



City of Milwaukee

Deferred Compensation Plan

Financial independence. It starts today.



City of Milwaukee Deferred Compensation Plan Newsletter

Third Quarter 2020

Annual Account Elections and Enrollment Period

How does this impact YOU?

The City of Milwaukee Deferred Compensation Plan conducts an Annual Account Elections and Enrollment Period every year where certain employees are subject to default enrollment or contribution increases (i.e., full-time employees who are currently not enrolled in the plan or who are contributing less than 3%). This year's Annual Account Elections and Enrollment Period is from October 26, 2020 to November 20, 2020. Note that active unionized fire and police employees will not be subject to any default provisions if they take no action during the Annual Account Elections and Enrollment Period). This is done to help more employees save for their retirement. If an employee does not make elections during the Annual Account Elections and Enrollment Period, certain defaults may apply.

CARES Act

The Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020 to help ease some of the financial pressures facing Americans in the wake of COVID-19. If you or your family have been impacted by COVID-19 and meet the Eligibility Requirements, the CARES Act allows more access to your retirement savings through a Coronavirus-related distribution (CRD). You can find details about taking a CRD from your Milwaukee Deferred Compensation Plan in the **MDCP CRD overview**. Before taking a CRD from your Plan, it's important to weigh the immediate benefit of taking a loan or plan distribution (for this reason, prior to taking action, you are **STRONGLY** encouraged to have a phone consultation with a local Voya representative to review and better understand your options. Please use the **Online Scheduler** or call 844-360-MDCP (844-360-6327) and request help from a Voya Customer Service Representative to book an appointment.) Withdrawing funds when the market has decreased could affect future rebound opportunities and have long-term consequences that may impact your retirement savings. For more information or to elect one of the CRD options, please call 844-360-MDCP.

Earn Healthy Rewards for Financial Wellness

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 earn 10 Healthy Rewards points per meeting) and can be scheduled via our **Online Scheduler** or by calling 844-360-6327 and requesting help from a Voya Customer Service Representative to book an appointment.

Online Financial Wellness Presentations

Online-recorded Financial Wellness Seminars are now available for 5 Healthy Rewards Points (per Seminar)! Access these presentations (when it conveniently works for you!) **here**."


Financial Wellness—Take Your Pulse

Financial wellness today can help lead to saving better today and living well in retirement. Start by learning more about the 6 pillars (protection, spending and saving, emergency funds, retirement, debt and goals) we believe are essential to successful financial outcomes. Log into your account and click *Financial Wellness* to start with a financial wellness assessment.

To Make Your Elections

 Log on to www.enrollmilwaukeedcp.com

 Call **844-360-MDCP (6327)** to make your elections between October 26, 2020 and November 20, 2020.

 Utilize our online scheduling tool at www.milwaukeedcp.com to book a one-on-one phone consultation with a local Voya representative. If you are subject to this year's Annual Account Elections and Enrollment Period, you will be receiving additional materials about this process via email and postal mail.



October is National Retirement Security Month

One of our primary goals is to help our employees save for a secure retirement. With that goal in mind, we're celebrating National Retirement Security Month (NRSM) during October. Whether you are just starting your career or nearing retirement, NRSM is a dedicated time to focus on the things you can do to get on track or stay on track for the retirement of your dreams.

During October, Voya will be hosting a number of webinars so that you can learn more and stay informed. Go to voya.com/voyalearn for the schedule of events.

Name your beneficiaries, for life.

“Bene” is Latin for *good* or *well*. When you designate a beneficiary, the one who will receive your assets after your death, you could be giving the gift of financial well-being to a loved one (or ones).

Have you thought about who will inherit your assets?

If you want your loved ones to avoid conflict and costly probate, where the courts decide how to distribute your assets, then you consider protecting your legacy and leave it according to your wishes. This means designating beneficiaries in **each** retirement savings account, annuity and life insurance policy.

Even if you have a will, not all your assets pass through at the direction of your will. If an account is jointly owned, has a named beneficiary or has a “payable on death” title, its assets will often supersede any will.¹

Remember, beneficiary designations need ongoing maintenance. Whenever you have a life changing event such as a marriage, divorce, birth or death, you may want to update who will benefit so you can protect your promise to everyone who matters most to you. Please note that naming an entity other than an individual as your beneficiary may have implications on the IRS required minimum distribution payments to beneficiaries.

Be good to the ones you love.

Log into your account and review or name your beneficiary today. Neither Voya® nor its affiliated companies or representatives provide tax or legal advice. Please consult a tax adviser or attorney before making a tax-related investment/insurance decision.

Sources:

¹ Voya.com <https://resourcecenter.voya.com/articles/wills-and-trusts-two-ways-help-ensure-you-have-last-word>

What you need to know before taking money from your plan

The MDCP offers different ways to access your savings, subject to eligibility. For active employees, that may come in the form of a loan or an in-service withdrawal that meets certain eligibility criteria. For former employees, a distribution could come as a cash-out withdrawal. Just because you may be able to take a loan or cash out, though, doesn't mean it is a wise decision. There may be extreme financial circumstances in your life, but it's important to understand all of the implications before you take action.

If you are thinking about taking a loan against your plan:

- ✓ There are limits, specific repayment terms, interest rates, loss of growth potential and added costs to repay the loan.
- ✓ Your loan is repaid with after-tax money, so your repayment is not tax-deferred.
- ✓ There are also regulations that require repayment schedules, and failing to repay on time could result in defaulting on the loan that would then become a taxable transaction.¹

If you are thinking about taking a lump-sum cash distribution from your plan:

- ✓ A sizable portion of the lump-sum distribution may go to taxes.
- ✓ Funds that are withdrawn no longer have the potential to grow over time.
- ✓ The lump sum distribution could even move you into a higher tax bracket, costing you more.²

For more information on your options and how they apply to your unique situation, contact a financial professional before taking any action.

As always, our goal remains to keep you well informed so that you can make positive decisions for your future.

Sources:

¹ Borrowing from Your Retirement Plan, <https://www.investopedia.com/articles/retirement/03/070203.asp>, June 2019

² Voya Learn video: Distribution Options, 2019

This information is provided by Voya for your education only. Neither Voya nor its representatives offer tax or legal advice. Please consult your tax or legal advisor before making a tax-related investment/insurance decision.

We're here to help you

As recent events and market volatility have impacted us all, we want to assure you that support is available.

Visit [voya.com/marketvolatility](https://www.voya.com/marketvolatility) for education, tools and resources to help you navigate the uncertainty of today while staying on track for retirement.

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.



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:

- Thursday, November 26
Thanksgiving Day
- Friday, December 25
Christmas 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.