

Start the new year off by planning for retirement readiness

Most industry experts agree that workers seeking a comfortable retirement should consider ways to supplement their future pension and Social Security benefits with savings or investments. We call this process “retirement readiness.”

Retirement readiness is a big-picture assessment of how likely you are to reach your financial goals for retirement. It takes into account:

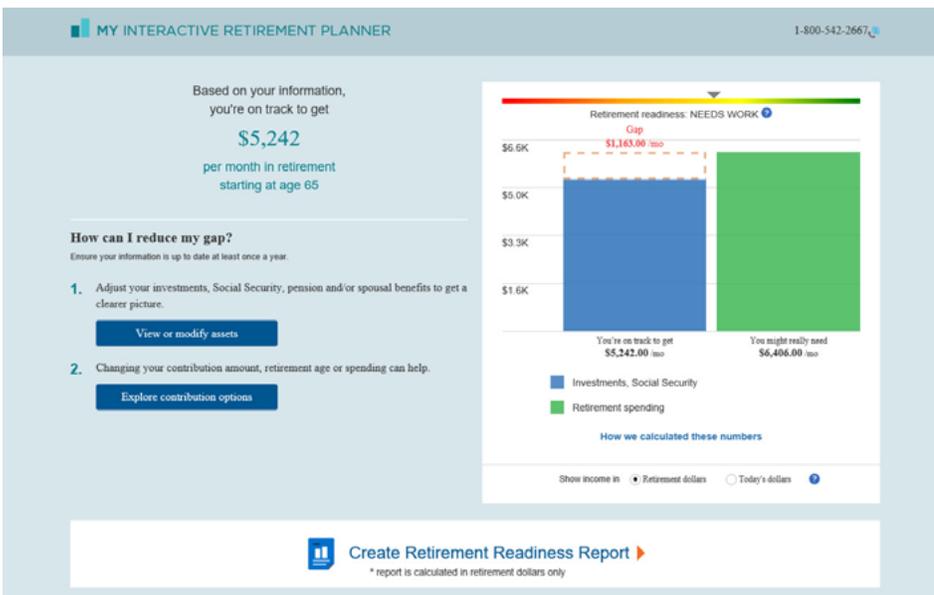
When you plan to retire

Resources for retirement income

How much you're saving

Your long-term investment strategy

One of the easiest ways to get started on or improve your retirement readiness is by using KDC's Planning Tool.



We've made knowing your retirement readiness even easier.

We enhanced your planning experience to encourage you to become even more engaged with My Interactive Retirement PlannerSM, our retirement readiness tool. Now, when you log in to your KDC retirement account, you'll see a projected monthly income amount.

If you haven't already used the tool, you may be asked to help refine your income projection by providing information about your pension and Social Security benefit.

If you're not sure of each benefit amount, the tool will help you estimate them.

In just a few minutes, you can also:

- **Add information about your other financial assets**
- **Select your desired retirement lifestyle and see how it may affect your budget**
- **Experiment to see how decisions you make now could impact your future**

You can model the effects of increasing your contribution at regular intervals to find an amount that's comfortable. Then, using the tool's auto increase feature, you

can set an increase amount that will go into effect in the period you specify. You'll be notified when each annual automatic increase goes into effect.

When you've added your information into the tool, you can generate your personalized Retirement Readiness Report for future reference and discussions with your KDC Retirement Specialist.

Log in to your account at kentuckydcp.com and use our enhanced My Interactive Retirement Planner.

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Is your investing keeping up with the times?

One of the benefits of Kentucky Deferred Comp is that you control how you participate — you're in charge. However, over time, life seems to change everything. What was a good investment strategy not long ago may no longer be aligned with your long-term plans.

We work hard to provide you with a menu that offers the most appropriate investment options for long-term savings needs. It is organized to give you control over how actively you invest.

Tier 1:

For participants who want to choose one fund and let the fund manager make the rest of the decisions

Tier 2:

For participants who seek to replicate the performance of a specific market index

Tier 3:

For participants who want to take an active role in managing their investments

Tier 4:

For participants who want to invest in specialty funds

While our tiers are designed to help participants make decisions that are best for them, you are not locked into any decision. You can revise your investment decisions at any time.

If it's been awhile since you've reviewed your investment strategy, a new year offers a good opportunity to do so. Start by downloading our Spectrum of Investment Options from our website. The Spectrum offers a complete discussion of all the funds available for investing through the Plan.



Contact your KDC Retirement Specialist listed on Page 4 of this newsletter to request an annual review.

Contribution limits have been increased for 2020

Effective January 1, 2020, the contribution limits increased as follows:

Contribution category	Annual amount ¹
Regular deferral limit	\$19,500
Age 50-plus deferral limit	\$26,000
Special 457(b) catch-up	up to \$39,000

We recognize that not everyone can afford to contribute to the maximum limit. However, even a little bit more could have you crossing the finish line in better financial condition for retirement.

For help as you consider how much more you may be able to contribute to your Plan account, your investment strategy or any aspect of retirement, contact your KDC Retirement Specialist listed on Page 4 of this newsletter or call 1-800-542-2667 anytime Monday through Friday between 8 a.m. and 11 p.m.



Do you qualify for a Saver's Credit?

You might be eligible for a federal tax credit just by deferring to your KDC account. The Saver's Tax Credit rewards low- and moderate-income taxpayers, who meet certain qualifications, for saving for retirement. To learn more about it, look for the Saver's Tax Credit Limits link under Important Plan Updates and Announcements on the home page at kentuckydcp.com.

¹ "401(k) contribution limit increases to \$19,500 for 2020; catch-up limit rises to \$6,500," Issue Number IR-2019-179, Internal Revenue Service (November 6, 2019).

Important items to note



Form 1099-R

If you took a withdrawal or rollover from your Kentucky Deferred Comp account during 2019, we will mail IRS Form 1099-R to you by January 31. Call us if you have not received your Form 1099-R by February 17.



Ask for an annual review

January 1 to April 15 is tax season. This period is also a good time to get an annual review of your Kentucky Deferred Comp account. Contact your KDC Retirement Specialist to discuss increasing deferrals, rebalancing your investments, updating your beneficiaries or changing your contact information.



If you have questions about any of this information, call 1-800-542-2667 anytime Monday through Friday between 8 a.m. and 11 p.m.

Information everywhere, all the time

Investors now have more information at their fingertips than ever before. Not only is much of this data easily searchable and readily accessible, it is also available in real time and from far-flung regions of the world, across time zones and through language barriers.

The proliferation of digital media came just as investors took on greater responsibility for their financial future through 457(b), 401(k), 403(b), IRA and other types of retirement plans.

It's important for investors to read news with an objective eye. For many broadcasters and publishers of financial news and information, their purpose is attract viewers or subscribers in order to secure more paying advertisers. In many cases, nothing attracts individual investors more than bad news.

Before making investment changes based on breaking news, consider contacting a Kentucky Retirement Specialist. We cannot offer investment, tax or legal advice, but we can help you understand and analyze your options.

% of social media users who gets new on specific platforms

	2013	2017
Twitter	52%	74%
Facebook	47%	68%
YouTube	20%	32%

Source: "News Across Social Media Platforms," Pew Research Center (Sept. 7, 2017).

Actions of the Board of Trustees

At the regularly scheduled quarterly meeting on December 13, 2019, the Authority Board of Trustees (Board) took the following actions:

- Approved the minutes of the August 23, 2019, regular meeting, as submitted;
- Approved the 401k and 457 Plan amendments to include the auto enrollment provisions, updated provisions for veterans' rights, and implement the new IRS hardship regulations.
- Approved the Plan amendment to include the new reduced Pro-Account fee from 55 basis points to 50.
- Set the next quarterly meeting date for Friday, March 27, 2020, at 10:00 a.m. in the DEI Training Room at the State Office Building, 501 High Street, Frankfort, Kentucky.



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

Calendar of events:

HOLIDAYS

January 20th
Martin Luther King, Jr. Day
KDC Office closed

April 10th
Good Friday
KDC Office Closed one-half day

QUARTERLY BOARD OF TRUSTEES MEETING
March 27, 2020

EDUCATIONAL WEBINARS

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

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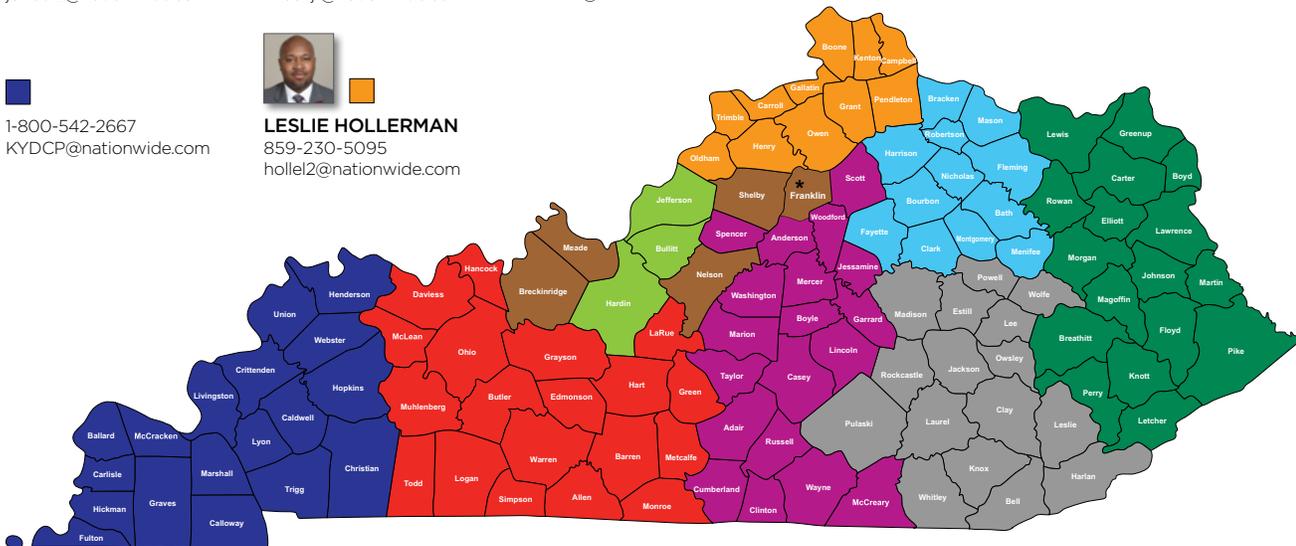


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