



Spring 2022 Newsletter

Equally Prepared: Financial Planning for the LGBTQ+ Community



Did you know that according to a 2020 Gallup poll, 5.6% of the U.S. population identified as LGBTQ+? There is strength in numbers and financial institutions have been taking note. Financial planning is important for everyone to explore to make sure you and your loved ones are prepared for the future.

Talk about it

You and your partner or spouse should have an open dialogue about the future – including your financial future. Sharing how you spend your money, concerns about debt, if/when you would like to extend your family and how you would like to retire are all important in any relationship.

Talking about how you spend money in a significant relationship could be important. If you share expenses or are married, make sure that your partner or spouse understands what you find important, how you budget and how you plan to achieve your financial goals. If you are married remember to discuss things like consolidating your automobile and homeowner insurance for a potential discount as well as consider the tax consequences of marriage. For instance, the so-called “marriage penalty” for income tax purposes – where married couples pay more in income taxes jointly than they would separately – will now apply, particularly when there are two high-earning individuals. Whether same-sex or opposite-sex, for couples with large income disparity, marriage can also produce a lower income tax liability for the couple.

IN THIS ISSUE:

- Equally Prepared: Financial Planning for the LGBTQ+ Community by TIAA
- Financial Planning Tips for LGBTQ+ Couples by Fidelity Investments
- Learn More About Student Loan Forgiveness & Savi
- Seeking Shelter in Volatile Markets
- Tuesdays at Two with TIAA
- Upcoming Webinars & Web Workshops with Fidelity Investments & TIAA
- Upcoming One-on-One Meeting Sessions with TIAA & Fidelity Representatives

Conquering debt

Debt is a personal financial decision. There is all kinds of debt and whether taken on together or individually, it is important to address how and when it will be paid off. When it comes to debt remember, that as a spouse, money can be passed back and forth freely to pay off any debt between the two of you. If you and your significant other determine not to marry, you can only gift \$15,000 per year before there are tax implications. Conquering debt will impact your relationship and your financial lives in the future.



Expanding your family

If you choose to add children to your family, make sure you discuss with your spouse or partner about how this will affect your budget. Whether it is natural childbirth, adoption, fertility treatments or surrogacy, having a child is an expense before and after they are born. Make sure you and your partner or spouse are on the same page and making the best decisions for your family goals.

Retirement

When it comes to retirement, if you are married, remember you may be eligible for some Social Security benefits like:

- Spousal retirement benefit
- Spousal disability benefit
- Lump-sum death benefit
- Surviving spouse benefit

Otherwise, make sure you discuss with your partner or spouse your level of risk when it comes to investing and consider the annual limits for investing.

Protect

Now that you both have a plan in place, make sure that you protect your future. Remember that life insurance, annuities and retirement plans will pass to your designated beneficiary on file, not by your will. Name your beneficiaries on all these plans. Otherwise, your assets will be subject to probate. To bypass this process, make sure you name your beneficiaries and adjust them whenever changes occur in your family situation.

Need help?

TIAA Financial Consultants are here to help you with your retirement and financial goals at no additional cost. Schedule a session today at [tiaa.org/schedulenow](https://www.tiaa.org/schedulenow).

Financial Planning Tips for LGBTQ+ Couples

Specify your wishes and designate the people you trust to carry them out.



Key takeaways

- Financial and estate planning can be complicated for LGBTQ+ couples.
- It's best to put a plan in place that specifies your wishes and designates the people you trust to carry them out.
- Legal marriage may offer potential long-term financial benefits.

It has been 6 years since the Supreme Court's Obergefell v. Hodges decision granted Americans universal marriage rights, and a year since the Supreme Court granted equal employment protections to the gay and transgender community. But that freedom has not yet eliminated all the financial planning complications for LGBTQ+ couples.

Chief among the issues is that while there are now certain protections at the federal level, there are still many states that have not equalized benefits or put in place anti-discrimination laws that affect health care, housing, and access to credit. There are also different rules across America about parental rights, adoption, and other family financial planning options.

Because of the ongoing COVID-19 pandemic and political uncertainties, there's a pervasive need for people to face their own fragility and put their affairs in order. "LGBTQ+ folks live with the very real fear that any legal gains we make can be overturned. Marriage is definitely an example that is top of mind," says Cate Ashley, Fidelity's LGBTQ+ Employee Resource Group's Global Co-Chair.

Protections that matter

In order to safeguard your finances, it's best to put a plan in place that specifies your wishes and designates the people you trust to carry them out. Prior to the 2015 Supreme Court decision, LGBTQ+ couples had to use very convoluted plans to accomplish these goals, but now the process is more streamlined.

"There are certain documents that all couples should have to make certain that their wishes are carried out, in life or death. And given everything that is happening right now, there is a greater sense of urgency to get these documents put in place," says Terri Lyders, Vice President of Advanced Planning at Fidelity.

Here's where to start:

Medical directives: LGBTQ+ couples who have not legally married will not be afforded "next-of-kin" status for each other, and in the instance of a medical emergency may even be treated as legal strangers. If you are incapacitated, that could mean your significant other would be bypassed at the hospital and a relative would be called instead, even if you are not close with your family. Possessing (and traveling with) medical directives (also referred to as living wills, health care proxies, and medical powers of attorney) is important—even for couples who are legally married—in order to protect their rights and ensure that their medical wishes are followed.

Power of attorney for financial decisions: For financial matters, even your spouse or next of kin would not be able to step in immediately and handle your money in the case of an emergency without a court order if you do not have a properly executed [power of attorney](#).

Wills: A will is critical in that it lays out your specific wishes regarding the distribution of certain types of assets. The absence of such a document may trigger your state's "default" distribution plan, which usually directs the assets to a legal spouse or, if none exists, to your blood heirs (however, these rules vary state by state). Thus, a will is especially important if you're unmarried and have a personal residence that you wish for your partner to continue living in after your death, or if you have assets with no assignable beneficiary that you want to leave to a partner.

Trusts: Putting assets into a trust can help heirs avoid probate, which can be a time-consuming and costly process in some states. A trust can also help to protect the privacy of your beneficiaries and can help you direct when and to whom the assets are distributed, either immediately upon your death or long term.

Beneficiary designations: Beneficiary designations on certain assets (such as life insurance, retirement accounts, and even bank and investment accounts) take precedence over wills or other instructions. That's why it's so important to review these beneficiary designations to make sure that you have named beneficiaries and that they reflect your current wishes.

Titling: Ensure that the title to your assets, particularly property, is coordinated with your will. For instance, a house titled "Joint Tenants with Rights of Survivorship" will pass directly to the surviving owner when an owner dies, rather than through your will. Assets titled in an individual's name (absent a beneficiary designation) or as "Tenants in Common" will pass according to your will.

Domestic partnership agreements: Unmarried clients often do not have any legal protections for their assets if their relationship ends. Domestic partnership or cohabitation agreements and separation plans may help outline financial expectations during the partnership as well as how assets are divided if the relationship ends (keeping in mind that this may cause adverse income tax and gift tax consequences). Note: Not all states allow for agreements by unmarried couples.

Custody issues: Having children is a huge financial consideration, especially if you are considering fertility treatments, adoption, or surrogacy. State laws vary greatly with respect to the parenting rights of LGBTQ+ couples and access to services. Some states may require additional adoption procedures if one parent is a biological parent to a child but the other isn't.

Reach out for help

Take the time to understand the implications of any action you are considering and talk with a qualified professional before making any decisions. You may need help with taxes, financial planning, and legal issues.

Tip: For more help with estate planning, see our [estate planning learning path](#).

The financial advantages of marriage

Income taxes: There had long been a so-called "marriage penalty" where couples filing jointly paid more than singles at certain higher income levels, but after a series of tax law changes that started in 2018, that difference has been reduced.

Social Security: You are guaranteed Social Security spousal and survivor benefits, which also apply if you get divorced after at least 10 years of marriage.

Health insurance: Legal spouses may be covered by their spouse's employer's health plan and other health benefits. Additionally, even if open enrollment has ended, a recent marriage is a qualifying life event that generally allows for a special enrollment period. The expenses of an employee, their spouse, or the spouse's children are eligible for reimbursement from a health savings account (HSA) or flexible spending account (FSA) tax-free, provided the money is used to pay for qualified medical expenses. There are also dependent-care FSAs that can be used for day care expenses of dependents.

Retirement: Retirement savings accounts like 401(k) plans require the spouse to be the beneficiary unless they give written consent to designate someone else. Also, the retirement plan account can be split using a qualified domestic relations order (QDRO) in the case of divorce.

Retirement plan rollovers: An inheriting spouse can roll over inherited assets to their own IRA and defer required minimum distributions until they are 72 years old. Generally, under the SECURE Act, a nonspouse inheriting an IRA must withdraw the entire balance within 10 years of the IRA owner's death.

Military benefits: LGBTQ+ spouses of military members may be some of the greatest financial beneficiaries of marriage equality, because a legal spouse is eligible for a wide range of military benefits, from pension survivor benefits to health care to housing.

Gift tax: Gifts of more than \$15,000 annually to nonspouses eat into the giver's lifetime federal gift and estate tax exclusion, whereas married couples can make unlimited gifts to each other. Legally married spouses may also take advantage of "gift splitting," which allows a married couple to split the total

value of a gift to a third party and have it treated as though each spouse contributed one-half of the amount to the recipient.

Estate tax: A married person can leave an unlimited amount to a legally recognized US citizen spouse at death without triggering federal estate taxes. Assets passing to anyone other than a spouse can trigger an estate tax if the value of the assets exceeds the federal estate tax exclusion amount of \$11.7 million per person for 2021. Additionally, the tax liability can be even higher in states that have separate state gift, estate, or inheritance tax. A surviving spouse may also be able to take advantage of portability—the ability to make use of a deceased spouse's remaining unused exemption.

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

Fidelity does not provide legal or tax advice. The information herein is general and educational in nature and should not be considered legal or tax advice. Tax laws and regulations are complex and subject to change, which can materially impact investment results. Fidelity cannot guarantee that the information herein is accurate, complete, or timely. Fidelity makes no warranties with regard to such information or results obtained by its use, and disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. Consult an attorney or tax professional regarding your specific situation.

Fidelity Brokerage Services LLC, Member NYSE, [SIPC](#), 900 Salem Street, Smithfield, RI 02917

934917.2.0

Learn more about Student Loan Forgiveness and Savi



What if you could substantially reduce student debt?

Come learn about Savi that could save you by signing up for a webinar today! Brought to you by OPURP through TIAA and Savi, you have access to a powerful tool that helps strengthen your financial footing in the short term, and positions you for student loan forgiveness.

Perks of the program include:

- Caps your payment based on your income and more
- Frees up funds that can be directed towards other goals
- Removes the complexities of forgiveness

Attend a webinar and you'll see how easy using Savi is, how it can reduce your monthly payment and how to get started. With two webinars each month, simply find one that works for you.

Click [here](#) to register.

Seeking Shelter in Volatile Markets



Learn how we use a defensive investment approach to limit losses and volatility in your portfolio.



Key Takeaways:

- Conservative stocks, including stocks with relatively low volatility or high quality, and investment-grade bonds have historically seen smaller losses during down markets than lower quality stocks or bonds.
- Incorporating securities with these characteristics into a portfolio may potentially mean smaller price drops in down markets but more muted gains in up markets.
- Such defensive portfolios may reduce losses in a down market but won't eliminate them.
- A more traditional total return portfolio, which seeks to maximize return for a given level or risk, has historically outperformed the defensive approach modestly over the long term but with sharper ups and downs.

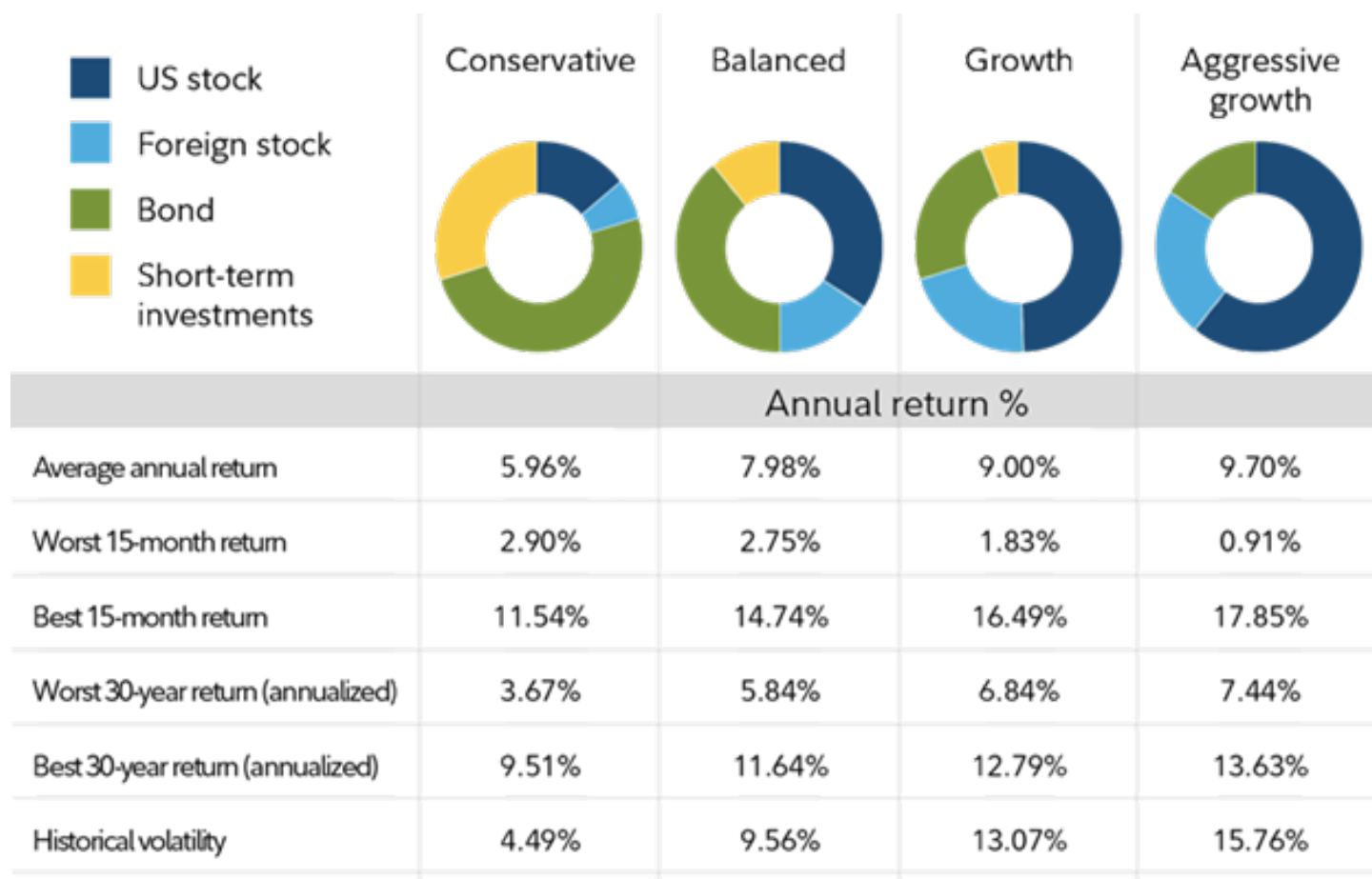
If you invest, you have to plan for risk. Some investors find market volatility exciting, but for most of us, facing dips in the value of our savings can cause anxiety at best, or worse, drive us to make panic-driven mistakes.

There are defensive approaches you can take to help reduce the impact of down markets on your portfolio, while still trying to capture some of the growth potential offered by investing. But, like most choices, if you try to play defense, you have to face some tradeoffs.

“A defensive investment approach attempts to reduce the impact of falling markets on an investor,” says Callum Henderson, portfolio manager who works on defensive strategies within Fidelity’s Portfolio Advisory Services. “But there is no free lunch—defensive portfolios aim to limit losses in a down market but will typically trail in a strong up market. Over longer time periods, a defensive portfolio aims to capture much of the growth of the market, but with a smoother ride.”

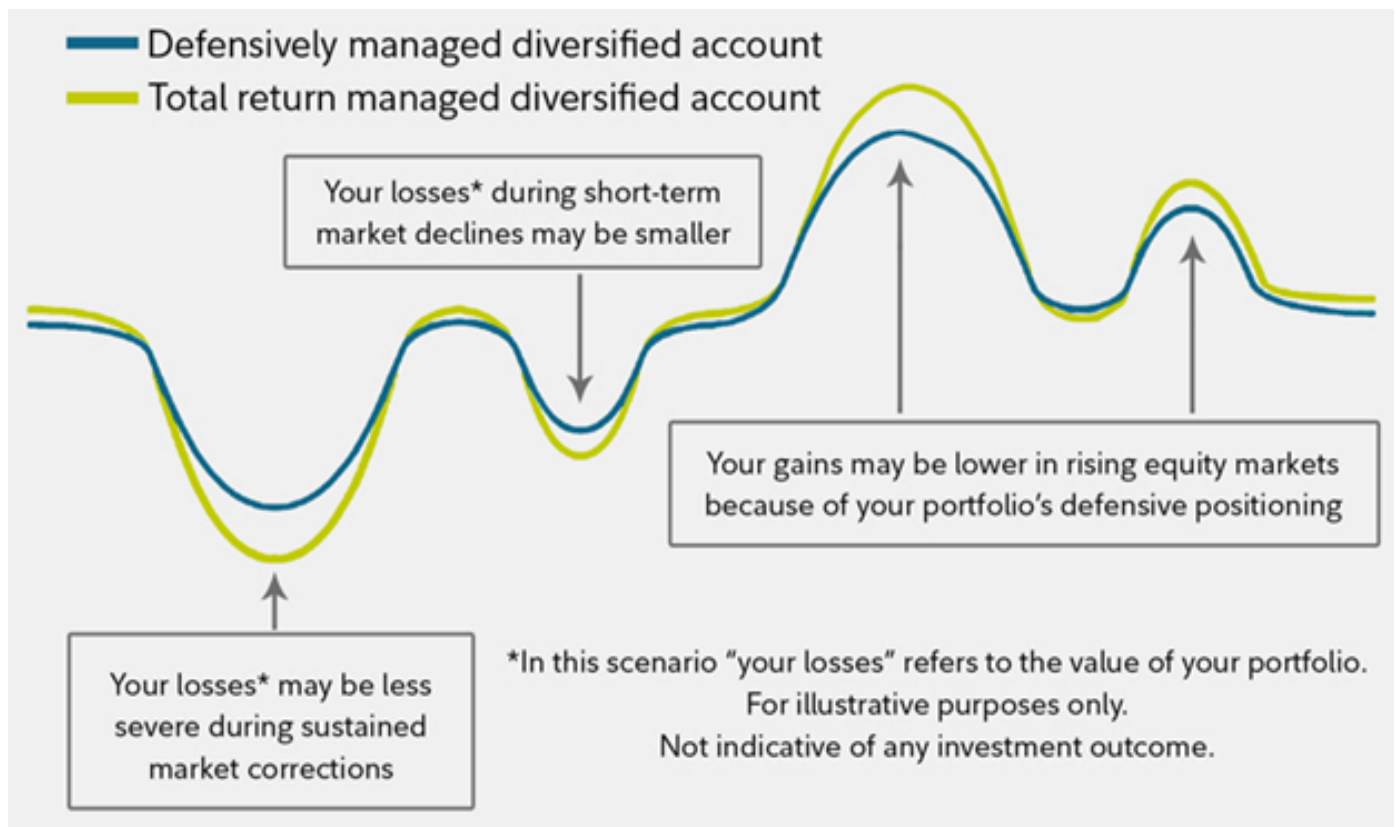
Going Beyond Asset Allocation

One of the best ways investors can manage risk is by choosing a mix of stocks, bonds, and cash based on their goals, how long they plan to invest, their financial situation, and feelings about risk. Trying to choose a mix that seeks to efficiently get the most return for a given level of risk is called a total return portfolio. Historically, portfolios that are made up of more stocks have had higher average returns, but also suffered bigger losses during down markets.



Data source: Fidelity Investments and Morningstar Inc, 2021 (1926-2020). Past performance is no guarantee of future results. Returns include the reinvestment of dividends and other earnings. This chart is for illustrative purposes only. It is not possible to invest directly in an index. Time periods for best and worst returns are based on calendar year. For information on the indexes used to construct this table, see Data Source in the notes below. The purpose of the target asset mixes is to show how target asset mixes may be created with different risk and return characteristics to help meet an investor’s goals. You should choose your own investments based on your particular objectives and situation. Be sure to review your decisions periodically to make sure they are still consistent with your goals.

So, your mix of stocks, bonds, and cash is the first step in helping to manage risk. If you are uncomfortable with the amount of risk in your portfolio, you could move to a more conservative portfolio—with a larger proportion of bonds. Historically, a more bond-heavy portfolio has had smaller losses in down markets. But it has also experienced smaller gains overall. Another option would be to try to change your pattern of returns, meaning you try to achieve similar or slightly lower returns over the long term, but with smaller drops and gains—essentially looking for a smoother ride. That’s where a defensive portfolio comes in. Defensive portfolios go a step beyond asset allocation, to look for stocks and bonds with specific characteristics that might be able to try to help reduce the volatility of your returns.

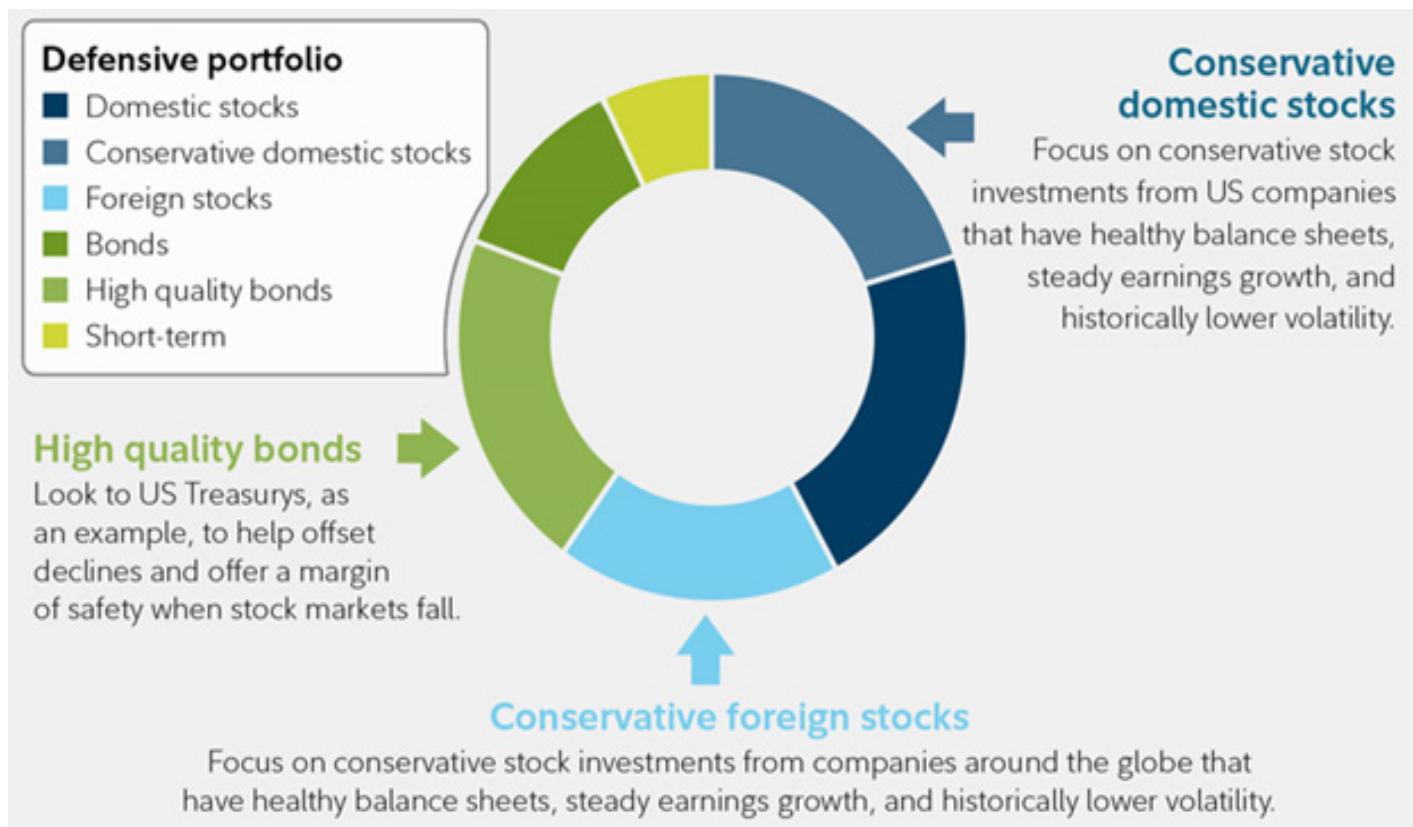


For illustration only. Source: Fidelity Investments

Making a Portfolio Defensive

There are a number of ways to make a portfolio more defensive. One technique is to target stocks with lower levels of historic volatility or higher quality. Some companies, due to industry, competitive position, or strong financials, have records of lower volatility in down markets. Targeting those stocks can help to limit downside risk during selloffs.

Similarly, within a bond portfolio, a fund manager might select securities that can offer protection from specific risks that seem relevant for a given market environment—for instance, in a higher inflation environment, Treasury inflation-protected securities (TIPS) might help protect the value of a fixed income portfolio. In a low-growth, low-inflation environment, a mix of investment-grade bonds might offer protection from credit risk—the risk that a corporate bond issuer will run into financial problems and be unable to honor its commitment.



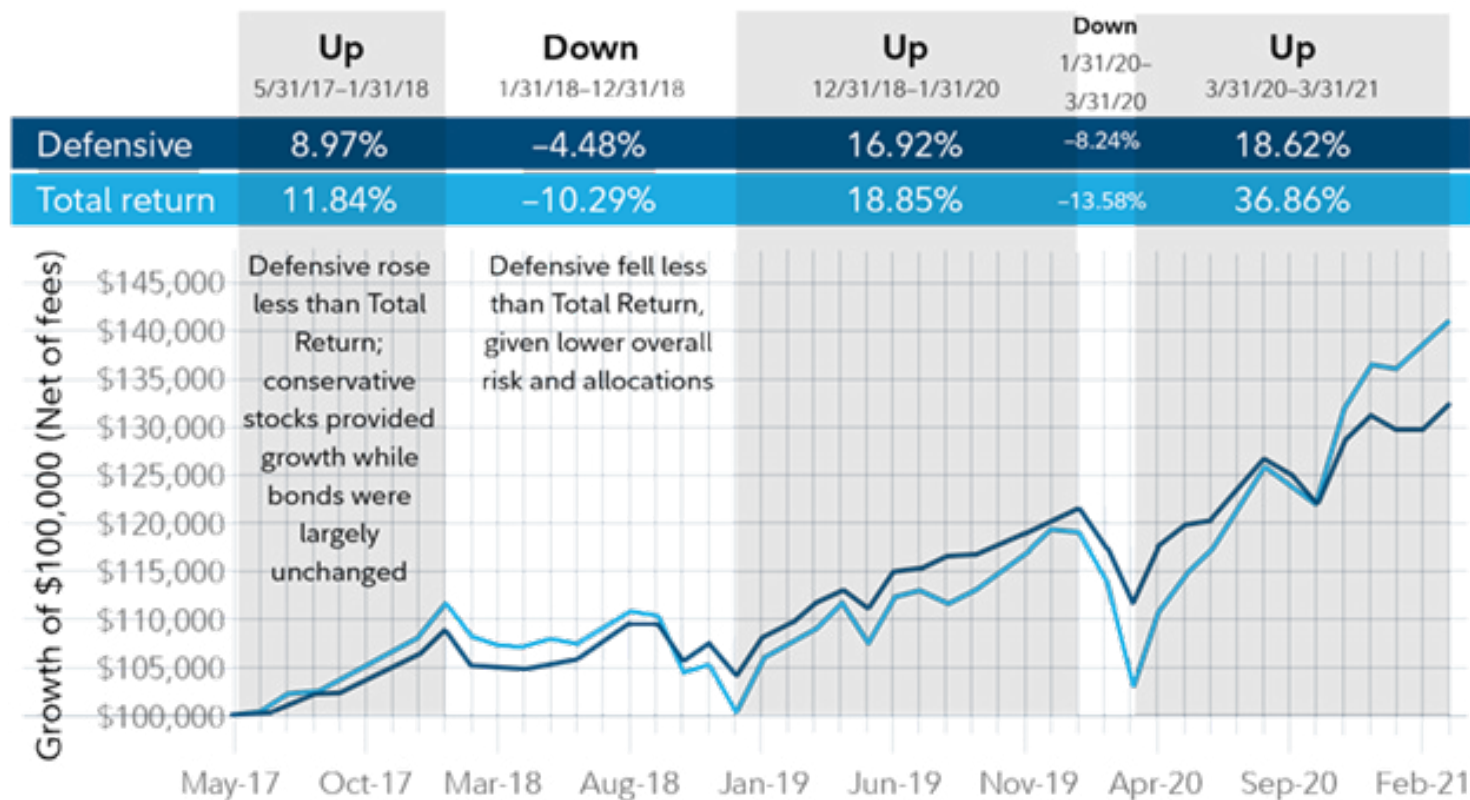
For illustration only.

You should choose your own investments based on your particular objectives and situation. Remember, you may change how your account is invested. Be sure to review your investments decisions periodically to make sure they are still consistent with your goals.

How a Defensive Portfolio Might Play Out

If you are considering a defensive portfolio, you should have an idea of what to expect. To start, a defensive portfolio won't eliminate day-to-day dips in the market. It is designed to help reduce losses in more severe down markets, without giving up much in terms of long-term performance potential.

Let's look at what happened over the last couple of years. During the market run up in 2017, a more traditional portfolio outpaced a defensive portfolio. During the selloff in late 2018, the defensive portfolio suffered losses, but less severe losses than the traditional portfolio. In 2019, the more traditional portfolio experienced larger gains during the market rally.



Source: Strategic Advisers, as of 3/31/21. Past performance is no guarantee of future results. Results show blended growth with income composite returns (net) based on 2 composites of accounts managed without tax-sensitive strategies using the investment approach, universe, and long-term asset allocation indicated.

The Bottom Line

Portfolio construction offers lots of potential for investors who are looking to manage risk. A basic option is to adjust your asset mix, but defensive portfolios go a step further, by targeting specific securities with characteristics that have the potential to help smooth out investment potential. Investors interested in defensive portfolios have a range of options, including managed accounts, ETFs, and mutual funds.

“Investing offers a powerful tool for wealth creation, and can help you meet your goals,” says Henderson. “But to capture that potential, you need to be able to live with your portfolio. If you are nervous about the markets, a defensive investment portfolio might help you be able to stick with your plan despite rocky markets.”

Tuesdays at Two with TIAA



Join us on Tuesdays for information to help with the goals you have for your financial life! Ready to sign up for the next session?

Date/Time: April 19th from 2:00 pm – 3:00 pm

Topic: Hindsight 2020: Learning for the past as we prepare for the future

Description: Did 2020 leave you dazed, confused, traumatized, and wondering what year it is now? Me Too! Join me in a conversation with Josh Davis, to learn lessons we can take from the wild times we lived through:

- The importance of seeking help and advice when times get tough
- When to rebalance and how to avoid the pitfalls of behavioral investing.
- Insights on how to manage your retirement income while dealing with inflation

Register [Here](#)

Date/Time: May 17th from 2:00 – 3:00 pm

Topic: What can we do for you: Maximizing the support you can get from TIAA

Description: Did you know you can get advice from an expert at no cost to you? Have you accessed any of TIAA's online tools? Let's explore all the benefits you receive from working with TIAA!

- We will talk to experts on what to expect from a 1:1 session
- I'll show you how to access your account at TIAA.org
- We'll explore all the online tools available at your finger tips

Register [Here](#)

Date/Time: June 21st from 2:00 - 3:00 pm

Topic: Let's talk life-time income: what the heck is an annuity and how does it work?

Description: Ever heard of an annuity? Maybe? Join me as we explore how to maximize your personal pension by electing the annuity options built into your plan. We will ask our expert Josh Davis questions about:

- How do I use annuities to manage risks such longevity and market volatility?
- What the heck is TIAA Traditional and how does it work?
- What are the annuity options and how do I know what's best for me?

Register [Here](#)



Financial Education Workshop Series

Attend a Web Workshop

At Fidelity, we can help you save and invest with confidence. Join an educational webinar with a Fidelity representative to learn strategies, tips, and steps that can help you take charge of your finances.

Navigating Market Volatility

If you're concerned about the current market downturns:

This workshop will review what is happening in the markets and why – and help answer your questions.

April 12, 2022 at 1:00 PM PST / 4:00 PM EST – [REGISTER NOW](#)

Five Money Musts

Learn about five basic money concepts to help you start your financial journey on the right foot.

April 27, 2022 at 1:00 PM PST / 4:00 PM EST – [REGISTER NOW](#)

Invest Confidently for Your Future

Learn how to build and manage a long-term investment plan – for all your accounts – that you can feel confident about.

May 12, 2022 at 1:00 PM PST / 4:00 PM EST – [REGISTER NOW](#)

Make the Most of Your Retirement Savings

Learn how to maximize your retirement savings, ways to save for retirement beyond your workplace savings plan, and steps you can take today to get prepared for retirement.

May 24, 2022 at 1:00 PM PST / 4:00 PM EST – [REGISTER NOW](#)

Take the First Step to Investing – LGBTQ+ Insight

Learn key investing concepts, common investment types and how to choose your investment approach.

June 8, 2022 at 1:00 PM PST / 4:00 PM EST – [REGISTER NOW](#)

Identify and Prioritize Your Savings Goals – LGBTQ+ Insight

Get strategies and tips on prioritizing and funding your specific savings goals, like buying a new home or car, savings for a child's college, and more.

June 23, 2022 at 1:00 PM PST / 4:00 PM EST – [REGISTER NOW](#)

Go Mobile

Make the most of your benefits. Download the NetBenefits® mobile app. Easily access all your Fidelity® workplace accounts—anytime, anywhere.

[Fidelity.com/go/NetBenefitsapp](https://fidelity.com/go/NetBenefitsapp)

Secure Your Account

At Fidelity, the security of your savings and personal information is our top priority. Sign up for 2-factor authentication, and update your mobile number and email address. [Update Your Profile](#)

Visit the Learn Hub

Our learn hub provides tools and resources on a range of topics, such as budgeting and accessing your money, caring for your family's health, and dealing with a reduction of income. [Learn Hub](#)

[Privacy Policy](#) | [Terms of Use](#)

Investing involves risk, including risk of loss.

The information in this email is intended solely for the attention and use of the named addressee. This message or any part thereof must not be disclosed, copied, distributed, or retained by any person without authorization of the addressee.

Fidelity Brokerage Services LLC, Member NYSE, [SIPC](#), 900 Salem Street, Smithfield, RI 02917

992995.2.0

© 2021 FMR LLC. All rights reserved.

Upcoming Webinars with TIAA



Global Webinars

Want an opportunity to learn more? TIAA offers webinars throughout the year to help you with achieve your financial goals! Sign up for a webinar today by visiting www.tiaa.org/webinars.

Schedule a TIAA Financial Consultant Advice Session

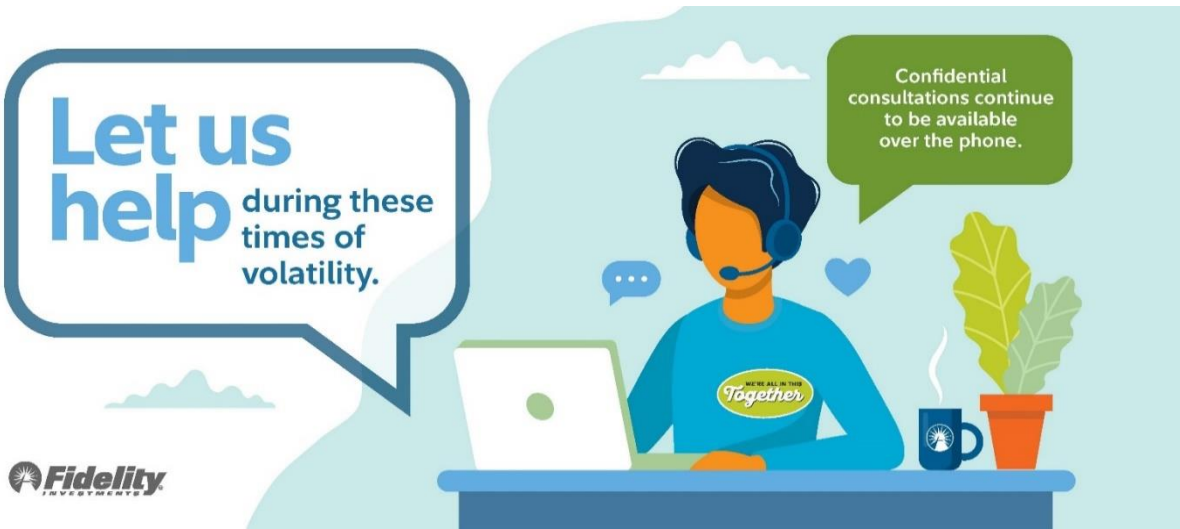
TIAA is here to help! We encourage you to take advantage of advice and education about your retirement goals offered by TIAA financial consultants. When you meet with a financial consultant, you will get answers to your questions like:

- Am I saving enough?
- Should I change or rebalance my investment strategy?
- Am I on track to meet my retirement goals?

This financial advice is available as part of your retirement plan at no additional costs.



Take advantage and schedule a session today at: tiaa.org/schedulenow. If you have any questions, please contact TIAA at 800-842-2252, weekdays, 5 a.m. to 7 p.m. PST.



Phone-Based Consultations

At Fidelity, we're here to help you give attention to your own future; we are committed to helping you make sure you're on track toward a future that's unique to you. Meet with us one-on-one and you'll be able to tap into the education, resources, and support that only a trusted partner can provide. Plus, consultations are free to you as an employee benefit.

Justin Blatny and Ronald Elia, your dedicated Workplace Financial Consultants, will be offering phone-based one-on-one consultations to employees at all of the Oregon Public University campuses and they are ready to help you address many questions, including:

- ✓ Am I investing properly?
- ✓ Am I on track with my retirement savings?
- ✓ How do I bring my retirement savings together?
- ✓ How do I turn retirement savings into ongoing, steady income?

[Click HERE](#) to view a schedule of dates and times when Justin and Ronald will be available for consultations. When searching for an appointment, please type "Oregon Public Universities" as your employer name, regardless of which University you work for.

Justin and Ronald are licensed professionals, experienced in helping people plan for their financial futures. You can meet with them whenever you want and can ask them anything. Really!

Please note: Justin and Ronald recently had a title change from Fidelity Retirement Planner to Fidelity Workplace Financial Consultant. There is no change to the services they can and do provide, it was only a title change within Fidelity.

CONTACT US

**RETIREMENT PLANS MANAGEMENT
6226 UNIVERSITY OF OREGON
EUGENE, OR 97403-6226**

PHONE: (541)346-5784

FAX: (541)346-5783

EMAIL: OPURP@UOREGON.EDU

WEB: WWW.OPURP.ORG

