Plan for the retirement you want
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<table>
<thead>
<tr>
<th>Are Not FDIC Insured</th>
<th>Are Not Bank Guaranteed</th>
<th>May Lose Value</th>
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<tbody>
<tr>
<td>Are Not Deposits</td>
<td>Are Not Insured by Any Federal Government Agency</td>
<td>Are Not a Condition to Any Banking Service or Activity</td>
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Meeting your needs today while preparing for tomorrow

Only 1 in 5 retirees feel confident about retirement

Retirement has been redefined

We can expect to live longer in retirement:

<table>
<thead>
<tr>
<th>AGE</th>
<th>65</th>
<th>75</th>
<th>85</th>
<th>95</th>
</tr>
</thead>
<tbody>
<tr>
<td>92%</td>
<td>53%</td>
<td>79%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Society of Actuaries, RP-2014 Mortality Tables (Unisex). Figures assume you are in good health.
What’s important to you?
Finding the way forward

• Define your life priorities and goals
• Consider your income sources
  - Plan for approximately 90% of your annual pre-retirement, after-tax income
• Estimate your expenses
  - Living expenses & discretionary spending
• Compare estimated income and expenses
  - Is there a gap?
• Create a retirement income plan
  - Short-, intermediate- and long-term
Social Security is not enough

Social Security covers *less than half* of today’s retirement income needs

Potential sources of income during retirement

- Guaranteed income sources (Social Security, pensions)
- Savings and investments (bank accounts, retirement accounts)
- Health savings accounts
- Home equity
- Other miscellaneous income sources
- Full- or part-time employment
When should you start collecting Social Security benefits?

You can elect to receive:

• Reduced benefits as early as age 62
• Full benefits at Full Retirement Age
• Increased benefits (5.5% – 8% per year) if benefits are delayed beyond full retirement age, up to a maximum at age 70
Working during retirement

• For many, retirement could include part-time work or cycling between work and leisure

• Provides income, but also satisfaction and social connections

• Gives your assets the potential to keep growing tax-deferred for as long as you can

Work in Retirement: Myths and Motivations, Merrill Lynch/Age Wave (June 2014)
Two ways to defer money for retirement

401(k)

IRA
Make the most of your 401(k) plan

• Easy and convenient
• Contributions deducted automatically from your paycheck
• You decide how much to contribute
• Georgia Tech does not have a 401k, we have a 401a which is similar to a 401a. The 401a plan is only available to exempt employees and the plan is matched at 9.24%.
• Georgia Tech also offer supplemental retirement plans that are open to staff and temporary employees. The plans are employee contribution only and can be opened at any time. The plans are
  • 403b Pretax
  • 403b Roth
  • 457b Pretax
  • 457b Roth
• All four plans maximum contribution for 2018 is $18,500. There is a catch-up for employees 50 and over of $6000.

Investing in the Plan involves risk, including the possible loss of principal value invested.
Making catch-up contributions

Plan’s allowable contribution percentages
• 20% normal pre-tax contribution
• 10% catch-up contribution

Example: 15 years until age 65

Dylan, age 50
Earns $50,000 / year • 20% normal pre-tax contribution
No additional catch up contribution

Eva, age 50
Earns $50,000 / year • 20% normal pre-tax contribution
Additional 5% catch-up contribution

Annual contribution of $10,000
$240,257

Annual contribution of $12,500
$300,321

Potential benefit from making use of catch-up provision: $60,064

This hypothetical illustration assumes a salary of $50,000, contribution rates of 20% and 30%, with contributions made at the beginning of each month and a 6% annual effective rate of return. Hypothetical results are for illustrative purposes only and are not meant to represent the past or future performance of any specific investment vehicle. Investment return and principal value will fluctuate and when redeemed the investments may be worth more or less than their original cost. Taxes are due upon withdrawal. If you take a withdrawal prior to age 59½, you may also be subject to a 10% additional federal tax.
Traditional IRA vs. Roth IRA
How much can you contribute to an IRA and 401(k) each year?

*Combined annual limits for traditional and Roth IRA contributions. These limits are set by the IRS annually, and may change.
How much can you contribute to an IRA and 401(k) each year?

2018 limits on annual contributions to an IRA

Roth IRA / Traditional IRA*

<table>
<thead>
<tr>
<th>Annual contribution limit</th>
<th>Age 50 and over catch-up provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,500</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

401(k)

| $18,500 | $6,000 |

*Combined annual limits for traditional and Roth IRA contributions. These limits are set by the IRS annually, and may change.
Start preparing now

Starting at age 25

$100.00 invested monthly

$48,000 invested over 40 years

$191,696 Potential balance at age 65

Starting at age 35

$133.33 invested monthly

$48,000 invested over 30 years

$130,564 Potential balance at age 65

Starting at age 45

$200.00 invested monthly

$48,000 invested over 20 years

$91,129 Potential balance at age 65

This hypothetical illustration assumes a 6% annual effective rate of return and pre-tax contributions made at the beginning of each month. Hypothetical results are for illustrative purposes only and are not meant to represent the past or future performance of any specific investment vehicle. Investment return and principal value will fluctuate and when redeemed the investments may be worth more or less than their original cost. Taxes are due upon withdrawal. If you take a withdrawal prior to age 59½, you may also be subject to a 10% additional federal tax.

Traditional IRA*
Top concern in retirement: health care expenses

Estimated out-of-pocket health care costs

<table>
<thead>
<tr>
<th>Length of Retirement (years)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>$50,900</td>
</tr>
<tr>
<td>15</td>
<td>$91,200</td>
</tr>
<tr>
<td>20</td>
<td>$146,400</td>
</tr>
<tr>
<td>25</td>
<td>$220,600</td>
</tr>
<tr>
<td>30</td>
<td>$318,800</td>
</tr>
</tbody>
</table>

Plan for retiree health care expenses with an HSA

A health savings account (HSA) can help you save for future medical expenses

- Potential for pre-tax contributions
- Potential for tax-free interest and investment savings
- Tax-free payments for qualified medical expenses*
- Use your HSA for yourself, your spouse or qualified dependents

*If you receive distributions for other reasons, the amount you withdraw will be subject to income tax and may be subject to an additional 20% tax.
Tips for a successful investment strategy

- Consider your goals, timetable and risk tolerance
- Allocate assets across investment classes
- Diversify to help protect against volatility
- Avoid chasing performance
- Rebalance to help stay on target
- Review your plan annually or have major life change

Asset allocation, diversification and rebalancing do not ensure a profit or protect against loss.
Choose an appropriate investment mix

Allocate your assets: sample investment portfolios based on risk profile

The sample portfolios are not intended to represent investment advice. This material does not constitute a recommendation as to the suitability of any investment for any person or persons having circumstances similar to those portrayed. Each investor’s portfolio must be constructed based on the individual’s financial resources, investment goals, risk tolerance, investing timeframe and other relevant factors. The categorization of sample portfolios as “Conservative,” “Conservative to Moderate,” “Moderate,” “Moderate to Aggressive,” and “Aggressive” is relative. Merrill Lynch has changed the allocations for each model in the past and may change the allocations in the future. Merrill Lynch does not recommend any specific asset allocation model.

Understanding required minimum distributions (RMDs)

Optimize distributions

Example: Phyllis*
- Age 69
- Retiring this year
- Life priorities: Family & working

Phyllis’ RMD timeline example

<table>
<thead>
<tr>
<th>Phyllis’s 70th birthday</th>
<th>August 1, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turns 70½</td>
<td>February 1, 2018</td>
</tr>
<tr>
<td>First RMD is due no later than</td>
<td>April 1, 2019</td>
</tr>
<tr>
<td>Second RMD is due</td>
<td>December 31, 2019</td>
</tr>
</tbody>
</table>

For more information about required minimum distributions, consult a tax advisor or go to www.irs.gov. IRS Publication 590 explains the formula and method for figuring required minimum distributions. *For illustrative purposes only
Consider consolidating your accounts

Potential benefits:

• Simplified recordkeeping
• May pay less in account fees
• See entire investment mix and track performance in one place
• Simplify income planning
• May be easier to calculate RMDs at age 70½*

Be sure to take tax consequences, expenses and sales charges into account, and review any charges that may be associated with selling or buying investments, either before or after you consolidate your accounts.

*Beginning the year you turn 70½, you will be required to take annual minimum distributions (RMDs) from your IRAs and from your employer’s plan (unless you are still working and you do not own 5% or more of the company). You must take your first RMD no later than April 1 of the year following the calendar year you turn age 70. Subsequent RMDs must be taken by December 31 of each calendar year.
Choose how to handle your retirement plan assets

- Roll over your assets to an IRA or convert to a Roth IRA\(^1\)
- Leave assets in your employer’s plan
- Roll assets over to a new employer’s plan
- Withdraw some or all of your retirement assets\(^1\)

Each choice may offer different investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and provide different protection from creditors and legal judgments. These are complex choices and should be considered with care.

\(^1\)Taxes will be due upon withdrawal (a 10% additional federal tax may apply to withdrawals taken before age 59\(\frac{1}{2}\)).
The importance of naming a beneficiary

• Assets pass to your beneficiaries according to your wishes
• Your beneficiaries avoid the potential delay and expense of probate
• Your beneficiaries may have the opportunity to extend or “stretch” the tax-deferred earning period of the assets
• Keep information current and update when changes occur in your life
  - In many cases, if you’re married and don’t name a beneficiary, your spouse is automatically your beneficiary
  - If you’re single and don’t name a beneficiary, typically your estate is your beneficiary
Understanding a “stretch” IRA*

• Consider a strategy that helps preserve tax deferral for another generation

• A stretch IRA strategy attempts to maximize the tax-deferred growth potential of IRA assets not needed during retirement by leaving them in the IRA for as long as the law permits

• The strategy may provide distributions to one or two later generations

• You and your beneficiaries delay distributions as long as possible, typically to age 70½

• Take only the RMD amounts

• Consult your tax advisor for more information regarding this strategy

*“Stretch” individual retirement account (IRA) is not a type of IRA, but rather a technique to extend the assets of an IRA beyond your lifetime, possibly to multiple generations of beneficiaries. The stretch IRA strategy is designed for individuals who will not need the accumulated assets in their account for their own retirement needs. You should consider possible changes to tax laws, the impact of inflation, and other risks when determining if the stretch IRA strategy is appropriate for you. You should consult your tax and other financial advisors to assist you in determining whether this strategy can help you to enhance your retirement and estate plans.
Stretch the life of your IRA*

**Year 1: Chris, age 54**
Chris rolls over $400,000 from an employer’s retirement account into an IRA and names his spouse, Pat (age 48) as beneficiary.

**Year 17: Chris, age 70½**
Chris begins taking RMDs.

**Year 32: Chris, age 85**
Chris dies. The original rollover has grown to more than $1 million. Pat rolls over the IRA as her own, and continues RMDs based on her life expectancy. She designates her son, Bob, as the new beneficiary.

**Year 42: Pat, age 89**
Pat dies. Bob, now age 60, continues RMDs based on his life expectancy.

**Year 67: Bob, age 85**
IRA assets are depleted. Total distributions throughout the life of the account equal $4,320,480.

*Hypothetical example for illustrative purposes only. Please see next slide for important disclosure information.*
The hypothetical example on the previous page is illustrative only. It assumes a 6% annual return, that the account owner rolls over the account on Jan. 1 of the year he or she receives the assets, that all distributions are taken on the last day of each distribution year and that all distributions are the required minimum amount. These amounts are not adjusted for inflation and do not reflect any state or federal income tax that may be due upon distribution. This chart does not reflect past or future performance of any specific investment vehicle. It also does not reflect the volatility that can occur in an equity-based account and assumes current tax laws remain in effect throughout. This information is based on our understanding of current tax laws, which are subject to change.
Personal Financial Journey

Just like your physical health, your finances need ongoing attention

Get started today:
go.bofa.com/personalfinancialjourney

Personal financial journey can help you get – and stay – on track through two interactive journeys and your annual financial checkup to help maintain your financial health. So, no matter what stage of life you’re in or how you like to learn, you can get help pursuing what’s important to you.
We're here to help

Have a conversation
844.528.9675

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