- Higher the score, the lower the risk to creditors
- 5 categories of information evaluated
- AnnualCreditReport.com



Visit [www.myfico.com](http://www.myfico.com) to  
learn how to improve  
your credit score

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10

## What is Your Ability to Manage Debt?

- Consolidate or transfer debt to lower interest rate debt where possible
- Use savings to pay off debt where appropriate
- Pay high interest rate debt first
- Freeze credit cards

## Net Tax Effect of Managing Debt

Debts				Assets
	Home Equity	Credit Card	Auto Loan	Investment Earnings
Rate	4.00%	18.00%	3.60%	7.00%
Tax Effect	(0.00%)	(0.00%)	(0.00%)	(1.68%)
Net Rate	4.00%	18.00%	3.60%	5.32%

*Note: Assumes a 24% marginal tax rate and deductions can be itemized on tax return (Schedule A, Form 1040)*



Use the 'Snowball Debt Elimination Calculator' at [dinkytown.net](http://dinkytown.net)

## What is Your Ability to Manage Debt?

- Consolidate or transfer debt to lower interest rate debt where possible
- Use savings to pay off debt where appropriate
- **Pay high interest rate debt first**
- Freeze credit cards

## Pay Extra on Highest Interest Rate Debt

Debt	Balance	Interest Rate	Minimum Payment	Payment Being Made
Credit Card 1	\$3,500	19%	\$140	<b>\$340</b>
Department Store Card	\$1,000	17%	\$40	\$40
Credit Card 2	\$5,500	10%	\$220	\$220
Auto Loan	\$15,000	5.5%	\$400	\$400

## What is Your Ability to Manage Debt?

- Consolidate or transfer debt to lower interest rate debt where possible
- Use savings to pay off debt where appropriate
- Pay high interest rate debt first
- **Freeze credit cards**



Call the MyFRS Financial Guidance  
Line for assistance in developing a  
plan to reduce and eliminate your debt

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15

## Repaying Student Loans

- Create a plan to pay it off
  - Develop net worth and cash flow statements
  - Select the appropriate repayment option
  - Incorporate payments into your budget
  - Use savings to pay down debt if appropriate
  - Consider consolidation
- Deduct the interest
  - Maximum “above the line” deduction of \$2,500
  - Subject to 2023 adjusted gross income limits:
    - Single: \$75,000 - \$90,000
    - Married Filing Jointly: \$155,000 - \$185,000

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16



## Direct Consolidation Loan

- Simplify repayment by creating only one bill
- Can extend repayment up to 30 years
  - Will reduce amount you pay monthly toward student loan debt, but increase overall amount paid
- Interest rate is weighted average of loans consolidated
- Loans will lose any borrower benefits offered
  - Interest rate discounts, principal rebates, etc.



Visit [StudentAid.gov](https://studentaid.gov) to find out more (and apply)

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17

## Non-Income Related Payment Options

- Standard repayment
  - Fixed payment of at least \$50 per month
  - Up to 10 years to repay
- Graduated repayment
  - Payments start lower and gradually increase
  - Up to 10 years to repay
- Extended repayment
  - Payments can be fixed or graduated
  - Up to 25 years to repay

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18



## **“Pay as You Earn” (PAYE) Repayment Options**

- Maximum monthly payment of 10% of discretionary income
  - Discretionary income = AGI\* – 150% of the poverty guideline\*\* for your family size and state of residence
- Payment term up to 20 years
  - If not paid off after 20 years of repayment, balance is forgiven
- Available for federal direct loans only; not private loans
- REPAYE was introduced in December 2015 to extend PAYE to all qualifying borrowers regardless of origination/disbursement date



## **Income-Driven Repayment Options**

- Income-based repayment
  - Maximum payment of 15% of discretionary income
  - Payment adjusts as income changes
  - Up to 25 years to repay
  - After 25 years of repayment, remaining balance forgiven
- Income-contingent repayment
  - Payment calculated annually based on AGI, family size, and loan amount
  - Up to 25 years to repay
  - After 25 years of repayment, remaining balance forgiven
- Income-sensitive repayment
  - Payment calculated annually based on annual income and lender's formula
  - Up to 10 years to repay (no forgiveness)

## Forgiveness

- PAYE and income-driven repayment
  - Any balance at the end of the loan term is forgiven
  - Amount forgiven is taxable income in the year it occurs
- Public service loan forgiveness
  - Direct Loans only
  - Loans forgiven after 10 years of qualified public service
- Teacher loan forgiveness
  - Direct and FFEL Loans obtained after Oct. 1, 1998
  - Up to \$17,500 forgiven after 5 years of teaching in a low-income school
- Death or total and permanent disability



21

## Deferment and Forbearance

- DO NOT stop paying student loans if you are having a financial hardship
- DO look at your options for deferment and forbearance
- Deferment
  - Provides for a suspension of required payments for a period of time
  - Interest may still accrue
- Forbearance
  - Can reduce or suspend payments up to 12 months
  - Interest will still accrue



Visit [StudentAid.gov](http://StudentAid.gov) to run the Repayment Estimator and make changes to your Direct Loan repayment plan

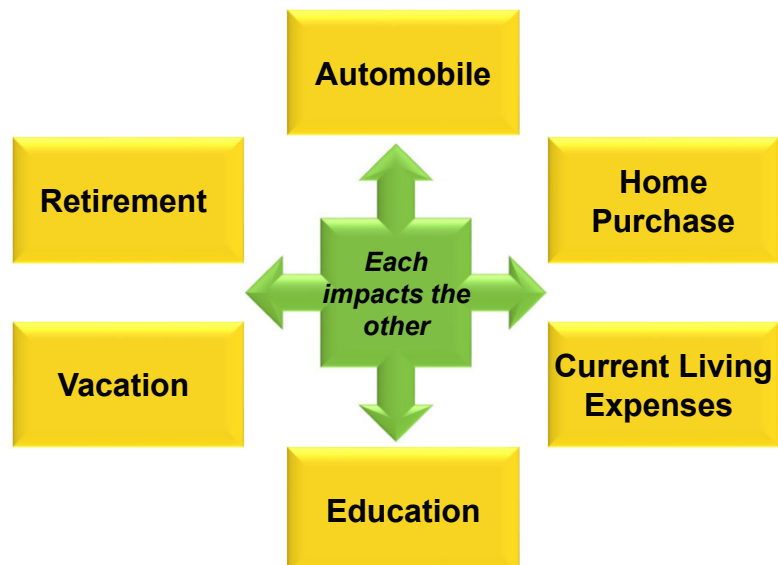


22

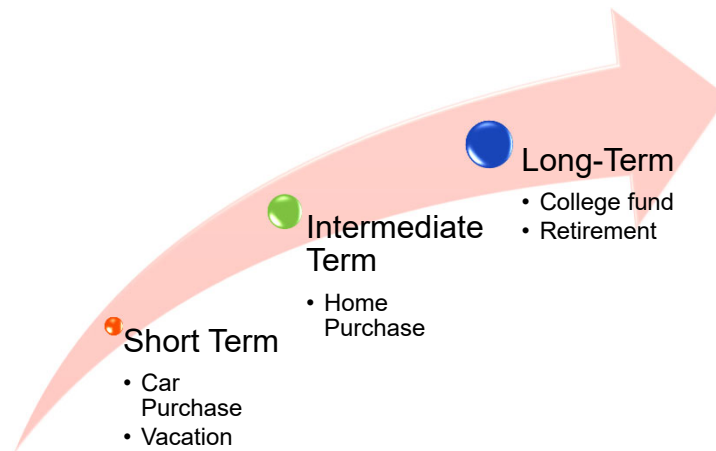
## The Cash/Debt Management Process

- Step 1: Evaluate current spending
  - Step 2: Deal with shortfalls and debt
  - Step 3: Create a spending plan
  - Step 4: Review your progress
- Set and prioritize goals
  - Develop a budget
  - Increase income
  - S.H.R.E.W.D. Spending
  - Increase savings
  - Use debt wisely

## Setting and Prioritizing Goals



## Setting Goals: Time Horizon



25



Use the Goal Prioritization Worksheet in Appendix B to help set and prioritize your goals

## What is a Budget?

- Spending plan
- Itemized summary of where your money comes from and where it goes
- Way to organize and control resources
- A way to set and realize your goals

"I'm living so far beyond my income that we may almost be said to be living apart." ~e e cummings



26

## Starting a Budget

- List your anticipated monthly expenses
  - Track every expense for a month
  - Consider non-repeating monthly expenses
  - Calculate the monthly amount to be paid toward debts or to be saved for future goals (like retirement!)
- List your anticipated monthly income
- Categorize your income and expenses
- Enter your anticipated income and expenses into a ledger or other tool



Use the Retirement Expense Worksheet in Appendix C for help in creating your own budget

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27

## Budgeting for Retirement - Determining Your Goal

- State the goal – be specific
- Start date
- End date

- How much?
- How many years?
- Inflation?

### Retirement Goal: An Example



Approximate need by retirement: **\$845,000**

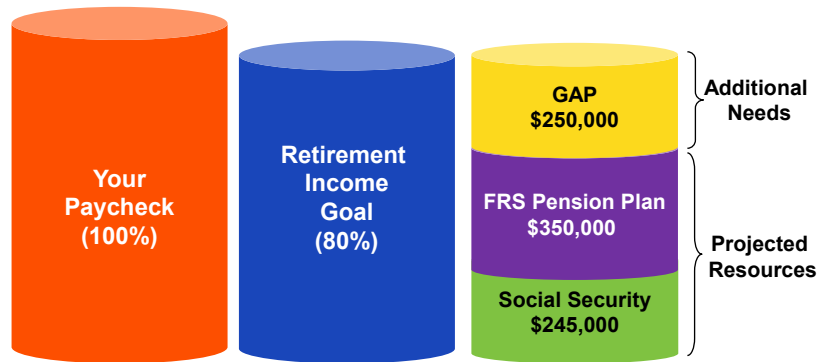
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28

#### Assumptions:

7% return, 3% inflation, 80% replacement ratio, \$35,000 Current Income

## Budgeting for Retirement - Determining What You Need to Accumulate

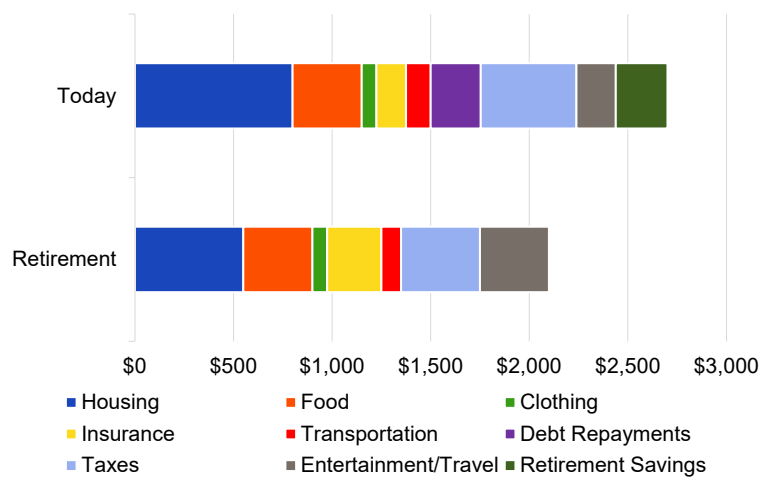


29



Use the Retirement Expense Worksheet in Appendix C to help determine your retirement income needs

## Sample Budget Budgeting for Today and Retirement

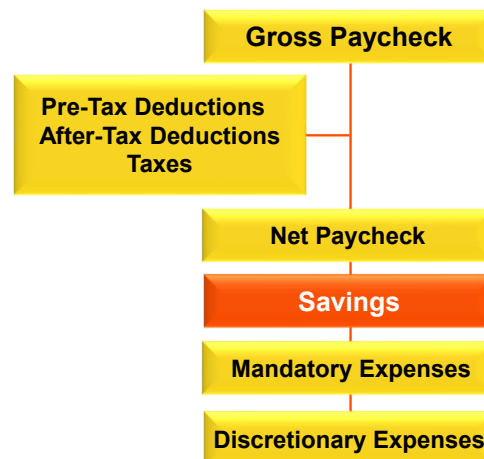


30

## Increase Your Income

- Withhold from paycheck appropriately
- Re-educate yourself (may need to temporarily lower standard of living)
- Collect old debts
- Have a yard sale
- Sell collectibles
- Use savings to pay off high interest debt

## Spending Plans





## Benefit of Pre-Tax Retirement Contributions

	Without Pre-tax Savings Plan	With Pre-tax Savings Plan
Monthly pay	\$4,000	\$4,000
Retirement plan contribution	\$0	(\$200)
Taxable pay	\$4,000	\$3,800
Federal income tax	\$960	\$912
Monthly federal tax savings	\$0	\$48
Annual federal tax savings	\$0	\$576

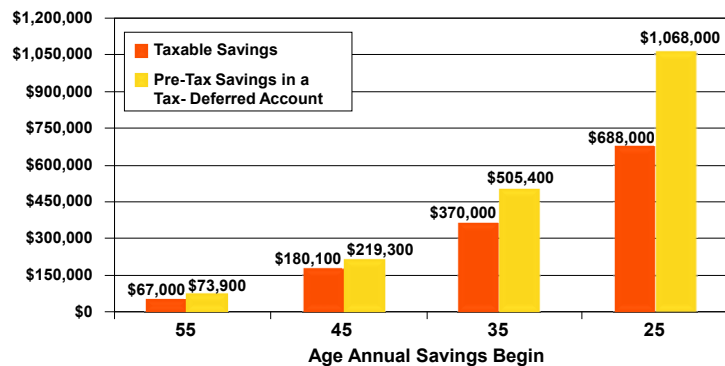
*Assumes marginal Federal tax rate of 24%*



33

## Benefits of Saving Early to Tax-Advantaged Retirement Accounts

### Accumulated After-Tax Balance at Age 65:



Annual savings: \$5,000  
Pre-tax return: 7%  
Marginal Federal tax rate: 24%



34

## Deciding Where to Allocate Your Resources

1. High interest rate debt
2. Emergency fund
3. Retirement savings plans
4. Low interest rate debt



- Call the MyFRS Financial Guidance Line for additional assistance, as everyone's situation is different
- See Appendix D for an overview of retirement savings plan options

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35

## Use Debt Wisely - Options if You Must Borrow

	Benefit	Risks
Home Mortgage	Interest on loan up to \$750,000 may be tax deductible	Home is the collateral
Student Loans	Interest of up to \$2,500 may be tax deductible	Must be repaid even in the event of bankruptcy
Investment Loans	Interest may be tax deductible up to net investment income	Investments can lose value triggering a margin call
Personal Loans	Loans are typically unsecured	Interest rates are typically high
Credit Cards	Loans are unsecured	Interest rates are typically high
Cash Value Life Insurance	Loan does not have to be repaid	Less for your survivors until repaid
Retirement Savings Plans Loans*	Pay loan principal and interest to yourself	Full amount must typically be repaid after separation

**\*FRS Pension and Investment Plans do not permit loans or in-service distributions**

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36

## The Cash/Debt Management Process

- Step 1: Evaluate current spending
  - Step 2: Deal with shortfalls and debt
  - Step 3: Create a spending plan
  - Step 4: Review your progress
- Review monthly and annually
  - Have financial goals stayed the same?
  - Are you on track with your spending plan?
  - How has inflation affected your finances?
  - Has your tax situation changed?

## Sample Budget Tracking Report

Monthly Income	Budgeted	Actual	Difference
Pay	\$2,916	\$2,916	-
Interest & Dividends	\$42	\$42	-
<b>Total Monthly Income</b>	<b>\$2,958</b>	<b>\$2,958</b>	<b>-</b>
Monthly Expenses	Budgeted	Actual	Difference
Housing	\$800	\$825	\$25
Food	\$350	\$375	\$25
Clothing	\$75	\$25	(\$50)
Insurance	\$150	\$150	-
Transportation	\$125	\$150	\$25
Debt Repayments	\$254	\$254	-
Taxes	\$485	\$485	-
Entertainment/Travel	\$200	\$150	(\$50)
Retirement Savings	\$262	\$262	-
Gifts/Charity	\$100	\$100	-
Personal Care/Misc.	\$157	\$157	-
<b>Total Monthly Expenses</b>	<b>\$2,958</b>	<b>\$2,933</b>	<b>(\$25)</b>

## Monitoring Your Budget

***Review and adjust your budget when any of the following change:***

- Income
- Expenses
- Goals
- Family situation
- Tax laws
- Windfall

## The Reasons We Are Here

- Learn a process for cash and debt management
  - 4 simple steps
- Review the resources available to you
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- Create an easy-to-follow action plan
  - Customized to meet your cash flow needs and debt reduction goals



## Workshop Survey

- If you are attending an in-person workshop, please text “FRS survey” now to 609-644-9622
  - You will receive a text with a link to the survey
- If you are attending a webinar, click the survey link in the resource box or text using the above instructions

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



## Tools and Resources



MyFRS.com



MyFRS  
Financial  
Guidance Line  
866-446-9377



Employee  
workshops



Print and e-mail  
communications

## Next Steps: Personal Action Plan

Action Steps	Done
Log your expenses and income for 30 days	
Set and prioritize your goals	
Review your cash flow and spending habits	
Review your debts and develop a payment plan	
Establish a budget for you living expenses and savings for future goals	
Explore opportunities to save for retirement	
Call the MyFRS Financial Guidance Line for cash flow, debt and retirement planning	

## Questions and Answers



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**MyFRS**  
Florida Retirement System

**Taking Control of  
Your Finances**

FINANCIAL GUIDANCE  
PROGRAM









# Taking Control of Your Finances

Appendix	Description	Page
A	EY Disclosure Statement and Form ADV Part 2A	1
B	Goal Prioritization Worksheet	9
C	Retirement Expense Worksheet	11
D	Retirement Savings Plans	13
E	MyFRS Financial Guidance Line Appointment	15
F	Workshop Survey	17
G	Personal Action Plan	19

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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.

## 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.

# FOR INFORMATIONAL PURPOSES ONLY

## DISCLOSURE STATEMENT

Ernst & Young LLP  
Ernst & Young Investment Advisers LLP  
*Employee Financial Services*  
09/15/2022

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](http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx)<sup>1</sup>

### 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

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<sup>1</sup> 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

- Robust resources, including calculators and videos
- 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
- **Group 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

09/15/2022

EYIA's investment advice is provided by a team comprised of more than six Supervised Persons and EYIA has provided group supplementary information for the six 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. 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. Dayton Nordin
2. 1970
3. B.A. Political Science, MBA Finance, Emory University, Atlanta Georgia
4. 1997 to date, Ernst & Young LLP

1. Aaron Cherry
2. 1976
3. B.A. Caldwell University, Caldwell, NJ
4. 2014 to date, Ernst & Young LLP

1. Raymond A. Echevarria, EYIA Chief Compliance Officer
2. 1971
3. B.S. in Accounting, SUNY at New Paltz
4. 2013 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.



**Form CRS: Customer Relationship Summary**  
**Ernst & Young Investment Advisers LLP (“EYIA”)**  
200 Plaza Drive, Suite 2222, Secaucus, NJ 07094

09/15/2022

**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 and 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. GOAL PRIORITIZATION WORKSHEET

	Short-Term (0-1 yr.)	Medium-Term (1-5 yrs.)	Long-Term (5-10 yrs.)	Longest-Term (> 10 yrs.)
<b>Goals</b>				
Pay for education expenses				
Reduce debt				
Set aside an emergency fund to cover 6 months of expenses				
Buy a house				
Make home improvements				
Buy a car				
Make any other large purchases (e.g., boat, plane, art)				
Take a dream vacation				
Minimize income taxes				
Change careers				
Buy a vacation home				
Become financially independent				
Have adequate retirement income				
Have children				
Increase level of charitable giving				
Buy a retirement home				
Have adequate disability income				
Provide for survivor in event of my death				
Be protected against inflation				
Take early retirement				
Start a business				
Other				

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## C. RETIREMENT EXPENSE WORKSHEET

Description	A Current Annual Costs	B Additional or Reduced Costs Anticipated for Retirement (in current year dollars)	C Estimated Cost At Retirement Column A + B
<b>HOUSING</b>			
Mortgage/Rent	\$	\$	\$
Property Taxes			
Homeowners Insurance			
Repairs & Maintenance			
Electricity			
Gas/Oil			
Cable/Internet			
Water			
Telephone			
Other Utilities			
Yard Maintenance			
<b>Total</b>	\$	\$	\$
<b>HOUSEHOLD</b>			
Food	\$	\$	\$
Miscellaneous Supplies			
Laundry			
Other			
<b>Total</b>	\$	\$	\$
<b>TRANSPORTATION</b>			
Car Payments	\$	\$	\$
Car Repairs/Maintenance			
Car Registration/License			
Commuting			
Other			
<b>Total</b>	\$	\$	\$
<b>PLEASURE</b>			
Eating Out	\$	\$	\$
Vacation			
Entertainment			
Club Expenses			
Other			
<b>Total</b>	\$	\$	\$

Description	A Current Annual Costs	B Additional or Reduced Costs Anticipated for Retirement (in current year dollars)	C Estimated Cost At Retirement Column A + B
<b>HEALTH</b>			
Medical Insurance	\$	\$	\$
Doctors/Dentists			
Deductibles/Co-Pays			
Prescriptions			
Other			
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>PERSONAL CARE</b>			
Clothing	\$	\$	\$
Barber/Beautician			
Other			
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>TAXES</b>			
Federal Income	\$	\$	\$
State Income			
Social Security			
Other			
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>MISCELLANEOUS</b>			
Charity	\$	\$	\$
Gifts			
Loans			
Life Insurance			
Savings			
Investments			
Education			
Other			
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>TOTAL</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

## D. RETIREMENT SAVINGS PLANS

How Can You Benefit From Your Employer-Sponsored Savings Plan?	
High Contribution Limits	<ul style="list-style-type: none"> <li>• \$22,500 in 2023</li> <li>• Catch-up contributions for those age 50+</li> </ul>
Pre-Tax Savings	<ul style="list-style-type: none"> <li>• Reduces current taxes</li> <li>• Helps you save more</li> </ul>
Tax-Deferred Compounding	<ul style="list-style-type: none"> <li>• Savings grow faster</li> </ul>
Payroll Deduction	<ul style="list-style-type: none"> <li>• Automatic savings</li> </ul>
Investment Control	<ul style="list-style-type: none"> <li>• You make investment decisions</li> </ul>
<p><i>Catch-up Provisions – The plans permit you to contribute additional amounts if you are 50 and older. Each plan has other “special catch-up” rules based on the time until retirement or length of service.</i></p> <p><i>Contact your plan administrator to see if you qualify.</i></p>	

How Can You Benefit From an Individual Retirement Account (IRA) in 2023?		
	Traditional	Roth
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• Earned income</li> </ul>	<ul style="list-style-type: none"> <li>• Earned income</li> <li>• Single: \$138,000 - \$153,000</li> <li>• Married: \$218,000 - \$228,000</li> </ul>
<b>Maximum Combined Contributions</b>	<ul style="list-style-type: none"> <li>• \$6,500</li> <li>• \$7,500 for age 50+</li> </ul>	
<b>Deductibility</b>	<ul style="list-style-type: none"> <li>• Single: \$73,000 - \$83,000</li> <li>• MFJ: \$116,000 - \$136,000</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>Taxation</b>	<ul style="list-style-type: none"> <li>• Pre-tax contributions and earnings are subject to ordinary income tax</li> <li>• 10% penalty may apply if you are not yet age 59 ½</li> </ul>	<ul style="list-style-type: none"> <li>• Contributions are withdrawn tax-free</li> <li>• Income tax and/or 10% penalty on earnings may apply if you are not yet age 59 ½</li> </ul>



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## E. 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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## F. 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](https://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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## G. PERSONAL ACTION PLAN

<u>Action Step</u>	<u>When</u>	<u>Done</u>
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