



City of Milwaukee

Deferred Compensation Plan

Financial independence. It starts today.



City of Milwaukee Deferred Compensation Plan Newsletter

FOURTH QUARTER 2022

Ring in the New Year with a retirement checkup.

Happy New Year! With every new year, you have the chance to start fresh and change something for the better. Is getting “serious” about your retirement planning and long-term financial goals on your resolution list for 2023?

While most resolutions fade over time, having very clear financial goals and regularly checking in on your progress can help to make your retirement dreams a retirement reality. Having the confidence to retire on your terms means having enough monthly retirement income to fund your future. This year, the IRS has increased your retirement savings contribution limits to help you maximize your money so you can retire well. Visit [voya.com/irslimits](https://www.voya.com/irslimits) for more information about the annual contribution limits based on your age and plan type.

Remember, how much you contribute towards retirement each paycheck and how your retirement account assets are invested are up to you. You’re not alone in the retirement planning process, though. Start by thinking about your spending habits to determine if there are opportunities to spend less and save more. Visit [voya.com/tool/budget-calculator](https://www.voya.com/tool/budget-calculator) for help with managing your saving and spending so you can get and stay on track for retirement. Then visit resourcecenter.voya.com/tools/type-of-investor for a brief quiz that can help you better understand your risk tolerance and how you might build a well-diversified portfolio of different asset classes.

This year, focus more on your future self. It may be the best reason to celebrate this season. Here’s to saving more this year.

Earn Healthy Rewards with Financial Wellness!

It’s easy to earn Healthy Rewards points with the Financial Wellness Program offered by your City of Milwaukee Deferred Compensation Plan.

1

Schedule 1:1 Appointment

Earn 10 Points! (up to 30 points, total!)

Review your Deferred Compensation account with a local Voya Representative via Zoom Consultation, Phone Consultation, or In-Person Meeting.

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

Online: bookvf15.timetap.com/



2

Complete Financial Wellness Presentation

Earn 5 Points! (up to 65 points, total!)

Select from a number of pre-recorded Financial Wellness presentations and earn 5 healthy rewards points for each presentation completed.

Go to: www.voyadelivers.com/mdcp/presentations.



Annual Deferral and Catch-up Contribution Limits

Every year, the IRS announces the annual contribution limits for retirement savings accounts. If you are contributing less than the limit for 2023, you can increase or change the amount you save for retirement at any time during the year.

TYPE	2022	2023
Age 49 and Under	\$20,500	\$22,500
Age 50+ Catch-up*	Up to an additional \$6,500	\$7,500
457 (b) Special election catch-up**	Up to an additional \$20,500	Up to an additional \$22,500

Visit [voya.com/irslimits](https://www.voya.com/irslimits) for the latest contribution limits for all tax-deferred accounts and income thresholds for 2023.

* Age 50 and older before year-end. If you participate in a 457(b) plan, the Age 50+ Catch-up is only available if the plan is sponsored by a governmental employer.

** 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.

With investing, like life, the one constant is change.

For some of us, change is good. For others, not so much. When it comes to this past year and the financial markets – we’ve all been challenged by the uncertainty and underperforming investments. Like most things in life, though, market downturns are only temporary. It is waiting for the upturn that can be rough. None of us has a crystal ball to know when things will look up again. What you can do, though, is look back at history and what has been proven over time – that investing is truly for the long-term. Wealth is not built overnight. It takes planning, setting short- and long-term goals, and sticking to the plan in the face of volatility.

Why are investments generally recommended for the long-term? Even the strongest stocks may take a hit in the short-term if the market dips but, over time, they’re likely to recover. By holding your investments regardless of what the market does, you can ride out the storm. Remember, the stock market has had countless corrections over the years and has managed to recover from even the hardest hits.¹

A bear market can also be a buying opportunity. If you’re anxious about how much your account lost last year, remember that those losses are only realized if you sell out of those investments. Thinking about the long-term horizon of your investments can help too. Stocks generally recover from bear markets within about two years, and the market has never had a negative annualized return over a 20-year period.² It takes time for markets to rebound, but they always have. So take a moment to breathe when investing makes you anxious, don’t overreact to the short-term performance of any investment, and remember that retirement planning is a marathon, not a sprint.

When saving for retirement, you get what you give.

C.S. Lewis once said, “You can’t go back and change the beginning, but you can start where you are and change the ending.”

When it comes to saving more for your future, start from where you are. It’s never too late to change your savings habits, but the sooner you start the better. Crafting a life you can enjoy now while preparing for the future takes thought and planning, but can be as easy as 1–2–3.

1. Visualize your retirement

When you picture yourself in retirement, what do you see? Once you envision what your time in retirement looks like, then you’ll need to estimate the monthly income needed to enjoy it. myOrangeMoney® can help you estimate your future monthly retirement income and can also help you get back and stay on track for retirement.

2. Know where you stand financially

Once you visualize retirement and understand how much you’ll need to achieve that goal, you can explore other elements of financial planning and preparedness by taking a financial wellness assessment. Visit www.milwaukeeedcp.com to log into your account, then click *Financial Wellness* at the top of the homepage. The assessment consists of a brief set of questions aligned with the six pillars of foundational money wellness. Once completed, you’ll learn more about where you stand financially, how to take your next best step to improve your situation and discover ways to save more.

3. How much is enough?

How much retirement income is enough? Although different for everyone, you’ll likely need to replace at least 70% of your current income annually in retirement. Once you know your number and know where you stand financially, you can manage your budget and spending to help find ways to save more.

Start now to understand where you are, where you want to be, and how you can get there by saving more on the journey to and through retirement. Visit www.milwaukeeedcp.com today for more information and to log into your account. 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.

Products and services offered through the Voya® family of companies.

IMPORTANT: The illustrations or other information generated by the calculators are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. This information does not serve, either directly or indirectly, as legal, financial or tax advice and you should always consult a qualified professional legal, financial and/or tax advisor when making decisions related to your individual tax situation.



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 16, *Martin Luther King, Jr. Day*
- Monday, February 20, *Washington’s Birthday*
- Friday, April 7, *Good Friday*

Accessing Your Account



Log on to www.milwaukeeedcp.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.

¹ www.fool.com, Worried about the stock market? , Katie Brockman, March 16, 2022, **Worried About the Stock Market? Here’s Warren Buffett’s Advice.** | **The Motley Fool**

² blog.voya.com, Voya consumer blog, Licensed content, article was written by Sarah Hansen from **Money** and was legally licensed through the Industry Dive **Content Marketplace**. Please direct all licensing questions to legal@industrydive.com, “A bear market can also be a buying opportunity. “If you’re anxious about your portfolio losing value this year, remember that these losses are only realized if you sell. Thinking about the long-term horizon of your investments can help too. Stocks generally recover from bear markets within about two years, and the market has never had a negative annualized return over a 20-year period.” **The stock market downturn isn’t as bad as you think (probably)** | **Voya.com**