

1st Quarter 2021

Your future. Your plan.

Despite some unique purchases, COVID is teaching us to save more, spend less

Stuck at home and seeking distraction, we made some amazing purchases last year. Studies show that people purchased unlikely things to bring a little change to their lives during the COVID-19 pandemic. In fact, "I was bored so I bought" became a social media sensation for a while. Bored people announced to the world that they bought some pretty incredible things:

- Magnetic eyelashes
- Inflatable costumes
- Posture-improving T-shirts
- Green screens for online home videos

Still, research shows that consumers saved more than they spent last year. Part of the savings resulted from an inability to spend money because restaurants and entertainment venues were closed. But the trend continued even as the economy began reopening.

A CNBC/SurveyMonkey poll conducted in August 2020 found that six in 10 Americans now consider themselves to be more "savers" than "spenders." Nearly half of respondents said their monthly spending has decreased.

Keep a good habit growing

KDC can help you keep good financial habits that could enable you grow your retirement savings.

- Visit [our website](#) for educational videos and articles
- Register for one of our [educational webinars](#)

- Discuss with a Retirement Specialist how you can:
 - Restart contributions
 - Increase contributions (use our easy Auto Increase service, see Page 4)
 - Consolidate retirement assets
 - Revise your investing strategy
 - Plan ahead for your transition into retirement



For more ideas about how you could do more for your retirement in 2021, call [1-800-542-2667](tel:1-800-542-2667) or see the map on Page 3 to contact your local KDC Retirement Specialist.

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Fuel your future with unexpected cost savings



The average worker spends \$2,000 to \$5,000 per year on transportation costs

The average worker spends \$2,000 to \$5,000 per year on transportation costs. If you worked from home in 2020, you may have realized significant savings last year and may continue to do so for a while this year. These savings offer you a new opportunity to create or adjust your household budget so you can build emergency and long-term savings. Use [My Interactive Retirement PlannerSM](#) to set a contribution amount designed to help you achieve your long-term goals.

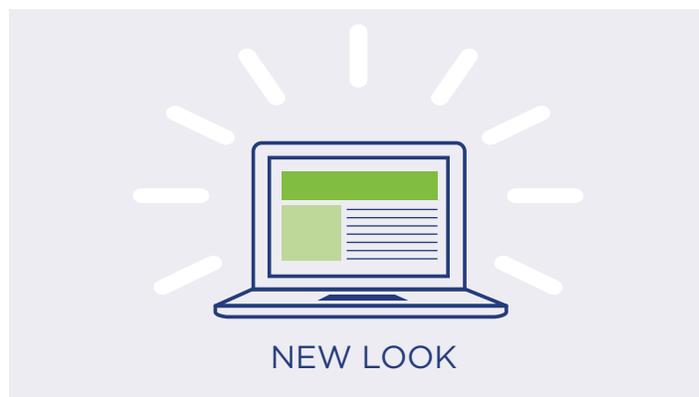
Our website will soon offer a new look

Kentuckydcp.ky.gov, KDC's website, is getting a major face-lift. Soon, it will:

- Be more **intuitive** about what you're looking for
- Give you more **control** over your experience
- Provide **personalized** information that's timely, relevant and actionable

Even before you log in, you can find tools and resources that help you learn more about personal finances, retirement planning and ways you could participate in the Plan more effectively, and most are available with just one click.

We've already made a few great changes! Now, when you log in to your account, you'll find the most frequently accessed information presented upfront, and you will get personalized recommendations. You can also find forms to make account updates through the new navigation menu on your account homepage.



NEW LOOK

Keep an eye out for the changes to kentuckydcp.ky.gov today and be prepared to see how we're making it even easier to manage your account and learn more about achieving financial wellness, too.

Consider how increasing contributions can help with taxes

April 15 has come and gone, so right now may be a great time to consider how to reduce taxes as you provide for your long-term future.

457(b) Plan and/or 401(k) Plan

Contributions and any investment earnings they generate are tax deferred until withdrawn. When you increase contributions, you also reduce the impact of federal taxes on your income.

Roth 401(k)

Contributions are made from after-tax income. You pay taxes as you contribute so you won't have to pay taxes on the funds when you withdraw Roth-designated contributions and earnings.

Combination of both

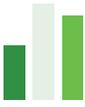
If available, contributions may be divided between the two types, allowing you to enjoy some income tax benefit now and some in retirement.

Based on your income and filing status, your contributions to the Plan may qualify for the [Saver's Tax Credit](#) when you file your tax return next year.



To discuss ways to make your future less taxing through KDC participation, call [1-800-542-2667](tel:1-800-542-2667) or see the map on Page 3 to contact your local KDC Retirement Specialist.

Did you know?



Program updates/fund changes

The IRS approved the nonbank trustee status for KDC's IRAs program during its cyclical audit.

As detailed in our [Third Quarter](#) and [Fourth Quarter](#) newsletters and the February communication, our fund offerings were updated in March. If you were invested in funds affected by the update, your statement and our quarterly IPR reflect the changes.



Free workshops/wellness check

Our remote webinars can be a great way to keep your Plan participation on track. Look for webinars in the learning center at kentuckydcp.ky.gov.

Don't forget to recheck your allocations and risk tolerance. Have questions or need help? Contact one of our Retirement Specialists below.



Security tip

Don't use your work email for personal savings accounts. In recent months, we have seen an increase in attempts to fraudulently access retirement accounts through work email addresses.

The KDC website offers several tips for [enhancing your online security](#).

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All investing is subject to risk, including the possible loss of the money you invest. Asset allocation and diversification do not guarantee to make a profit or avoid 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 502-573-7925 or 1-800-542-2667.

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.

More easy ways to manage your account with confidence

Check out our Auto service features:



When you use our **Auto Increase** feature, your contribution amount automatically increases when you want it to.



When you use our **Auto Asset Rebalancing** feature, your account automatically rebalances quarterly based on the date it's initiated.

Both of these services allow you to better control how your account is managed—and when. Log in to your account to enroll in these services or call us at 1-800-542-2667.

Calendar of *events*:

HOLIDAYS—OFFICE CLOSED

MONDAY, MAY 31, 2021
MEMORIAL DAY
KDC OFFICE CLOSED

MONDAY, JULY 5, 2021
INDEPENDENCE DAY
KDC OFFICE CLOSED

EDUCATIONAL WEBINARS

For topics and to reserve your spot, visit the bottom of the KDC Events page at kentuckydcp.ky.gov.

Actions of the Board of Trustees

At the regularly scheduled quarterly meeting on March 26, 2021, the Authority Board of Trustees (Board) took the following actions:

- ✓ Approved the minutes of the December 18, 2020, regular meeting, as submitted.
- ✓ Noted all new funds were transitioned into the investment lineup without any incident; there were no reported errors.
- ✓ Recognized SB 79 was unanimously passed and signed by the Governor on March 24, 2021, for auto enrollment of Judicial and Legislative officials and to offer financial planning to all plan participants at no additional cost.
- ✓ Set the next quarterly meeting date for Friday, June 25, 2021, at 10 a.m. as a virtual meeting with the physical location in the DEI Training Room at the State Office Building, 501 High Street, Frankfort, Kentucky 40601.

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.

Kentucky Retirement Specialists are Registered Representatives of Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio. Nationwide representatives cannot offer investment, legal or tax advice. Contact your financial professional for these services.

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Kentucky
Deferred Comp
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