

Your future. Your plan.

Start the new year off with a Financial Wellness review

Most industry experts agree that workers seeking to be “financially well” at retirement should consider ways to supplement their future pension and Social Security benefits with savings or investments. Most often, your big-picture assessment of how likely you are to reach your financial goals for retirement takes into account:



When you plan to retire



Resources for retirement income

One of the easiest ways to improve your financial wellness is by using KDC's planning tool, My Interactive Retirement PlannerSM. When you log in to our website, you may be asked to help refine your income projection by providing information about your pension and Social Security benefit.



How much you're currently saving



Debt you expect to carry into retirement

Within minutes, you'll be able to 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.



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

Contact your [KDC Retirement Specialist](#) to request a free Account Review of your KDC account.

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Investment options enhancements coming First Quarter 2021

As shared in our Third Quarter 2020 quarterly newsletter (available at kentuckydcp.ky.gov), enhancements to our available investment options will be made at the end of the First Quarter 2021. Our hope is that these changes continue to help you build a personalized investment portfolio that is most appropriate for your individual retirement goals.

Our ongoing investment review conducted as part of our responsibility to participants and the Commonwealth revealed an over-concentration in growth fund options, which can happen over time. The KDC Board of Trustees therefore decided to restructure the plan offerings to provide a more diverse investments menu with an enhanced structure.



Reduction in assessed investment fees

Combined, participants will save almost \$3.2 million per year

More of your contributions remain invested, working for you longer term



Less opportunity for investment risk

With fewer overlapping funds, your account has more potential to be diversified



Simplified lineup

We made it easier for you to select funds

What to expect

On or around March 16, 2021, several fund closures and the assets within these funds will be moved to different investment options. In addition, three new fund choices will be added to the Plans' investment lineup. A preview of the new fund lineup is featured below.

Closing funds include

- Vanguard Small-Cap Index Fund
- Vanguard Mid-Cap Index (Instl)
- Vanguard Total International Stock Index Fund (Instl)
- Vanguard Inflation Protected Securities Fund (Instl)
- Fidelity Contrafund
- AMG GW&K Small-Cap Core Fund (Class Z)
- PIMCO All Asset Fund (Instl)
- DFA International Small Company Fund
- Aberdeen Emerging Markets Fund (Instl)

No action on your part is required

If you have assets in or are making deferrals into a modified fund, the appropriate changes will automatically occur and can be viewed on your KDC online account (kentuckydcp.ky.gov) or your First Quarter 2021 statement. And, as always, you have full control over your investment selections and can make changes at any time.

LARGE CAP		
Growth Fidelity Growth Company (FGKFX – change to share class K)	Core Vanguard Institutional Index (VIIIX)	Value NEW JPMorgan Equity Income (OIEJX)
SMALL-MID (SMID) CAP		
Growth T. Rowe Price Mid-Cap Equity (PMEGX)	Core NEW Vanguard Extended Market Index (VEMPX)	Value NEW Principal Small-MidCap Dividend Income Fund (R6) (PMDHX)
INTERNATIONAL		
Growth American Funds EuroPacific (RERGX)	Value Dodge & Cox International Stock (DODFX)	
FIXED CONTRACT	BONDS	
Stable Value Fund (FCF3)	Vanguard Total Bond Market Index (VBTIX) MetWest Total Return (MWT SX) Invesco Gov't Short Term (AGPXX)	

VANGUARD TARGET RETIREMENT FUNDS	
Retirement Income (VITRX) Target Date: 2010 and prior years	Retirement 2040 (VIRSX) Target Date: 2036-2040
Retirement 2015 (VITVX) Target Date: 2011-2015	Retirement 2045 (VITLX) Target Date: 2041 - 2045
Retirement 2020 (VITWX) Target Date: 2016-2020	Retirement 2050 (VTRLX) Target Date: 2046-2050
Retirement 2025 (VRIVX) Target Date: 2021 - 2025	Retirement 2055 (VIVLX) Target Date: 2051-2055
Retirement 2030 (VTTWX) Target Date: 2026-2030	Retirement 2060 (VILVX) Target Date: 2056-2060
Retirement 2035 (VITFX) Target Date: 2031-2035	Retirement 2065 (VSXFX) Target Date: 2061-2065
BALANCED FUND	
Vanguard Wellington Fund (VWENX)	



Watch for detailed communications, coming in your mail and at kentuckydcp.ky.gov in February 2021.

KDC is dedicated to superior participant service

Getting assistance with your account is easy. Often, you can resolve your need within seconds just by going to kentuckydcp.ky.gov. There, you can find our Retirement Specialist territory map and contact information, forms, and information on a variety of “how-to” topics. Reminder: Our in-person services are being conducted virtually and our Frankfort-based Internal Retirement Specialist Desk is available to help.

Investment strategies, investment options, retirement planning, account reviews

Request a virtual one-on-one appointment with your KDC Retirement Specialist listed below. Reminder: Our Frankfort-based Internal Retirement Specialist Desk is available to help, too, particularly when your local Retirement Specialist might be booked. Just call 1-800-542-2667.

Beneficiary designations, loans, unforeseeable emergency withdrawals, account information updates, password resets

Our customer service team is available between 8 a.m. and 11 p.m. ET Monday through Friday at 1-800-542-2667.



Helpful hints for easier browsing of our website

- Clear your web browser’s cookies regularly
- If you use Internet Explorer (IE), consider using Chrome or another browser
 - IE is no longer being updated
 - We continually update our links and information, which IE may not easily track

KDC Retirement Specialist Directory



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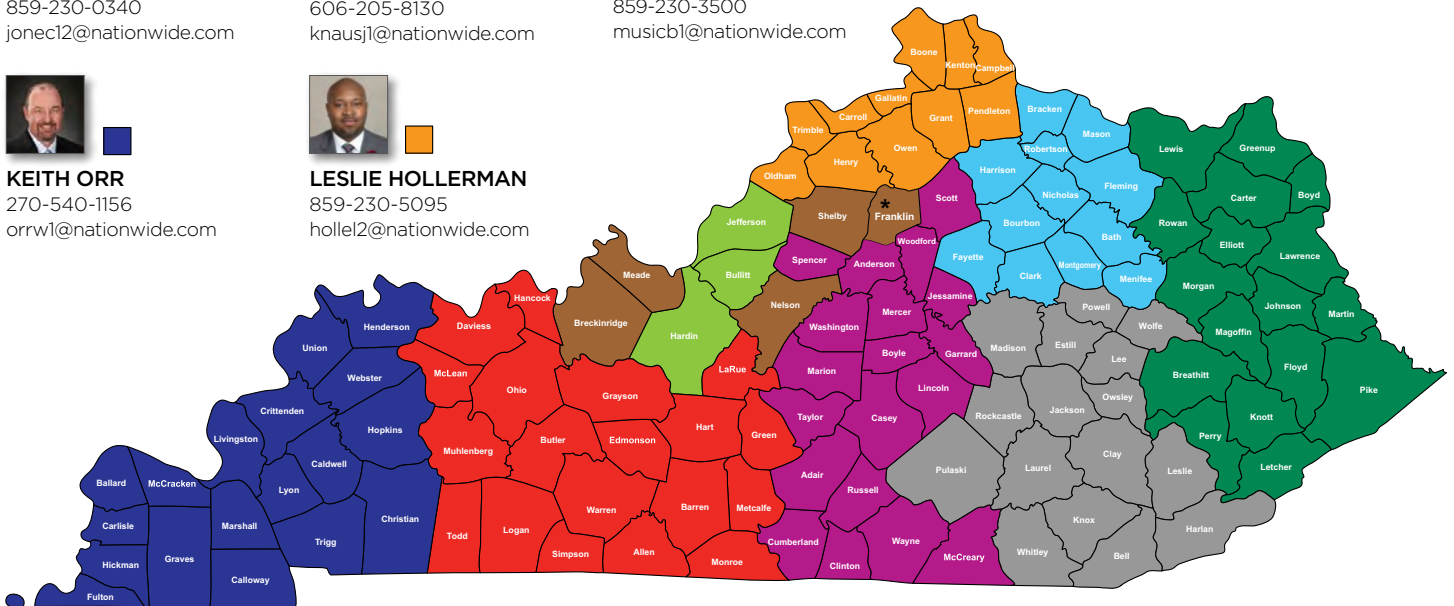
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All investing is subject to risk, including the possible loss of the money you invest. Asset allocation and diversification do not ensure a profit or protect against a loss. Before investing in any fund please consider its investment objectives, risks, 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.

Retirees:

RMDs return in 2021 with an important change

You may recall that just before the end of 2019, Congress enacted the Setting Every Community Up for Retirement Enhancement Act, better known as the SECURE Act. **That law raised the age to begin required minimum distributions (RMDs) to 72 for all participants who had not yet begun receiving RMDs.**

However, in late March 2020, the federal government signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act. **Among its many provisions was one that waived RMDs for 2020.** That waiver expired at the end of calendar year 2020, so the age 72 change applies again.

If you are or will turn age 72 in 2021 and had not begun receiving RMDs prior to the CARES Act waiver going into effect, remember that **Kentucky Deferred Comp will compute your RMD amount and send it to the address you specify annually** for as long as you continue to participate in KDC.

Improve your retirement account security



KDC takes the security of your assets and personal information seriously. We have incorporated strong safeguards against fraud into our website and systems.

But hackers can be clever

Using information gathered elsewhere, they attempt to create online accounts in the names of participants who have not already established one.

Your best defense is to go on the offensive

It's easy:

- Go to kentuckydcp.ky.gov
- Select "Login Help & Sign Up"
- Click on "Sign Up for an Online Account"

In just minutes, you can establish a user profile that will help reinforce the virtual firewall we've built to keep hackers out.

Actions of the Board of Trustees

At the regularly scheduled quarterly meeting on December 18, 2020, the Authority Board of Trustees (Board) took the following actions:

- Approved the minutes of the August 24, 2020, regular meeting, as submitted;
- Approved acceptance of the CLA audit report as submitted;
- Approved adoption of Fidelity Growth K share (FGKFX) to replace the current share class (FDGRX), resulting in a 22% fee reduction equating to about \$700,000 back to participants; these savings are in addition to the \$2.5 million in fee reductions gained from the investment restructuring
- Set the next quarterly meeting date for Friday, March 26, 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.

Calendar of *events*:

HOLIDAYS - OFFICE CLOSED

MONDAY, JANUARY 18, 2021
MARTIN LUTHER KING JR. BIRTHDAY
KDC OFFICE CLOSED

FRIDAY, APRIL 2, 2021
GOOD FRIDAY
KDC OFFICE CLOSED 1/2 DAY

EDUCATIONAL WEBINARS

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

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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