

In This Issue



October is National Retirement Security Month

Each year, the nation's public employers work with members of Congress to devote attention to the importance of saving for retirement through employer-sponsored programs such as Kentucky Deferred Compensation (KDC).

While the event has grown from a week to a month, we at KDC believe retirement security deserves year-

round focus. That's why we work hard to ensure you have the information, tools and resources that can help you be successful in preparing financially for retirement through KDC participation.

This newsletter is just one example of those resources. We hope you will use the information provided here to consider ways to improve your retirement readiness.

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Nine ways to find extra money

When budgets are tight, it may seem hard to increase contributions to your KDC account even when you agree that you should. Consider these ideas:



Reconsider your expense priorities; cut out what is no longer necessary



Order regular coffee instead of a latte; small savings add up



Plan meals around grocery sales



Split restaurant meals in two; half now, half for a future meal at home



For better fuel savings, **clean or change your car's air filter** regularly



Apply a 10-second rule to consider whether you really need what you're buying



Consolidate streaming services



Cancel subscriptions to services you rarely use



Sell or donate household items you no longer use

To get more ideas about where to find extra money for your budget:



Read "How to find money to invest" under Managing your Investments in the Library at kentuckydcp.ky.gov.

Maintain a disciplined approach to investing



When facing dramatic news or events that drive volatility in the financial markets, prudent investors keep a check on their emotions. Maintaining a disciplined approach to investing can help you keep more of the money you save and earn and be positioned for opportunities to buy when prices are low.



Consider these basic principles of investing:

- Maintain a diversified portfolio that's suited to your goals and risk tolerance
- Stick with investments for the long term unless you have a reason to make a change
- Resist making a change based on emotional reactions to news events
- Consult a financial professional when considering changes to your portfolio
- Take advantage of buying opportunities when other investors sell into falling markets

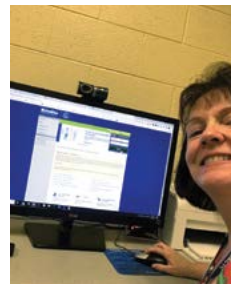
To learn more, visit kentuckydcp.ky.gov and:

-  Watch "Avoiding Emotional Investing" in the Videos section
-  Read "Avoid headline-driven investment decisions" in the Library section

And the winners are ...

Thank you to the many Kentucky employees who entered our selfie contest. We asked you to share with us your idea of fun in retirement, and you delivered.

When you review the selfies on KDC's Facebook page, you may agree that picking winners was difficult. However, the judges chose these submissions as the winning entries:



Lisa Ahlstedt

Retiree - Southeast KY
Community and Technical
College (KCTCS)



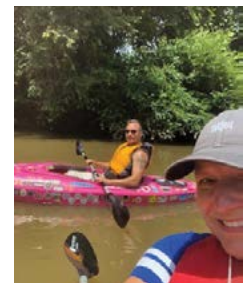
Jay Will

Department of
Juvenile Justice



Jason Meece

Unclaimed
Property Division



Keri Witherite

Department for Aging
and Independent Living

Each winner will receive a \$25 Amazon gift card.

Looking for ways to improve your chances of enjoying the retirement you envision?

-  Visit the retirement and financial wellness page at the KDC website, kentuckydcp.ky.gov
-  Contact your local KDC Retirement Specialist or the KDC office at 1-800-542-2667

Balance family with work life at home

As society addresses the coronavirus pandemic through social distancing and work- and school-from-home arrangements, you may have two environments coming together that were never meant to overlap this much. Here are five tips to help you balance competing priorities¹:

- Commit to balance your work and home lives.
- Keep co-workers informed about how you intend to meet your obligations on time.
- Recognize and aim to reduce the stresses of the new situation.
- Optimize your stamina. Eat well. Stay hydrated. Exercise regularly.
- Communicate, communicate, communicate. Map out and share plans for the day and week ahead with everyone at home. Ask them to do the same.



¹ Inspired by "5 Tips To Balance Remote Working While Your Family Is Also At Home," Forbes (March 15, 2020).

Is Roth 401(k) investing right for you?

KDC offers State employees the opportunity to plan for tax-free income in retirement through after-tax contributions now.

Here's how it works:



When you contribute to the KDC Roth 401(k) plan, **you pay taxes immediately.**



Your contributions are invested as you **direct** through KDC and potentially grow through investment earnings.



Withdrawals taken after you reach **age 59½ will be tax-free** if the account has been funded for at least five years.

The KDC Roth 401(k) plan accepts catch-up contributions up to IRS annual limitations and accepts direct rollovers from another Roth 401(k) plan, Deemed Roth IRA or non-KDC Roth IRA.



Learn more about KDC's Roth 401(k)

Read "Roth 401(k) Accounts" under Investment Basics in the Library at KDC's website, kentuckydcp.ky.gov.

To see how KDC's Roth 401(k) compares with the four other plan types we offer, consult our Plan Comparison Chart, found inside "Plan types" under Planning for Retirement in the Library at KDC's website, kentuckydcp.ky.gov.



Your IRS Required Minimum Distribution is waived in 2020. Contact us with any questions.

Actions of the Board of Trustees

At the regularly scheduled quarterly meeting on September 25, 2020, the Authority Board of Trustees (Board) took the following actions:

- Approved the minutes of the June 26, 2020, regular meeting, as submitted;
- Approved the new investment fund structure.

Fund	Current Fund Balance (*9/21/2020)	Action	Status
Fidelity Growth Fund	\$439 M	RETAIN	as LC Growth Option
Fidelity Contrafund	\$378 M	REMOVE	MAP to Vanguard Institutional Index Fund as LC Core Option
JP Morgan Eq. Inc. Fund (OIEJX)	-0-	ADD	as LC Value Option
TRowe Mid-Cap Eq Gro	\$367 M	RETAIN	as SMID Growth Option
Vanguard Ext Mkt (VEMPX)	-0-	ADD	as SMID Core Option
Vanguard Small Cap Index	\$53 M	REMOVE	MAP to SMID Core
Vanguard Mid-Cap Index	\$92 M	REMOVE	MAP to SMID Core
AMG GW&K	\$46 M	REMOVE	MAP to SMID Core
EDGE/Principal SMID Div Inc Fund (PMDHX)	-0-	ADD	as SMID Value Option
PIMCO All Asset Fund	\$2.4 M	REMOVE	MAP to TDF
DFA Int'l Fund	\$19 M	REMOVE	MAP to Dodge & Cox Int'l Fund
Vanguard Total Int'l Stock Index Fund	\$8 M	REMOVE	MAP to American Funds
Aberdeen Emerging Markets Fund	\$17.4 M	REMOVE	MAP to American Funds
Vanguard TIPS Fund	\$20.6 M	REMOVE	MAP to Metwest Tot Ret Bond Fund

- Set the next quarterly meeting date for Friday, December 18, 2020, at 10:00 a.m. in the DEI Training Room at the State Office Building, 501 High Street, Frankfort, Kentucky. This meeting will be conducted via video teleconference to be in compliance with Governor Beshear's COVID Executive Order.



For further information on these items, please call William C. Biddle, Executive Director, at 1-800-542-2667.

Calendar of events:

HOLIDAYS - OFFICE CLOSED

NOVEMBER 3, 2020
PRESIDENTIAL ELECTION
KDC OFFICE CLOSED

NOVEMBER 11, 2020
VETERANS DAY
KDC OFFICE CLOSED

NOVEMBER 26-27, 2020
THANKSGIVING
KDC OFFICE CLOSED

DECEMBER 24-25, 2020
CHRISTMAS
KDC OFFICE CLOSED

DECEMBER 31, 2020
& **JANUARY 1, 2021**
NEW YEAR'S
KDC OFFICE CLOSED

EDUCATIONAL WEBINARS

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

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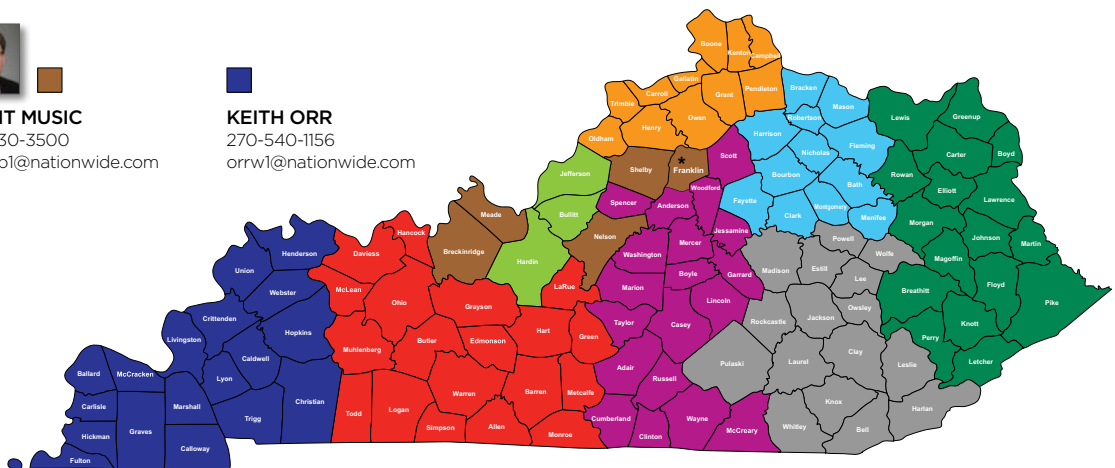
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NRM-19247KY-KY (09/20)

