



City of Milwaukee

Deferred Compensation Plan

Financial independence. It starts today.



City of Milwaukee Deferred Compensation Plan Newsletter

FIRST QUARTER 2021

Message from the Executive Director...

It has been a hard year for all of us. We've experienced a collective shift in life as we know it, which has impacted all aspects of our lives. I know firsthand how difficult it was to navigate working from home, family responsibilities, lack of childcare options, let alone saving for retirement. Know that we are with you every step of the way and are actively working to help you make your financial wellness a priority this year.

If you are just beginning your career, now is the time to take advantage of compounding returns over the next several decades. Are you nearing or thinking about retirement? Take the stress out of the process by scheduling a consultation with a local Voya Representative (and earn Healthy Rewards points!) who can help you create a plan. Regardless of your age or life chapter, we're here to help and work with you.

I hope you've recently had an opportunity to review your account and see if you are on track to meet your savings goals, are properly diversified, and have updated your beneficiaries. If you are happy with your Deferred Compensation Plan's low fees and services, don't forget that you can roll other retirement savings to MDCP to consolidate your retirement assets. To learn more, visit our website and take advantage of our videos and tools, give us a call, or schedule an appointment with a local Voya Representative.

And don't forget to take full advantage of our Financial Wellness resources, which can earn you valuable Healthy Rewards points. We recently added a new Financial Wellness Seminar entitled "Foundation of Financial Wellness," and plan to offer more seminars in the near future. Be sure to schedule a phone or Zoom consultation with one of our extremely knowledgeable local Voya Representatives or learn more from our convenient pre-recorded online Financial Wellness Seminars. (You'll find more specifics about this in the "Earn Healthy Rewards for Financial Wellness" article in this newsletter.)

As a community, we have much to be proud of with how we've worked together to adapt and stay safe during this pandemic (special shout-out to all our essential, front-line employees working tirelessly—especially anyone in our Health Department!), while continuing to serve the City. The future is bright and better days are ahead. We look forward to working with you towards planning your future and striving towards your saving and retirement goals.

Beth Conradson Cleary
Executive Director

Earn Healthy Rewards for Financial Wellness

Schedule Your Phone (or Zoom!) Consultation with a Local Voya Rep and earn 10 Healthy Rewards points per meeting (max 30). Use our convenient [Online Scheduler](#) or by calling 844-360-6327 and requesting help from a Voya Customer Service Representative to book an appointment. Online pre-recorded Financial Wellness Seminars are now available for 5 Healthy Rewards Points per Seminar (max 55)! Access these presentations (when it conveniently works for you!) [here](#).

Name and maintain your beneficiary designations

Protect the ones you love for when you are no longer here.

Designate who will be the beneficiary of your retirement savings, so the State you live in won't have to. Log in to your account and go to [Personal Information](#) > [Add or update your beneficiary](#) today!

Welcome to **everyday wellness**,

an inspired blog series created for your well-being.

We know people are hurting, well beyond financial. So we designed a place to meet you where you are. We know most Americans are trying to pick up the pieces and get back on their feet.

We want to encourage, uplift and empower you.

That's why we want to bring you *everyday wellness*. A series of blog articles tackling tough topics and ways to get healthier physically, mentally, emotionally and financially so we can all move from here, forward.

Come as you are, leave feeling better.

blog.voya.com

Getting a tax refund? You may not want one. Here's why.

Did you know getting a refund from the IRS means you overpaid your taxes and gave the government an interest-free loan? Any overpayment to the IRS is money NOT working for you. Let's take a look at why that matters and what you can do about it.

If you are getting large returns each year, you may want to look at changing the number of exemptions on your IRS W-4. If you are filing quarterly, you may also be paying too much. Be sure to talk with a tax advisor to make sure you are claiming all of the exemptions you can or pay quarterly amounts closer to what you will actually owe.

You could also consider investing more in your retirement plan.

- Every dollar you contribute before taxes reduces your taxable income, which means you may pay less in income taxes today.
- Investing over a longer period of time in a tax-deferred retirement account allows you to take advantage of compounding. This means any contributions and any earnings you make go back into your account without being taxed to potentially earn even more savings and so on over time. Taxes are generally due upon withdrawal of tax-deferred assets.
- You can also consider other strategies to increase your retirement savings, such as setting up an automatic contribution rate escalator on your account or increasing your retirement savings every time your salary increases. When you pay yourself first, it could be viewed as a raise for you and your future self since it will potentially allow you to have more for the things you love in retirement.
- When you need to withdraw the income in retirement, chances are you might be in a lower tax-bracket and may pay less to the government later.

Log into your Milwaukee Deferred Compensation Plan account to review current savings rates using **myOrangeMoney**[®] and check to see if you are on track to the retirement you envision.

Organize your finances with the new budget calculator

Part of getting healthier financially is knowing where your money actually goes.

Imagine if you could simplify your financial life while meeting many of your goals. It may be possible with a simple budget approach called the 50/20/30 rule. It divides your take-home pay into three categories – 50% needs, 30% wants and 20% for savings. Having a budget that organizes your finances into categories and suits your personal needs can give you the freedom to live a little and save a little without having to think about it.

Why budget?

A budget is the cornerstone of your personal money management. It can help you get the most out of your income and find some space for competing priorities. For example, understanding your day-to-day spending, while building an emergency fund or putting something aside for what you'd really like, and making sure you are contributing to your future.

So where do you start?

First, you'll want to set some goals before creating your budget. Do you want to buy a home, save for a vacation, start an emergency fund or get out of debt? Simply put, setting financial goals will motivate you to get where you want to go in life and stay on track.

Then, you need a view into where your money is going. Start by taking your brief personalized financial wellness assessment to find out where you stand financially. Then, take your next best step based on your results to help you improve your financial health and wellness. Log into your Milwaukee Deferred Compensation Plan account and click on *Financial Wellness* to get started.

Stay on track

To make sure you stay on track, visit [voya.com/tool/budget-calculator](https://www.voya.com/tool/budget-calculator) to set up your 50/30/20 interactive budget and then personalize it to your priorities and situation. The calculator will also give you practical tips on how you might be able to balance your budget and stretch your income. Ready to get budgeting? Use the calculator today!



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:

- Monday, May 31 *Memorial Day*
- Monday, July 5 (*July 4 holiday observed*) *Independence Day*

Accessing Your Account

 Log on to www.milwaukeedcp.com

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

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

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.