

KDCConnection

1ST QUARTER 2023



Get ready for the month of April

April is a big month, especially when it comes to preparing for taxes. As the spring season arrives, we want you to be prepared. That's why we put together this checklist to help you during tax season.

Gather all your tax documents so you're ready when you meet with your tax preparer. Here's what you'll need:

- Photo ID
- Social Security card or verification letter, or Individual Taxpayer Identification Number (ITIN) assignment letter, for all family members
- W-2 form for all jobs you worked in 2022
- Form 1099-G for unemployment compensation and state or local tax refunds
- Form W-2G and other 1099 forms for other income, including any distributions from your KDC 457(b) or 401(k) in 2022
- The name, address and tax ID number of your child care provider, as well as the amount you paid in 2022
- A copy of last year's state and federal tax returns
- Other applicable tax-related documents, such as interest statements, federal loan documents, retirement statements and a list of organizations to which you made charitable donations
- Any letters, correspondence or other documents from the IRS or your state tax administration
- Forms 1095-A, 1095-B or 1095-C Affordable Health Care statements or health insurance exemption certificates



Bring your bank or credit union account information so you can easily deposit your refund and use some of it for savings. Here's what you'll need:



Bank, credit union or prepaid card account and routing number



Voided check



For more ideas about how you could do more for your retirement in 2022, call [1-800-542-2667](tel:1-800-542-2667) or see the map on Page 4 to contact your local KDC Retirement Specialist.

6 ways to build your financial literacy

April is Financial Literacy Month, which is recognized every year to raise public awareness of the importance of financial literacy and maintaining smart money management habits. Recent surveys show that many Americans fall behind in this area.

According to a 2020 survey by the Organization for Economic Cooperation and Development (OECD), 42% of adults worry about meeting their daily expenses; 40% are concerned about their financial status; and 38% reported that they were just getting by financially.¹ Perhaps even more alarming, a 2022 Nationwide Retirement Institute® survey of U.S. families found that 42% wouldn't be able to cover an unexpected expense of \$1,000. That percentage rose to 69% for younger families in Generation Z.²

¹ OECD/INFE 2020 International Survey of Adult Financial Literacy (June 25, 2020).

² "Inflation increases financial stress for many families," Nationwide Financial (Aug. 24, 2022).



With that in mind, here are 6 tips to help build your financial resilience:

1

Save with long-term planning in mind.

2

Make considered purchases rather than impulse buys.

3

Maintain control of your money by making a detailed, realistic budget that you can stick to.

4

Keep track of cash flow and how you're spending your money.

5

Create and maintain an emergency savings fund to cover unexpected expenses.

6

Be aware of fraud and keep a close eye on your accounts.



Join us for live workshops about budgeting, building your savings, planning for retirement and more.

What changed under SECURE 2.0 Act?

Do you know what you'll be doing in April 2024? If you're turning 73 in the next year, you are required to begin taking required minimum distributions (RMDs) from your 457(b), 401(k) and/or your IRA by April 1, 2024 — and that's no April Fools' joke.

Under the SECURE 2.0 Act, the age requirements for RMDs increased from age 72 to age 73. Here's the good news: Kentucky Deferred Compensation takes care of RMDs on your behalf when you turn 73, so you don't have to worry about setting up RMDs for your 457(b) or 401(k).



Contact your Kentucky Retirement Specialist listed on Page 4 of this newsletter or call 1-800-542-2667 Monday through Friday, 8 a.m. to 11 p.m. ET.

YOU HEARD IT HERE



Welcome Kris Kellinghaus, who now serves as the Chairman of the Board of Trustees.

Kris Kellinghaus is Senior Vice President, Chief Investment Officer for MCF Advisors LLC, where he is head of the Investment Management Department and leads the Executive Investment Committee in developing MCF's investment outlook and investment program. Kris holds the Chartered Financial Analyst® and Chartered Alternative Investment Analyst® designations and is a Certified Financial Planner®. He graduated from Northern Kentucky University with a Bachelor of Science in Finance, received his MBA in Finance from Xavier University and his Master of Arts in Applied Economics from the University of Cincinnati.



New interactive Financial Wellness tool coming this summer

What should I do with my finances? How can I make investments? What should I focus on first? If you've ever asked questions such as these, our upcoming interactive Financial Wellness tool can help. You can set goals for every stage of your retirement readiness journey and track your progress along the way.

This summer, look for the launch of this easy, simple and fun tool to jump-start your personalized financial wellness journey.



Live webinars

Scan the QR code to register for:

Nearing Retirement
April 19, 11 a.m. to noon
Women and Retirement
May 17, 11 a.m. to noon
Health Care
June 21, 11 a.m. to noon

If you participate in the LivingWell program, attending a KDC webinar could earn you \$5 in Engagement Reward dollars.



Free financial planning service

As a reminder, KDC offers a free financial planning service conducted by a licensed Certified Financial Planner® to help 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.

All investing is subject to risk, including possible loss of the money you invest. Asset allocation and diversification do not guarantee to make a profit or protect against loss.

Before investing in any fund, please consider its investment objectives, risks, charges and expenses carefully. The fund prospectus contains this and other important information about the investment company. Prospectuses are available by calling 1-800-542-2667 or 502-573-7925.

Investments in target retirement funds are subject to the risks of their underlying funds. The funds are designed for investors expecting to retire around the year indicated in each fund's name but are based on a retirement age of 65. Investors who plan to retire significantly earlier or later may want to consider a fund with an asset allocation more appropriate to their particular situation. An investment in a target retirement fund is not guaranteed at any time, including on or after the target date.



**Holidays
KDC Offices closed**

FRIDAY, APRIL 7: GOOD FRIDAY
**MONDAY, MAY 29:
MEMORIAL DAY**
**TUESDAY, JULY 4:
INDEPENDENCE DAY**

Actions of the Board of Trustees

At the regularly scheduled quarterly meeting on March 10, 2023, the Authority Board of Trustees (Board) took the following actions:

- Approved minutes of the December 16, 2022, regular meeting, as submitted
- Staff reports reviewed and updates were presented by Callan and Nationwide Retirement Solutions
- Legal presented on 2023 Plan changes in regards to SECURE Act 2.0 and ongoing compliance measures
- Set the next quarterly meeting date for Friday, June 16, 2023, at 10:00 a.m. as a virtual meeting with the physical location in the Edgar C. Ross Boardroom at the State Office Building, 501 High Street, Frankfort, Kentucky

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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.



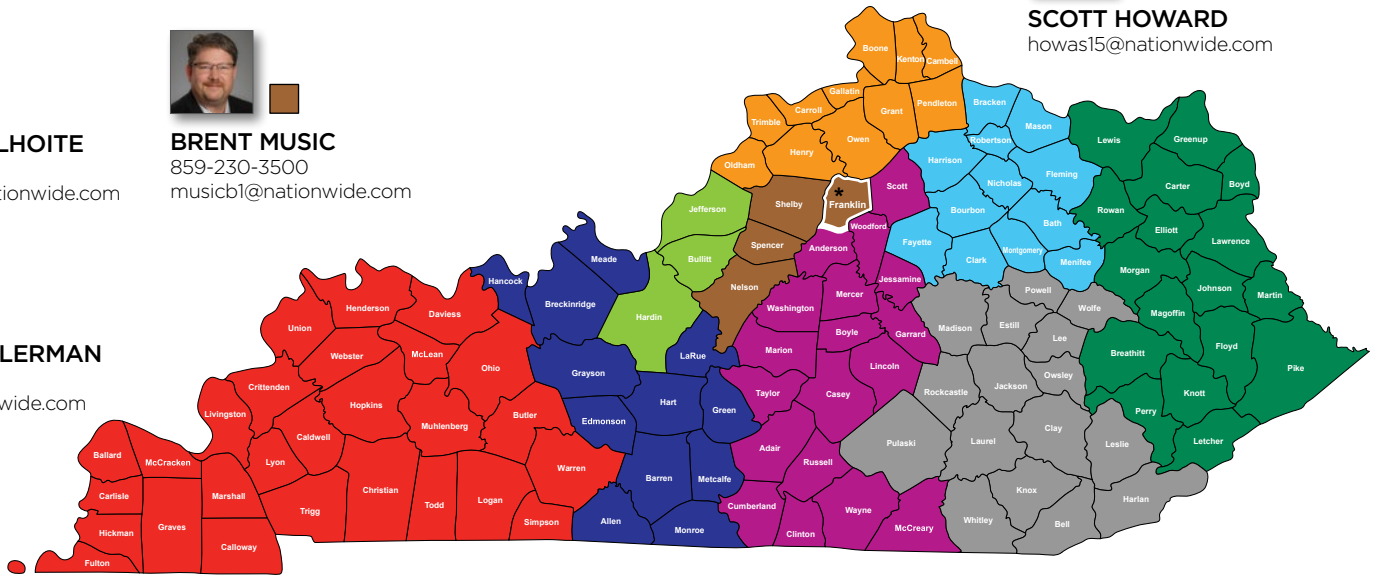
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This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

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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