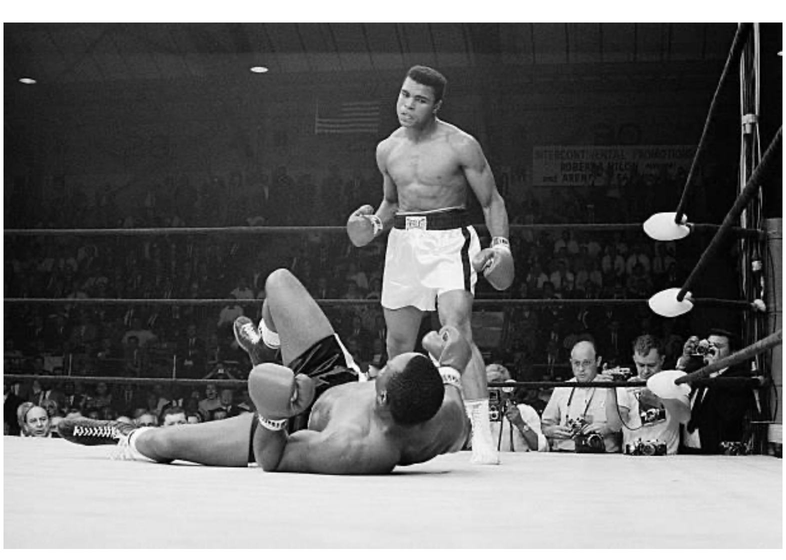
RETIREMENT PLANS THAT "CLEARLY" WORK FOR YOU.

Prizant Group



THROW IN THE TOWEL: To give up, to avoid further punishment when facing certain defeat.

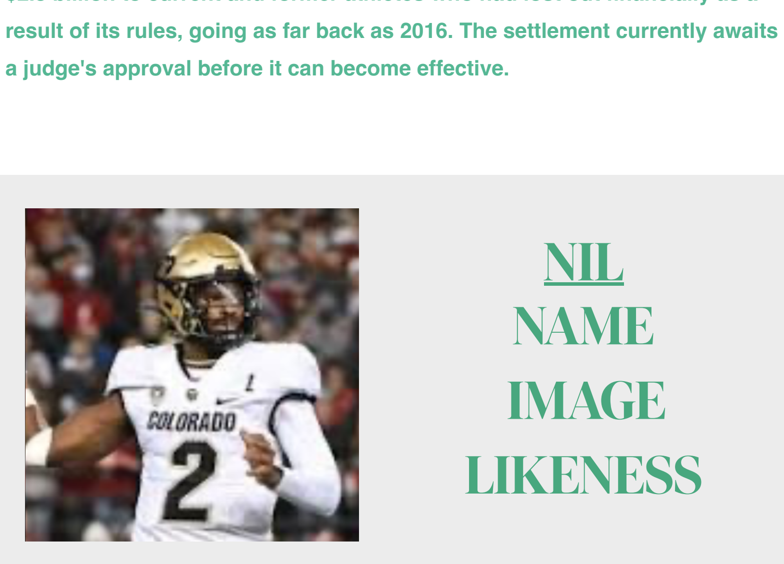
This little expression of course derives from boxing. When a boxer is suffering a beating and his corner want to stop the fight they literally throw in the towel to indicate their conceding of the fight. This earliest citation that I have found of this is in the American newspaper The Fort Wayne Journal-Gazette, January 1913: Murphy went after him, landing right and left undefended face. The crowd importuned referee Griffin to stop the fight and a towel was thrown from Burns' corner as a token of defeat. It was very soon after that that the phrase began to be used in a figurative sense, to indicate giving up in non-boxing contexts; for example, in the Australian author Clarence James Dennis's WWI patriotic novel, The Moods of Ginger Mick, 1916: No matter wot 'e done. It's jist a thing I know 'e'd do if once 'e got the show. An' it would never please 'im fer to sling Tail look at 'im jist cos 'e acted so. "Don't make a song uv it!" I 'ear 'im growl, "I've done me limit, an' tossed in the towel." Throwing in the towel was preceded by throwing in the sponge. Sponges were a common ringside accessory as early as the 18th century. Throwing in the sponge was then the preferred method of conceding defeat. This is recorded in the mid-19th century, in The Slang Dictionary, 1860:

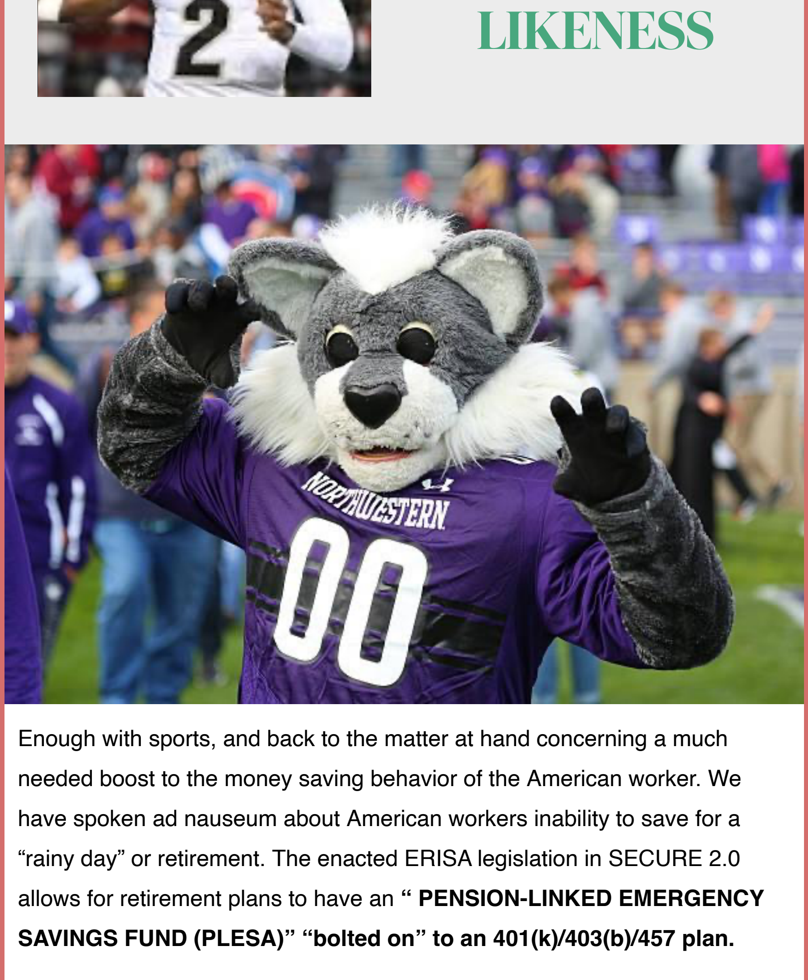
As a long-suffering Chicago sports fan, pessimism runs through my arteries. The major Chicago professional teams (Bears, Bulls, Cubs, White Sox, Blackhawks) have all seen times of glory in the last 100 years, but overall, it has been a long, tough slog. As a youngster, my North Shore friends were fans (Baseball was paramount in those days!) of the lovable, loser Chicago Cubs, New York Yankees or Los Angeles Dodger. But, of course, I decided that the Chicago White Sox would be my team as my maternal grandfather would take me to their games located on the Southside of Chicago in the Bridgeport neighborhood (home of the Honorable Mayor Richard J. Daley). Ah, if we could only change our youthful transgressions! As a Jew, we are sometimes referred to as "The Chosen People." With my fatalist view, I have a tendency to complete the phrase as "The Chosen People to Suffer." In that vein, we will recount the infamous **"White Flag Trade" of 1997** is indicative of the ongoing misery.

The "White Flag Trade" was a trade made between the Chicago White Sox and the San Francisco Giants on July 31, 1997. The White Sox traded three veteran pitchers for six minor league players. At the time, the trade was maligned by the vast majority of the White Sox fans, who saw it as a sign that owner (Jerry Reinsdorf) was giving up on the team, even while they were only 3 ½ games behind the Cleveland Indians for the American League Division.
Reinsdorf defended the trade, saying that "anyone who thinks we can catch Cleveland is crazy" and the White Sox eventually finished 8 games of the 1st place. (Wikipedia.com)

Obviously, Reinsdorf (known as "The Chairman) had decided to **"Throw In The Towel"** much to the chagrin of the fans. BTW, I forgot to mention my ever-dying allegiance to the Northwestern Wildcats (B.A. History 1975 and decades old football season ticket holder). The **"Purple Haze"** (the student body were rebuff by the "Powers That Be" in changing the Wildcat mascot in the 1970's) men's football/basketball teams (the women have done quite well over the years) have seen more "Downs Than Ups." Northwestern's obstacles have always been difficult to overcome. It was (now USC makes it ten) the only private university in the league with a measly student enrollment of 8,500 (Big Ten average enrollment is around 40,000 students). Along with high academic admission standards and few "Mickey Mouse" courses, poor game attendance, and less than enthusiastic alumni; the athletic challenges have been great. Now, the mountain is higher to climb with the advent of **Name, Likeness, Image (NIL), "Transfer Portal" and dissolution of divisions take hold.**

NIL is a set of rules governing the right of college and high school athletes to benefit financially from the use of their name, image, or likeness for commercial purposes, such as product endorsements. The National Collegiate Athletic Association (NCAA), which formerly prohibited athletes from entering into such agreements, changed its rules in 2021. Many states now have NIL laws as well, covering both high school and college athletes. In 2024, the NCAA agreed to further changes and to pay damages of nearly $2.8 billion to current and former athletes who had lost out financially as a result of its rules, going as far back as 2016. The settlement currently awaits a judge's approval before it can become effective.





Enough with sports, and back to the matter at hand concerning a much needed boost to the money saving behavior of the American worker. We have spoken ad nauseum about American workers inability to save for a "rainy day" or retirement. The enacted ERISA legislation in SECURE 2.0 allows for retirement plans to have an **" PENSION-LINKED EMERGENCY SAVINGS FUND (PLESA)" "bolted on" to an 401(k)/403(b)/457 plan.**

As a devout believer in "Crawling Before You Walk" for major life decisions, the PLESA is a great addition to the retirement plan landscape. I can well document the fruitless attempts to encourage younger adults to **"Save for Retirement.**" Stories of their elders sleeping under bridges or sharing a can of dog food with Fido, are taken with a "grain of salt." Furthermore, the distribution fees, tax consequences, and ERISA limitations have always put a damper on their access to their money for short-term needs. These **Emergency Savings Accounts** are an excellent way of providing realistic options for "The Young and The Restless." They can earmark a percent/dollar amount (not to exceed annual limits) to those accounts and direct the rest to the standard 401(k)/403(b)/457 account. As this rule is new, I thought the below "Essential Details" would be enlightening to my avid (or not so avid) readers.

Essential details
To offer PLESAs, an employer must sponsor a qualified defined contribution plan such as a 401(k), 403(b) or 457(b). Notably, only employees who *aren't* "highly compensated" under the IRS definition may open an account. (We can help you determine whether any of your employees meet the definition.)
Employees can be either offered enrollment in a PLESA or auto-enrolled. Employers that choose the latter option must notify employees in writing of auto-enrollment and allow them to opt-out and withdraw any contributed funds at no cost.
The portion of a PLESA balance attributable to participant contributions can't exceed an inflation-indexed $2,500 a year or a lower amount determined by the plan sponsor. Also, contributions count toward the Internal Revenue Code's total limit on elective deferrals, which is an inflation-indexed $23,000 in 2024.
Contributions may be held as cash, in an interest-bearing deposit account or in an investment product. PLESA contributions are "Roth" in nature; in other words, they're included in taxable income, but withdrawals are tax-free.
Account holders may withdraw funds at least once per calendar month. The first four withdrawals in a plan year can't be subject to any fees or charges. From there, withdrawals may be subject to reasonable fees or charges.

I have added the below this recent survey as a showing positive support for the these accounts.
The survey results indicate the need for an employer-offered emergency savings fund Oak Brook, Ill. — (July 10, 2024) — Inspira Financial, a leading provider of health, wealth, retirement, and benefits solutions, today released the results of a survey of more than 1,000 employed Americans. The report uncovers why employees need support for their financial wellness and how employers and emergency savings funds (ESFs) can help address those needs. One key finding from the report reveals that 79% of employees surveyed want more savings opportunities, and 70% prioritize "rainy day funds."

The new report, "Emergency savings funds: Empowering employees to be financially resilient," is the second report in a two-part series by Inspira on ESFs. The report indicates that, despite strong U.S. economic performance and sustained consumer spending, consumer savings tell a different story. The personal savings rate declined to 3.6% in April 2024 (compared to 8.1% in August 2019) and accumulated savings have dwindled, especially among lower-income Americans. Employees are becoming increasingly nervous about their present and future financial health. With these financial challenges, employees have started to expect more support from their employers. With only a quarter of employees saying that they are highly satisfied with their current benefits, employers are aware of the increased expectations and are looking at how they can improve their benefit offerings.

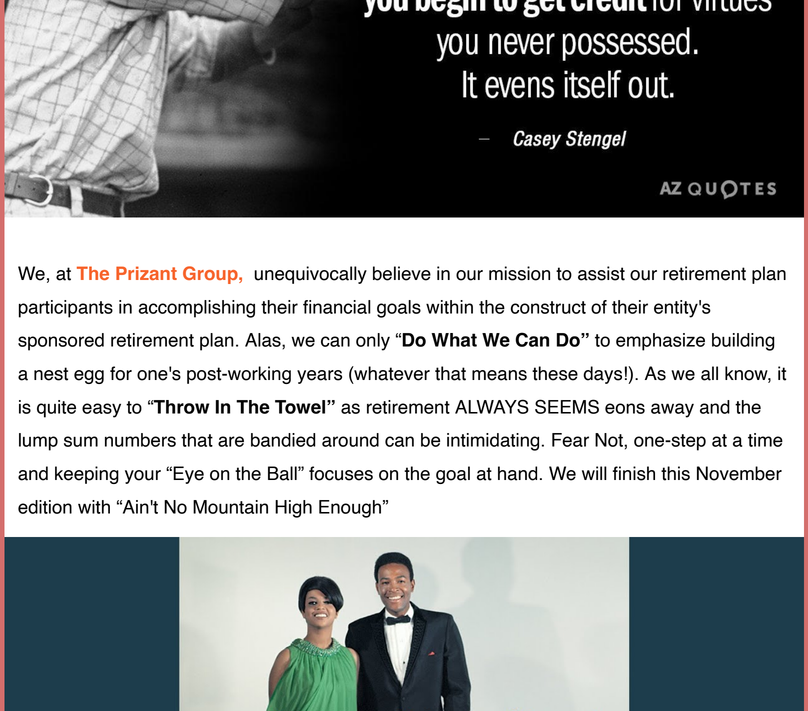
One solution the report points to is an employer-offered emergency savings solution — a workplace benefit that allows employees to set aside money for unexpected expenses and emergencies, an ESF, sometimes known as a "rainy day fund." While employees can set up a personal savings account for emergency purposes, there are several advantages of enrolling through an employer, like automatic payroll deductions and potentially employer-matching contributions to help promote savings.

"It is troubling to hear that over half of those surveyed were stressed about not having enough money today and 64% were concerned about not having enough in the future. But, when a third of the people that we talked to said they have tapped into their 401(k) to cover emergency expenses, then we know something isn't working," said Becky Seefeldt, Vice President of Strategy for Inspira Financial. "Employees are demanding greater support for their holistic well-being from their employers, which includes financial wellness. An ESF can help alleviate the financial stress that too many employees are experiencing, positively impacting their physical and mental health, and helping them be more successful at work."

According to a 2023 Morgan Stanley study, 66% of employees acknowledge that financial stress negatively affects both their work and personal lives. There is a clear need for financial support, especially from employers, because financial stress can lead to burnout, a reduction in productivity and engagement, and can negatively affect retention. The impact of an ESF can be significant: Inspira's report shows that even employees with less than $100,000 in annual household income are willing to contribute an average of $148 a month to an ESF. If an employee saved that amount every month, they could build a rainy-day fund of more than $1,000 in less than seven months. Employers that offer contribution matching can further reduce their employees' financial stress.

The survey further revealed that ESFs can positively impact an employer's brand: 85% of those who have an ESF agree that the benefit contributed to a more favorable impression of their employer, and one-third of respondents ranked ESFs as their most desirable financial wellness benefit.

"An ESF is not a replacement for a health savings account or a 401(k) but is a supplemental account that can be added to a comprehensive benefits package," Seefeldt said. "These accounts are emerging as an exceptional tool for employers to add to their benefits package. For employees, ESFs are perfect for building saving habits and can help improve their overall outlook toward their financial health, reducing stress and improving their well-being.



We, at The Prizant Group, unequivocally believe in our mission to assist our retirement plan participants in accomplishing their financial goals within the construct of their entity's sponsored retirement plan. Alas, we can only "**Do What We Can Do"** to emphasize building a nest egg for one's post-working years (whatever that means these days!). As we all know, it is quite easy to "**Throw In The Towel"** as retirement ALWAYS SEEMS eons away and the lump sum numbers that are bandied around can be intimidating. Fear Not, one-step at a time and keeping your "Eye on the Ball" focuses on the goal at hand. We will finish this November edition with "Ain't No Mountain High Enough"