



City of Milwaukee

Deferred Compensation Plan

Financial independence. It starts today.



City of Milwaukee Deferred Compensation Plan Newsletter

FIRST QUARTER 2024

Developing healthy money habits

Think about what you enjoy doing now. Then think about how you'd like to enjoy life in retirement. Each scenario you envisioned probably requires money. So how do you live for today while planning for tomorrow? You will need to create a plan that helps you do the things that bring you joy today while feeling confident that you're also on track for the financial future of your dreams.

To help you develop the money habits that will help make saving easier and reduce financial stress, consider the following:

1. Saving automatically

The best part about saving automatically is that you don't have to think about it. You can set up to have portions of your paycheck sent to different accounts or automate savings from your checking account. Either way, the "set it and forget it" method can help you save and save consistently. **Take action:** Consider creating a separate account for each savings goal.

2. Saving for the unexpected

Life is full of surprises. Don't let an unexpected expense make you go into debt, take a loan or borrow against retirement savings. An emergency savings account can help you avoid that. Building up an emergency savings account won't happen overnight, but small amounts will add up over time. **Take action:** Think about what an unexpected expense (car troubles, home repairs, medical bills, etc.) might cost you, then work towards having enough saved to cover that expense.

3. Saving for major milestones

If saving for even small things can be challenging, how do you save for the bigger moments in life? Like building an emergency savings fund, saving for major milestones can happen in small steps. Develop a budget that tracks your monthly spending to find more money to save. **Take action:** Break each goal down into smaller, realistic actions. For example, saving just \$10 a week towards a goal would give you more than \$500 in only a year.

4. Paying down debt is saving

As important as it is to have a savings plan, it's just as important to have a plan to pay down debt. When you pay down debt, you save on debt payments and interest. What you used to spend on debt can then be redirected to savings. **Take action:** Make a list of your debts and their monthly interest to know what you owe, then consider a plan to pay down your highest interest debt first.

5. Saving at any age

Don't keep your savings goals a secret. Share your plans with your family, especially your kids, and embrace learning to help improve your financial literacy. This can help teach them how to have a healthy relationship with money. **Take action:** Consider opening an account for kids to save part of their allowance, which will help them learn by doing.

Need more help? Explore more topics in our resource center to learn about how to better manage and master your money for life. Visit voyaasw.com today.

Are you ready for your new Milwaukee Deferred Compensation Plan account experience?

When was the last time you visited milwaukeedcp.com and logged into your account? If you haven't logged in recently, your account experience has been upgraded with new features to bring your whole financial life together online. Using your existing account login, you can track and manage your financial goals in one cybersafe place. Here's what you can expect:

It's comprehensive. You can securely connect your deferred compensation account with external accounts like checking, credit cards, and personal savings in a private environment to get a full view of your net worth. You also receive personalized insights designed to help you improve your finances.

It's insightful. You will have quick access to educational resources and interactive tools that can help you set goals, track your progress and get real-time insights on your money habits. The experience will also adjust as your needs change to help you understand where you stand financially and how to manage your money with confidence.

It's an evolved account experience. Whether you want to check your balances, save more for your future, update your investments or even track the progress of your non-retirement goals, you'll enjoy an effortless account experience that adjusts to you.

It's a simpler way to manage your money. Visit milwaukeedcp.com to log in and get started. If you've never accessed your account online, there's never been a better time to start. Click the *Register Now* button on the homepage, create a username and password, and follow the prompts to get registered and into your account. If you need help registering your account, call **844-360-6327**.

Saving for retirement could help reduce your taxes

Tax time can be stressful. Now that you've likely filed your taxes for 2023, what did you learn? When it comes to saving for retirement, minimizing your taxable impact is one way to help maximize your retirement nest egg.

Did you get a refund this year? This means you overpaid on your taxes and gave the government an interest-free loan. The average income tax refund in 2023 was \$3,167.¹ That's a lot of money that could be working for you instead. Think about the best way to use this year's tax refund before you spend it on something you may want but don't need. Use the refund to help build up your emergency savings, pay down debt or get you closer to achieving a personal savings goal. To help keep more of your money working for you throughout 2024 and beyond, consider increasing your contributions to the Milwaukee Deferred Compensation Plan.

How much more could increasing your contributions mean for you in retirement? Consider this. If you saved \$2,000² more per year for 10 years starting at age 55 (equal to \$38.46 per week or \$166.67 per month), you could have approximately \$34,000 more for retirement at age 65. If you saved \$2,000 more per year for 20 years starting at age 45, you'd have approximately \$95,000 more at age 65. And if you saved \$2,000 more per year for 30 years starting at age 35, your retirement savings could be increased by approximately \$215,000 at age 65! Think about all the ways that your retirement could benefit from having that much more saved.

Did you owe money this year? One way to help change that next year is by reducing your taxable income. The deferred compensation plan can help you do that as well. For every dollar you save on a pre-tax basis to the plan, your taxable income is reduced by a dollar. As a result, you'll have less income to claim next year because, in the eyes of the IRS, you made less money this year. You also put off paying taxes on the pre-tax money you contribute and could pay less in taxes when the money is distributed if you're in a lower tax bracket when you're older.

Take the time now to review your income tax strategy and make changes, as needed, to adjust your taxable impact while saving for retirement. You can learn a lot from your taxes, so make this the year you take what you've learned and pay yourself first by saving for retirement to improve your current situation and give you the potential of a whole lot more later.

¹ IRS, 2023 Filing Season Statistics, December 2023

² These examples assume retirement age of 65, annual investment of \$2,000, average annual return of 7% compounding once annually. These assumptions are meant for educational use and not a guarantee of future results.

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 27, *Memorial Day*
- Wednesday, June 19, *Juneteenth National Independence Day*
- Thursday, July 4, *Independence Day*

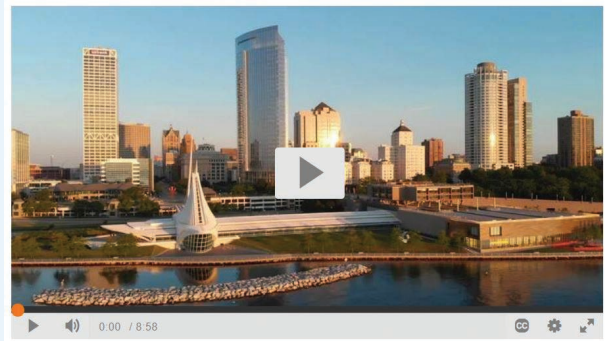
Step-up authentication for certain transactions

When you request to make certain transactions online or using the Voya Retire mobile app, you will be sent a one-time passcode (OTP) via text (never an email) and will be required to enter the OTP before proceeding. This enhanced authentication applies to transaction/activity requests that are commonly the subject of fraud attempts.

To make sure you have a mobile phone number as your primary account recovery/verification method, log into your account and go to the My Profile page to add a mobile number. If you don't have a mobile phone number as your primary account recovery/verification method, and you attempt to make transaction considered high risk, you will see a message prompting you to update your phone information and notifying you that the transaction can only be completed by speaking to a Customer Service Associate.

Putting your money to work

The Milwaukee Deferred Compensation Plan is a great way to prepare for your financial future. Don't just take our word for it. **Watch this video** to see how this Milwaukee Fire Department father and son have relied on the Milwaukee Deferred Compensation Plan to help make their retirement goals a reality.



Accessing Your Account

 Log on to 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.