



City of Milwaukee

Deferred Compensation Plan

Financial independence. It starts today.



City of Milwaukee Deferred Compensation Plan Newsletter

First Quarter 2020

MDCP Resources to support you during these challenging times

The City of Milwaukee's Deferred Compensation Plan (MDCP) understands how unsettling these times are and that you may have questions and concerns about your retirement savings. From the outset of the COVID-19 pandemic, the MDCP management has been taking proactive steps to ensure the safety of its staff members while continuing to provide service to our participants and beneficiaries. Our MDCP City Hall office is temporarily closed, as are the onsite meeting locations for one-on-one appointments with a local Voya representative, in accordance with recently issued statewide "Shelter in Place" Orders. Please be assured that MDCP's essential operations are continuing and your benefits will not be impacted by the Coronavirus pandemic.

Schedule Your Phone Consultation with a Local Voya Rep

Telephonic appointments with our local Voya representatives will replace in-person one-on-one appointments (which will still count towards earning Healthy Rewards points) and can be scheduled via our Online Scheduler (<https://bookv15.timetap.com/>) or by calling **844-360-6327** and requesting help from a Voya Customer Service Representative to book an appointment.

Upcoming Online Financial Wellness Presentations

Online Financial Wellness presentations will be made available as soon as possible. Check www.milwaukeeedcp.com regularly as we will be providing updates as this situation evolves.

Digital support

Log in to www.milwaukeeedcp.com anytime to access your account information or make contribution changes.

Contact Us with Inquiries or Questions email the MDCP at DEFCOM@milwaukee.gov or call **844-360-6327** to speak to a Voya Customer Service Representative.

CARES Act Update

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a bipartisan response to the public health crisis and associated economic fallout in the wake of COVID-19. The bill includes provisions that would permit limited early withdrawals ("coronavirus-related distributions" or CRDs) and higher loan amounts from qualified retirement accounts, such as the MDCP, to ease financial pressures faced by workers who contract or are negatively affected by the virus. The bill also suspends required minimum distributions (RMDs) for the entire 2020 calendar year. The CRD and enhanced loan provisions are optional for plans to enact. The MDCP Board recently met (telephonically) to review, discuss and give careful consideration regarding these provisions and how they may benefit our Plan participants. The Board voted to approve the recommendation that the Common Council adopt these provisions. The Common Council unanimously approved a resolution allowing for expanded benefits features per the CARES Act. Stay tuned for additional information that will be made available to Plan participants regarding these expanded CRD options.

We encourage individuals to first utilize their emergency savings accounts before tapping long-term retirement savings. We also recommend individuals talk with a financial professional before taking any action, getting proper guidance as to what to consider for an individual's own situation. You may schedule an appointment to speak to a local representative by phone by going to www.milwaukeeedcp.com.

We are in this together and remain focused on what's most important: Helping participants achieve their financial retirement goals. Please don't hesitate to reach out if we can be of assistance.

Managing Market Volatility

While the equity markets have been like a roller coaster over the past several weeks, it's importance for retirement savers to remember a few critical points when considering what to do next.

First, don't panic. The ups and downs of the stock market aren't as unusual as they may seem. History has shown us that sharp moves up and down often take place within equity markets. Bull and bear market transitions, however abrupt or drawn out, are always a potential factor in any long-term investment goal, no matter how unprecedented and rare the circumstances may be.

Focus on what you can control. Resisting the urge to react to volatility may allow you to benefit when the market recovers. It may be best to focus on the factors you can control, like how much you're saving or where you're directing future contributions. Once things settle down you can then focus on constructing a portfolio that reflects your risk tolerance and your long-term retirement planning strategy. Disciplined investing and managing your reaction to a bad market day or week could be the best approach.

Understand the dollar-cost averaging strategy. Dollar-cost averaging means that you are investing the same amount of money into your MDCP account, regularly, regardless of how the market is performing. Most people who use this strategy are several years off from retiring. Investors who use this method may have some bad weeks, months and even years with dollar-cost averaging, but there will also be some great weeks, months and years as well. Dollar-cost averaging relies on the premise that investors will end up with more wealth than they would if they only invested when times are good or if they only put their money in a savings account. This method works because during an economic downturn, stocks may not be worth much, but investors can buy far more of them than when stocks are up and the prices are high. Eventually, the purchased shares will be worth far more than they were worth than when they were purchased at a lower price.

Remember—saving for retirement is a marathon, not a sprint. Find the plan that works for you and then stick to it.

5 Steps to Protect Yourself Financially from the Impact of Coronavirus (COVID-19)

In just a short time, COVID-19 has had a major impact on the world. Many of us are feeling stress, including concerns related to finances. Here are a few ways you may be able to navigate your finances during this unprecedented time.

1. Take Stock

Focus on what you can control, including your income and assets. Make a list of your current assets. Determine what you can access quickly (i.e., liquid assets such as checking or savings accounts or non-retirement instruments), compared to all other assets (e.g., retirement, investments, CDs or savings certificates). Develop and commit to a spending plan. Make a list of all of your expenses and debts and begin to prioritize. Specifically:

- Identify essential expenses (paying for shelter should be first, likely followed by food and medicine).
- Review your living expenses—determine which discretionary expenses you can do without.
- Prioritize which expenses are most important—ensure that you have enough income or assets to cover them.
- Assess where you can save money (e.g., lower interest rates or reduced monthly payments, cancel unused subscriptions or services).
- Pull your credit score.

2. Know Your Options

Contact lenders, as soon as possible, if you cannot make a payments.

Housing and Bills

Depending on your situation, you may be eligible to have your mortgage payments or rent reduced or suspended for up to 12 months.

Student Loans

If your loan is held by the federal government, the CARES Act postponed your loan payments with no interest until September 30, 2020 (this forbearance is retroactive to March 13th). Private loans are not covered under the CARES Act. If you have private student loans and are seeking relief, contact your loan services to see what options may be available to you.

Accessing Your Account



Log on to www.milwaukeeedcp.com



Call **844-360-MDCP** (6327)

Use our online scheduling tool at www.milwaukeeedcp.com or call **414-286-5541** to book a phone consultation with a local Voya representative.

Credit Cards

If you're unable to pay your credit cards, contact your credit card company and let them know you cannot make a payments. You may get relief.

FSA Options

Understand the latest updates to the City's FSA benefit. Your anticipated flexible spending account needs (for health care, dependent care and parking) may have changed, which now makes you eligible to update and change your contributions. Visit DER's website for more information.

3. Establish a Cushion

If you're able to look beyond short-term financial needs and goals, consider starting or continuing to add to an emergency fund. Experts typically recommend savings up to between 3-6 months' worth of living expenses. At the very least, contribute whatever you can on a regular basis to this fund.

4. Have a Plan

In addition to creating a spending and savings plan, revisit your retirement goals. Schedule a phone consultation with a local Voya representative (and earn 10 Healthy Rewards points!). They can help you examine topics such as risk tolerance, reviewing your career and retirement horizon, understanding your investment options, reviewing your beneficiary information on file, assessing your overall financial wellness and more.

5. Beware of Scams

Unfortunately, scammers look for opportunities to take advantage of individuals, especially during times of emergencies or natural disasters. The following are ways you can guard against scam attempts:

- Don't click on links from sources you don't know.
- Rely on information direct from reputable sources, such as the CDC (Centers for Disease Control and Prevention: www.cdc.gov) and WHO (World Health organization: www.who.int).
- Be alert to "investment opportunity" or debt settlement scams.
- Do your homework when donating to causes.

During a time of uncertainty and with so many things out of our control, it's natural and helpful to seek some order. Having a better understanding of your financial situation and available options while taking proactive and protective measures can help you remain prepared and keep your footing.



Quarterly Calendar

Transactions made on these dates when the New York Stock Exchange (NYSE) is closed will be processed the following business day that the NYSE is open:

- Friday, April 10
Good Friday
- Monday, May
25 Memorial Day

Information from registered Plan Service Representatives is for educational purposes only and is not legal, tax or investment advice. Local Plan Service Representatives are registered representatives of Voya Financial Advisors, Inc., member SIPC. Plan administrative services are provided by Voya Institutional Plan Services, LLC (VIPS). VIPS is a member of the Voya® family of companies and is not affiliated with the City of Milwaukee.