

## Start off the new year with an account review

When it comes to retirement planning, there may be no better philosophy than this: "The only constant in life is change."

Over time:

- Portfolios change
- Retirement plan options change
- Personal needs change



Marriage



Raise



Birth



Promotion



Divorce

Your priorities may have changed over time and decisions you made just a few years ago may no longer apply. An annual review of your KDC account can help you make course changes to your portfolio, adjust according to changing personal needs and take advantage of opportunities you may not have otherwise considered. Your KDC Retirement Specialist will gladly work with you to:

- Revisit your long-term strategy
- Re-assess your level of risk
- Rebalance your portfolio
- Review and update your beneficiary designations
- Identify your projected assets at retirement

To get started reviewing your retirement account, contact your KDC Retirement Specialist or call 800.542.2667.

## Follow your path to retirement

Take charge of your future



## New Health Care in Retirement video

See page 3 for more information.



## IRS Contribution Limits increase in 2018

See page 2 for more information.



## Contribution limits increase for 2018

Understanding IRS contribution limits is important, especially when your goal may be to contribute the maximum. Even if you cannot defer the maximum, increasing your contribution a little each year can help you reach your retirement goals.

Single Plan IRS Contribution Limits for 2018			
Plan	Maximum Elective Deferrals	Age 50 Catch-up	457(b) Special Catch-up
457(b)	\$18,500	\$6,000	Up to \$37,000
401(k)/Roth 401(k) Combined Limit	\$18,500	\$6,000	N/A
IRA (Traditional & Roth) Combined Limit	\$5,500	\$1,000	N/A

Combined 457(b)/401(k) Plans Contribution Limits for 2018		
Age	Combined Maximum	With 457(b) Special 3-year Catch-up*
Less than age 50	\$37,000	Up to \$55,500
If age 50 or over	\$49,000	Up to \$61,500

\*Remember a 457(b) Plan participant CANNOT elect to use both the special catch-up and the age 50-and-over catch-up in the same year.

### Why defer the maximum?

Deferring the annual maximum can lower your taxable income, so you might owe less in taxes.

Compounding — the sooner you put money into your account, the more time it has to compound and grow.

Source: <https://www.irs.gov/newsroom/irs-announces-2018-pension-plan-limitations-401k-contribution-limit-increases-to-18500-for-2018>



## Thank you!

In October, over 3,000 of you helped KDC by completing our annual Participant Satisfaction Survey. We absolutely appreciate you taking the time to share your honest opinions and thoughtful suggestions. We are excited to view the results and plan to use this information to make KDC even better for you in 2018.

# Picture the retirement you want

According to 2016  
PLANSPONSOR  
Participants, **just 28%**  
of employees have a  
retirement goal.<sup>1</sup>



Use My Interactive Retirement  
Planner<sup>SM</sup> to set your goal.

<sup>1</sup> 2016 Participant Survey, PLANSPONSOR (April 2016)

## Relevant information, when you need it most

Be on the lookout for new, informative emails from KDC. In partnership with Nationwide®, we are bringing you communications designed to give personalized education at each phase of your retirement planning journey. Whether you're a new enrollee or a tenured participant nearing retirement, these communications provide valuable information, tools, and options to consider that can potentially lead to better retirement outcomes.

We get it—life gets very busy. And retirement planning can quickly fall off the radar. These proactive emails will help you keep tabs on your retirement. We want everyone to enter retirement confidently. Messages can include topics like:

- **Increasing Contributions**— See how impactful even a small contribution increase can be to help ensure you will have enough money for retirement.
- **Financial Literacy**— We'll take a topic that seems complex and break it down, which can help you make better financial decisions.
- **Healthcare**— We can help you understand the importance of planning for healthcare needs in retirement.
- **Online Planning Tools**— We'll highlight tools and calculators that can help you in your planning—they're quick and easy to use.

And after each interaction, we hope you emerge more confident about your retirement plan.



## Planning for Health Care in Retirement—video live now

In case you missed this live presentation at one of our 2017 expos, we have recorded and posted it on the KDC website. Dave Harris of the Nationwide Retirement Institute® explains the importance of planning for what's likely to be one of your biggest retirement expenses—Health Care. Dave helps to simplify:

- How health care costs can impact your retirement income
- What Medicare covers and what costs you pay out-of-pocket
- What planning options you can use to prepare for these expenses

As a KDC participant, another great benefit available to you is a personalized estimate of your retirement health care costs. Visit [www.kentuckydcp.com](http://www.kentuckydcp.com) and click on the web banner titled “Uncover the impact of health care costs in retirement” to watch this important video and to obtain the Health Care Fact Finder Form.

# Actions of the Board of Trustees

At its regularly scheduled quarterly meeting on December 15, 2017, the Authority Board of Trustees (Board) took the following actions:

- Approved the minutes of the September 15, 2017, regular meeting, as submitted;
- Accepted CliftonLarsonAllen's (CLA) Plan Audit Report regarding the Authority's Plans and Trusts for the fiscal years ended June 30, 2017 and 2016. The opinion rendered by CLA was unmodified, or "clean";
- Accepted legal counsel's recommendations to adopt the proposed amendments to the Authority's 401(k) and 457 Plans as presented;
- Accepted legal counsel's recommendation to adopt the proposed Fiduciary Liability insurance policy renewal which provides protection coverage against personal liability for the Board of Trustees;
- Accepted legal counsel's recommendation to adopt the new Investment Management Agreement (IMA) with Invesco as presented, replacing the Invesco IMA which expires December 31, 2017;
- Accepted legal counsel and Authority staff's recommendation to adopt Amendment #3 to extend the June 30, 2018 expiring NRS contract for the 2nd of two (2) separate additional two (2) year-periods beginning July 1, 2018 and ending June 30, 2020; and
- Set the next quarterly meeting date for Friday, March 16, 2018, at 9:00 a.m. at the Authority office, 101 Sea Hero Road, Suite 110, Frankfort, Kentucky.

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

# Calendar of events:

## Holidays

January 15, 2018  
Martin Luther King, Jr. Day  
KDC Office closed

March 30, 2018  
Good Friday  
KDC Office closed  
one-half day

## Quarterly Board of Trustees Meeting

March 16, 2018 at  
9:00 a.m. ET

## Educational Webinars

For topics and to reserve your spot, visit the KDC Events page at [www.kentuckydcp.com](http://www.kentuckydcp.com)

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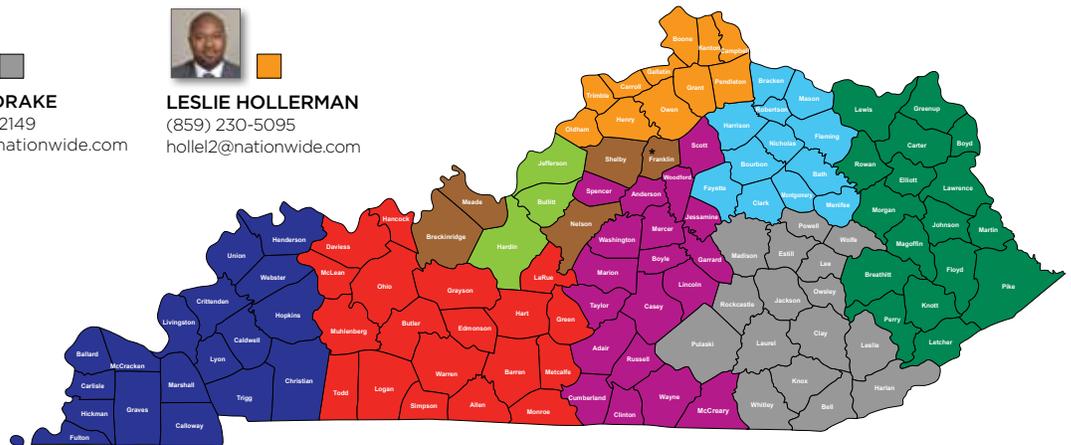
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