403(b) Retirement Savings Plan.

The tax advantages, plus plan features and benefits, make a 403(b) plan with AIG Retirement Services an ideal way to help accumulate funds for your retirement. And AIG Retirement Services brings you the knowledge, investment options and personal services to help keep things simple.

Pretax contributions

When you participate in a 403(b) plan, you contribute by convenient payroll reduction before federal income tax withholding is calculated. This helps reduce your currently taxable income so you can save dollars for retirement that otherwise would have gone to pay income taxes.

The maximum amount of elective deferrals you can make to a 403(b) account is generally the lesser of 100% of your includible compensation or $19,500 in 2021. Depending on the terms of the plan you may contribute an additional $6,500 in 2021 if you are age 50 or older. You could also be eligible to contribute up to an additional $3,000 if you have 15 or more years of service with a qualifying employer and have undercontributed in prior years.

If you meet certain requirements, you might be able to make the regular maximum contribution, plus the 403(b) catch-up contribution and the age-based catch-up contribution during the plan year. If you are eligible for both catch-up contributions, you must exhaust the 15-year catch-up first. Your financial professional can help calculate your annual contribution limits.

Tax-deferred accumulation

Current federal income taxes on all contributions, interest and earnings in your 403(b) plan are deferred until withdrawal, usually at retirement. Tax-deferred earnings, coupled with the power of compounding, may provide greater growth than might be possible with currently taxable savings methods. Remember that income taxes are payable when you withdraw money from your account. And since retirement accounts should be considered long-term investments, federal restrictions and a 10% federal early withdrawal tax penalty may apply to withdrawals prior to age 59½.

Investment flexibility

We offer an array of investment options from well-known investment managers. This provides the flexibility you might need to design a program tailored to your individual needs. Retirement plans and accounts that satisfy relevant qualification rules, such as 403(b)s, IRAs, 401(k)s, etc., can be tax deferred regardless of whether or not they are funded with an annuity. If you are considering funding a tax-qualified retirement plan or account with an annuity, you should know that an annuity does not provide any additional tax-deferred treatment of earnings beyond the tax deferral of the tax-qualified retirement plan or account itself. However, annuities do provide other features and benefits. Keep in mind that investment values in the variable options will fluctuate so that your investments, when withdrawn, may be worth more or less than the original cost. Remember all investment involves risk, including possible loss of principal. Your financial professional can assist in choosing the options that will match your long-term goals.

Tax-free loans

Tax-free loans, available under some employer plans, enable you to borrow against a portion of your accumulated account value, subject to certain limitations, without permanently reducing your account balance. Defaulted loan amounts (not repaid on time) will be taxed as ordinary income and may be subject to a 10% federal early withdrawal tax penalty if you are under age 59½.

Access to your savings

Generally, depending on your employer's plan, your account contributions can be distributed in any of the following events:

- Age 59½
- Severance from employment
- Your death or disability
- Financial hardship (employee contributions only)

Again — a 10% federal early withdrawal tax penalty may apply to withdrawals prior to age 59½.

We see the future in you.℠

CLICK aig.com/RetirementServices CALL 1-800-426-3753 VISIT your financial professional

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Securities and investment advisory services offered through VALIC Financial Advisors, Inc. (VFA), member FINRA, SIPC and an SEC-registered investment adviser.

Annuities are issued by The Variable Annuity Life Insurance Company (VALIC), Houston, TX. Variable annuities are distributed by its affiliate, AIG Capital Services, Inc. (ACS), member FINRA.

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