



City of Milwaukee

## Deferred Compensation Plan

Financial independence. It starts today.



# City of Milwaukee Deferred Compensation Plan Newsletter

FOURTH QUARTER 2021

## Make this year your best yet.

Whether you are just starting out or rounding out your career – with every new year, there is a chance to begin again. Life has a way of changing and our financial priorities are always shifting. Now is a good time to reflect on how far you've come and where you want to go.

Maybe 2022 is the year you revise your financial goals, get on track for retirement, realign your contributions to help meet your savings goals or consider consolidating all of your retirement assets in one place. Finding new ways to get and stay financially healthy can be a great resolution for us all.

- Where to start? First, consider taking stock in all of the benefits your workplace can offer. You may want to check that you are insured to protect your health and your wealth with the right amounts of life, disability and health insurance. This way when the unexpected happens you may not have to borrow from your savings.
- Are you saving enough for retirement? Review the 2022 contribution limits and consider increasing your contributions to get closer to the annual limit.
- Take another look at your retirement savings if your estimated monthly replacement income is lower than you may need in retirement. Getting back on track for retirement and kicking it up a notch may be wise, no matter the year.

### Pay attention to where you are in life.

- The younger you are, the more time your money has to earn. Saving consistently, even if it's just a little every month, has the potential to add up over time.
- If you are nearing retirement and are at least age 50, a catch-up contribution option is available to help you save more towards retirement.

- If you're already retired, you can still actively manage your investments and utilize all of the Plan's resources and tools to stay on top of changing markets. As part of our Plan family, be sure to tap into these tools and get guidance when needed to help preserve what's yours and create the income you need for retirement.
- Finally, if you have multiple retirement savings accounts from previous employers, consider consolidating those assets into the Milwaukee Deferred Compensation Plan. This can help keep your investment options consistent within the same account, with one login to make it easier to monitor and manage your retirement savings. Please carefully consider the benefits of existing and potentially new retirement accounts and any differences in features. Rollover assets may be subject to an IRS 10% premature distribution penalty tax. Consult your own legal and tax advisors regarding your situation.

This year, consider taking advantage of every available retirement benefit and resource to put time on your side so you can retire well. Retirement will come faster than you think.

**What are you waiting for? The best is yet to come.**

### 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!

# Invest in yourself and your future.

Every year, the IRS announces the annual contribution limits for retirement savings accounts (including 401(k), 403(b), and 457(b) plans and IRAs, as well as Health Savings and Spending Accounts).

If you are contributing less than the limit for your current retirement savings rate, you can increase or change the amount you save anytime during the year.

For 2022, some limits have changed, while others remain the same. How much are you contributing to your financial future? Remember, it's up to you.

## Annual Deferral and Catch-up Contribution Limits

TYPE	2021	2022
General Limit 49 and Under	\$19,500	\$20,500
Age 50 and older Catch-up*	Up to an additional \$6,500	\$6,500
457 (b) Special election catch-up**	Up to an additional \$19,500	Up to an additional \$20,500

Visit [voya.com/irslimits](https://voya.com/irslimits) for the latest contribution limits for all tax-deferred accounts and income thresholds for 2022.

\*Age 50 and older before year-end.

\*\*This special election catch-up applies to employees participating in an eligible governmental 457(b) deferred compensation that have elected the special catch-up available in the three years prior to the year of normal retirement age. If you are eligible for both the Age 50 and older catch-up and the special election catch-up under your 457(b) plan, IRS rules do not allow you to use both in the same calendar year. IRS rules permit you to use the catch-up that lets you contribute the greater amount.

## Accessing Your Account

 Log on to [www.milwaukeedcp.com](https://www.milwaukeedcp.com)

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

Use our online scheduling tool at <https://bookvf15.timetap.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:

- Monday, January 17 *Martin Luther King, Jr. Day*
- Monday, February 21 *Washington's Birthday*
- Friday, April 15 *Good Friday*

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# Public Service Loan Forgiveness (PSLF) Program Updates

There have been recent, significant changes to the Public Service Loan Forgiveness (PSLF) program that may positively impact many full-time City of Milwaukee employees. On October 6, 2021, the US Department of Education announced a temporary period during which borrowers may receive credit for payments that previously did not qualify for PSLF or Temporary Expanded public Service Loan Forgiveness (TEPSLF). If you have Federal Family Education (FFEL), Perkins or other federal student loans, you'll need to consolidate your loans into a Direct Consolidation Loan to qualify for PSLF, both in general and under the waiver, by October 31, 2022.

The City of Milwaukee recently hosted a webinar "Understanding Public Service Loan Forgiveness and the Temporary Waivers" led by nationally recognized PSLF expert Betsy Mayotte, President and Founder of The Institute of Student Loan Advisors (TISLA). The webinar is designed to help employees understand the requirements and provide practical tips to help get you on track to achieve loan forgiveness. Here is the link to this recorded webinar (note, this link will also be available on the Deferred Compensation and DER's websites: <https://drive.google.com/file/d/1haHGY9W0I-ZryFh10QIlgSQvwdgBol6Tn/view?usp=sharing>)

- Further information regarding the PSLF program and the requirements can be found here: <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>
- The PSLF and Temporary Expanded PSLF (TEPSLF) Certification and Application can be found here: <https://studentaid.gov/sites/default/files/public-service-application-for-forgiveness.pdf>
- FAQs regarding the PSLF program can be found here: <https://freestudentloanadvice.org/wp-content/uploads/2021/10/tisla-faq-1020.pdf>
- Information about where to send specific questions can be found here: <https://freestudentloanadvice.org/contact>

To obtain employer certification for this program, please email your request to DER to complete this portion of the application to [DERCertification@milwaukee.gov](mailto:DERCertification@milwaukee.gov) (note, there's no need to submit an actual application when you email them this request). Make sure to include: your employee ID number (if you know it), your name at the time of employment, and the method that you would like to receive the complete portion of the application (e.g., email, snail mail, or picking it up from City Hall in person). Please do NOT send the application itself, or any other personal information to DER.

If you have further general inquiries about the PSLF program, please feel free to email [DEFCON@milwaukee.gov](mailto:DEFCON@milwaukee.gov).