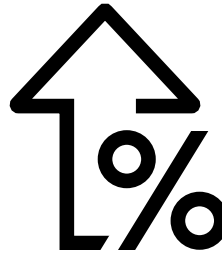




ECONOMIC UPDATE: What Higher Interest Rates Mean for You

The Federal Reserve recently increased its benchmark interest rate by 0.25%, continuing its efforts to keep inflation under control and maintain long-term economic stability. While rate changes can make headlines, many people wonder what these decisions actually mean for their day-to-day finances.



Why are interest rates increasing?

The Federal Reserve uses interest rates as a tool to influence economic activity. When inflation remains elevated and consumer spending is strong, raising interest rates can help slow demand and ease price pressures. Recent economic indicators have shown steady growth, a strong labor market, and continued consumer spending, leading policymakers to maintain a cautious approach to inflation management.

How could this affect you?

Higher interest rates typically have the greatest impact on borrowing costs. Individuals with variable-rate debt, such as credit cards or home equity lines of credit, may see interest charges increase over time. Mortgage rates and other loan products may also be affected as financial institutions adjust to changing market conditions.

On the other hand, rising interest rates can create opportunities for savers. Products such as certificates of deposit often offer more attractive yields when rates increase, allowing savers to potentially earn more on deposited funds.

What should participants do?

While a quarter-point increase is relatively small, it serves as a reminder to review your overall financial picture. Consider evaluating your savings goals, debt obligations, and retirement contributions to ensure they continue to align with your long-term objectives.

Retirement Tip: Market and economic conditions will continue to change over time. The most successful retirement savers typically focus on maintaining a long-term strategy rather than reacting to short-term economic headlines. Staying consistent with your retirement savings plan can help keep you on track toward your future goals.

Source: Federal Reserve Board, Federal Open Market Committee Statement, September 16, 2026.

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To our New Participants

**Welcome! Thank you for
choosing North Shore Bank to
help you save for retirement.**

If you have any questions about your plan, contact us at any time.

You're receiving this newsletter and fund return sheet to keep you informed about any updates to your plan.

Additionally, you'll receive a quarterly account statement from North Shore Bank. You might be wondering, "Why do I get this statement with such a small balance from North Shore Bank?" Your first deferral into the plan is used to open an account with us for IRS reporting purposes. After that, all future contributions are allocated based on your investment selections.

You will also receive a separate statement from Transamerica detailing your chosen funds and account balances.

Understanding Required Minimum Distributions

What is a Required Minimum Distribution (RMD)?

A RMD is the minimum amount that certain retirement account owners must withdraw each year once they reach the age specified by federal law. RMD rules are designed to ensure retirement savings are eventually distributed and taxed.

If you are retired and have money in a retirement account, it is important to understand whether RMD rules apply to you and when distributions must begin.

Do RMDs apply to 457(b) plans?

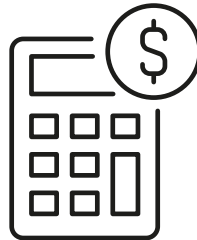
Yes. Governmental 457(b) plans are generally subject to RMD requirements. Once you reach the applicable age and are required to begin taking distributions, you must withdraw at least the minimum amount determined under IRS rules.

If you fail to take your RMD, you could be subject to IRS penalties.

How is my RMD calculated?

The amount of your RMD is based on your account balance, age, and IRS life expectancy tables.

Because every participant's circumstances are different, your RMD amount will be unique to you.



Can I take more than the required amount?

Yes. The RMD represents the minimum amount you must withdraw. Participants may generally take larger distributions if permitted under their plan and personal circumstances.

Keep in mind that additional withdrawals may have tax consequences.

Planning ahead

If you're nearing retirement or RMD age (currently 73 years old), now is a good time to verify your contact information, review beneficiaries, understand distribution options, and speak with your tax advisor.

We're here to help

We can explain your plan distribution options and provide you with the RMD forms needed. We cannot provide tax advice, so please consult a qualified tax professional.

Retirement Tip: Start early to help make the process smoother and avoid potential penalties.

Source: IRS Required Minimum Distribution rules for retirement plans and IRAs; information summarized for educational purposes.

Go Paperless with eStatements

Visit online.northshorebank.com/auth/Enrollment and follow the instructions to sign up for eStatements!

Transamerica eStatements:

Visit transamerica.com/portal and select Create Account and follow the prompts to sign up for eStatements!

Build Your Financial Future with Premier Checking

As a valued 457(b) or Post Employment HRA client, you're eligible for our best checking account with no monthly maintenance fee.

Whether you're ready to start an emergency fund or simply looking for a trusted bank for all your everyday needs, we're here to help!

A Note About Our Annual Client Calendar

For many years, we've enjoyed creating and sharing our annual calendar featuring photos submitted by our clients and participants. We truly appreciate everyone who has contributed pictures and helped make the calendar a special tradition.

After careful consideration, we have decided to discontinue the calendar. Due to increasing production costs and the significant time required to compile, design, and distribute the calendar, we can no longer continue the project in a sustainable manner.

We are grateful for the wonderful photos and memories that have been shared over the years, and we thank you for helping make the calendar such a success. We look forward to continuing to provide valuable retirement plan education, resources, and services in the years ahead.