



# KDCConnection

3RD QUARTER 2024



## 4 tips for working toward a secure retirement

It's important to take a moment to reflect on our financial habits and look ahead to building a more secure future. Amid the holiday hustle and bustle, it's easy to lose sight of our long-term goals. However, maintaining healthy financial habits and continuing contributions toward your retirement can set you up for success in the coming year and beyond.

### Reflect and reassess

The end of the year is a perfect time to review your financial progress. Have you met your goals for the year? Are there areas where you fell short? Understanding where you stand will help you make informed decisions about any adjustments needed to stay on track.

### Consistent contributions matter

One of the key components of a secure financial future is consistent contributions to your retirement account. While it might be tempting to scale back during the holidays, maintaining regular contributions is crucial. The same applies during times of market volatility when you may be tempted to decrease or stop your contributions. Even small, consistent contributions can significantly impact your financial future over time, thanks to the power of dollar cost averaging and compounding interest.

### Maintain healthy financial habits

Consistently practicing healthy financial habits is essential for long-term success. Here are some tips to keep you focused:

- **Set clear goals:** Define what you want to achieve financially. Whether it's paying off debt, increasing savings or investing more, clear goals will keep you motivated all year long.
- **Update your beneficiary designation:** Keep your loved ones in mind by making sure your account has the correct beneficiaries listed.
- **Review your goals regularly:** Make it a habit to review your financial plan regularly and adjust as needed based on life changes or financial goals.

### Talk to your partner

Discussing finances with loved ones can be challenging, but having everyone on the same page is vital for a strong financial future. Our new conversation starter can help make these topics easier to discuss. These prompts are designed to guide you through meaningful conversations about finances, ensuring that you both understand your collective goals and how to achieve them together.

As we bid farewell to this year and step into the next, it's a great time to commit to building and maintaining healthy financial habits. Consistent contributions and open financial conversations with family members can significantly enhance your financial security. Use this time to reassess, plan and prepare for a prosperous new year.



Access our tools and educational resources that can help you plan for and achieve your financial goals, including important conversation starters you can use with a spouse or partner.

## Make data security your online priority

October is National Cybersecurity Awareness Month, an effort designed to help you use easy tools and processes to stay secure online. Whether at home, work or school, the following tips can help you be more secure when connected online.

1

Be cautious of unsolicited emails or text messages. Report phishing attempts and delete the message.

2

Use strong passwords that include uppercase, lowercase, numbers and symbols.




3

Turn on multi-factor authentication (MFA), which reinforces your password with a second level of authentication.

4

Make sure your software and apps are up to date.

KDC strives to keep your account and personal information secure. Here are a few steps to follow that will take your account security to the next level:

-  Create your online account at [kentuckyplans.com](https://kentuckyplans.com) to prevent an unauthorized user from doing it first.
-  Use a strong, unique password as described in #2 above, and change it regularly.
-  Secure your KDC account through Account Lock.



When you request this extra level of account security, you proactively “lock” your KDC account from making distributions until you’re ready to make them.



To learn more visit our [new hub of cybersecurity articles](#).

## Make a game plan for the end of the year

With the end of 2024 already in sight, we can look forward to fall festivities and holidays, but it also means that we should focus on goals for this year that are not yet achieved. Here are steps that can help make your game plan a success.



### Review and update your beneficiary designation.

Doing so reduces the possibility of hardship for your loved ones that outdated or missing beneficiaries could cause. To review and update your beneficiary designation on file with KDC, log in to your [KDC account](#) and search for “Change Beneficiaries.”



### Register for a webinar.

KDC offers financial education webinars on a variety of topics, each designed to help you make better decisions about managing your money and planning for retirement. To sign up for an upcoming webinar, go to the [KDC webinars registration webpage](#).



### Increase contributions now.

A little bit more per pay period each year can make a big difference at retirement. In addition, saving for the future could help you save on your income taxes. Every dollar you contribute to an eligible retirement account reduces the amount of income that you must pay taxes on. To increase your contribution amount, log in to your [KDC account](#) and select Manage My Funds or call KDC at 1-800-542-2667.



### Budget your holiday spending.

Don’t blow your game plan by blowing your budget. The holidays bring a lot of additional spending. Be sure to keep a budget in mind so you can stay on track with your retirement goals. KDC offers an easy way to create a budget. Visit our [budgeting webpage](#) to get started.



The Plan is here to support your game plan. If you need assistance in designing the winning plays, contact your Kentucky Retirement Specialist.

## How to manage debt in retirement

A recent study by the Nationwide Retirement Institute® found that retirement-age Americans carry about \$70,000 in debt on average, with credit card debt, home mortgages and car payments the most common types.<sup>1</sup> Carrying such debt can add stress to a retirement budget.

If you have existing debt, you could start by looking for expenses to reduce or eliminate to make room for saving and paying off debt. Use our [budgeting tips and worksheet](#) to get started.



- Consider optional costs you can cut back on, from streaming services to dining out.
  - If you shave \$200 from your monthly expenses, that's \$200 you can apply toward saving and debt.
- Consider building an emergency fund before paying extra money toward debt.
  - With an emergency fund, you won't go into further debt if you incur unexpected expenses.
- Make sure you're prepared now for out-of-pocket health care expenses in retirement.
  - Review your retirement benefits with your employer. You may have health care benefits available to you and your dependents after you retire.
- Factor in Medicare and other health insurance premiums as you review and revise your retirement savings goal.
  - Monthly premiums account for a significant portion of health care spending in retirement.<sup>2</sup>
  - To review current premiums, visit [Medicare.gov](https://www.medicare.gov).



**For assistance in preparing a budget, schedule a one-on-one appointment with a Kentucky Retirement Specialist.**

<sup>1</sup> Nationwide Peak Retirement Survey (December 2023). Edelman Data and Intelligence (DXI) conducted a nationally representative online survey of 1,000 U.S. residents aged 60 to 65 on behalf of Nationwide from November 2 – 29, 2023.

<sup>2</sup> "How Much Do Retirees Spend on Uncertain Health Costs?," Center for Retirement Research at Boston College, [crr.bc.edu/how-much-do-retirees-spend-on-uncertain-health-costs](https://crr.bc.edu/how-much-do-retirees-spend-on-uncertain-health-costs) (August 30, 2022).

## KDC offers a free financial planning service

Conducted by a licensed Certified Financial Planner™, this no-extra-cost service can help you with setting goals, saving, identifying retirement income sources, addressing potential gaps between retirement income and expenses, and preparing a detailed cash flow analysis and retirement income plan.

Take advantage of this free service for KDC participants.



### You heard it here first

#### Board of Trustees votes to suspend asset fees

The KDC Board of Trustees elected to suspend participant mutual fund asset fees effective 1/1/2025 through 6/30/2025 for a projected savings of \$2.6 million.

#### KDC turns 50 this year!

We invite you to celebrate with us as you take your retirement savings journey through KDC participation. Just getting started? You don't have to have everything figured out to start saving. Take it step by step. KDC is here to help support you with tools, resources and expertise.

#### Earn your degree in retirement readiness

Explore RetireU, KDC's 3D interactive experience that offers courses, valuable lessons and resources designed to help you become financially ready for retirement. It's fun. It's free. And it's full of information that you can use right away. Visit the RetireU virtual benefit fair today.

**Nationwide GrowForth<sup>SM</sup>** helps you save on your terms while you build better financial habits. When it comes to achieving financial success, you might be seeking direction and a game plan — not a list of rules. GrowForth is a customizable tool you can use to develop healthy routines,

allowing you to track your progress and be in better control of your financial goals. Check it out [here](#).

#### Our webinars can help you feel more prepared for retirement.

Topics include the basics of investing, the various plan types, health care in retirement and more. Tune in for a live event led by a Kentucky Retirement Specialist or watch on-demand at your convenience. Access a list of upcoming webinars [here](#).



## Actions of the Board of Trustees

At the regularly scheduled quarterly meeting on September 27, 2024, the Authority Board of Trustees (Board) took the following actions:

- Approved minutes of the June 21, 2024, regular meeting, as submitted;
- Reviewed Staff reports;
- KDC Board motion – APPROVED;
  - Amendment No. 4—Invesco Investment Management Agreement;
  - New share class adoption for Vanguard Total Bond Index from .035 to .03
  - The Board approves an increase to the annual salary of the Executive Director



For further information on these items, please call William C. Biddle, Executive Director, at 800.542.2667.

### Field Retirement Specialists



**NEIL ARNOLD**  
859-806-2211  
joshua.arnold@nationwide.com



**JOHN KNAUSZ**  
606-205-8130  
knausj1@nationwide.com



**MARY HOLT**  
859-420-3204  
holtm17@nationwide.com



**BEKA BOONE**  
502-600-3808  
booner5@nationwide.com



**MARTIN WILHOITE**  
859-248-0565  
m.wilhoite@nationwide.com



**BRENT MUSIC**  
859-230-3500  
musicb1@nationwide.com



**LESLIE HOLLERMAN**  
502-544-1211  
hollle2@nationwide.com



**SHAWN DRAKE**  
859-221-2149  
drakes2@nationwide.com



**JAMIE CORBETT**  
859-229-9774  
corbej1@nationwide.com

### Frankfort-based Internal Retirement Specialists

1-800-542-2667, option 4  
We are available to assist you by phone or in person Monday through Friday, 8 a.m. to 4:30 p.m.



**SCOTT MURRAY**  
murras3@nationwide.com



**SCOTT HOWARD**  
howas15@nationwide.com



### Holidays: KDC offices closed

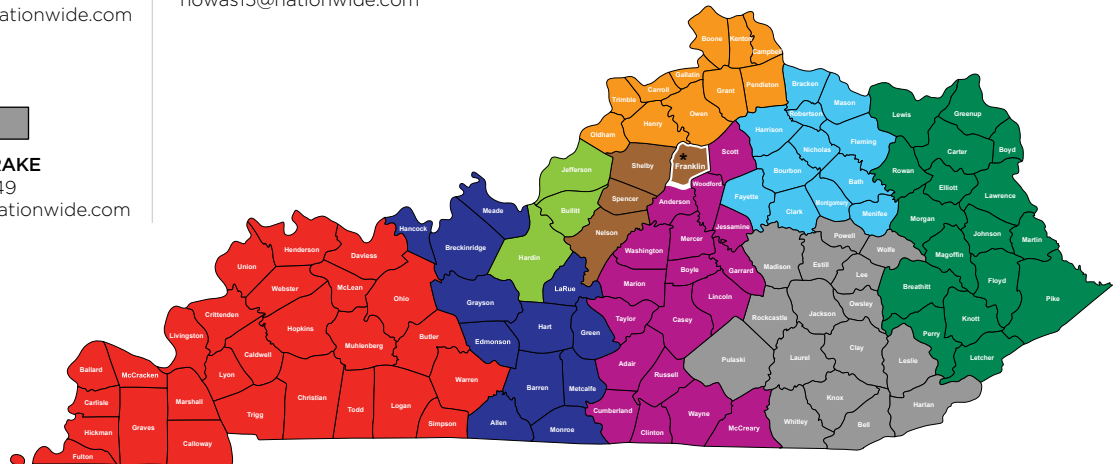
**TUESDAY, NOVEMBER 5**  
PRESIDENTIAL ELECTION DAY

**MONDAY, NOVEMBER 11**  
VETERANS DAY

**THURSDAY-FRIDAY, NOVEMBER 28-29**  
THANKSGIVING

**TUESDAY-WEDNESDAY, DECEMBER 24-25**  
CHRISTMAS

**TUESDAY-WEDNESDAY,**  
**DECEMBER 31-JANUARY 1**  
NEW YEAR'S



This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

Investing involves market risk, including possible loss of principal. No investment strategy or program can guarantee to make a profit or avoid loss. Actual results will vary depending on your investment and market experience.

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NRM-22523M3-KY (10/24)

