City of Milwaukee
Deferred Compensation Plan
Financial independence. It starts today.

City of Milwaukee Deferred Compensation Plan Newsletter

Second Quarter 2019

Tips for keeping your account secure

Protecting your personal information can reduce your risk of identity theft. You are your best first line of defense against fraud. But the worst thing you can do is nothing. In fact, that's exactly what scammers and fraudsters are counting on you to do. Here are some precautions you can take to help keep your online retirement account safe.

- Register your account. This allows you to set up a unique username and password and make sure your email and phone number are used for correspondence and authentication purposes.
- Change your password regularly. Use a unique password that's a mix of upper and lower case letters, numbers and special characters.
- Open statements and transaction confirmations immediately to verify all activity on your account, such as contributions, withdrawals and transactions. To receive account information faster, sign up for electronic delivery of statements and other regulatory documents.
- Take care of your computer and mobile devices. Install the latest operating system, patches, antivirus and antispyware software.
- Don't use an automatic login feature that saves your username and password; always log off when you're finished viewing your account.
- When you access your account in an airport, library, hotel or other public place, make sure you're using a secure wireless network so your information is protected.

Online security isn't just for your retirement account(s). Use these tips for any account you have that could be susceptible to identity theft. Don't put off what you can do today to protect yourself!

4 things to consider when planning for special needs

It's easy to get overwhelmed with the task of planning for a lifetime of care for a loved one who isn't fully able to support him or herself. Financial planning for special needs families involves making plans for medical expenses, caretaking, and preserving the loved one's government benefits. Ultimately, when it comes to developing a sound financial plan, there is no "one-size-fits-all" strategy.

With proper planning, families can protect their loved ones and help secure their well-being today and tomorrow. It's also important to understand what resources are available. Here are some big-picture planning steps you should consider with your family.

Carefully consider who is named as beneficiary(ies)

Any funds and assets for loved ones with special needs that amount to more than $2,000 could affect their eligibility for means-tested government support. Consider setting up a special needs trust for the benefit of the family member with disabilities or special needs and naming it as the beneficiary of your retirement accounts, life insurance policies, and other financial accounts in your name. Keeping assets in a special needs trust can be used to pay for goods or services that are in the beneficiary's best interest, while also maintaining the beneficiary's eligibility for government assistance programs.

Extend your support with the employee assistance program

One of the most commonly overlooked and underused employee benefits is the employee assistance program (EAP). These programs may offer helpful assistance, information and solutions for a variety of personal situations. Many times accommodations also are made to serve individuals who have disabilities or other special needs.

Save money today with health care spending accounts

Insurance doesn't cover all of a family's health care expenses so it's good to save money in an account that has tax advantages.

Work with a specialized financial planner

A trained financial planner with special needs planning experience can help families learn about and understand their options. Together, you can put a financial strategy in place with a clear roadmap for a brighter tomorrow.

Neither Voya® nor its affiliated companies or representatives provide tax or legal advice. Please consult a tax adviser or attorney before making a tax-related investment/insurance decision.

Managing the hefty price tag of healthcare costs

With all the advances in medicine and technology, it's no surprise that people are living much longer than before. Medical breakthroughs don't come cheap, though. The rapid rise of health care costs could have a large impact on your quality of life in retirement. In fact, health care continues to be one of the largest expenses in retirement. Future retirees are going to need more money in order to get through those extra years.

Save and save again

Unfortunately, health insurance doesn't cover all of your medical expenses. As a result, some workers are tempted to tap into their retirement plan savings account before they should. The best way to prepare for future healthcare costs, as well as any other financial situation, is to save as much as you can, today.

Consider the City's Flexible Spending Arrangement (FSA) and Health Reimbursement Account (HRA)

Take advantage of both the City's Flexible Spending Arrangement (FSA) to help save for health care costs, tax-free, as well as up to $350 ($700 if your spouse completes the program) in a Health Reimbursement Account (HRA) you can earn via the City's Healthy Rewards program. Both accounts can be used to save on taxes and pay for qualified medical, prescription, dental and vision expenses.

Choose in-network providers

Going outside of your health plan provider's network to a non-participating doctor could result in an expensive – and avoidable – medical bill. When you visit in-network providers, you get access to the lower rates that they've negotiated with your health plan.

Use medical expense deductions

Medical expenses can take a bite out of your budget, especially if you have unforeseen emergencies that are not fully covered by your insurance. The IRS allows taxpayers some relief, making some of these expenses partly tax-deductible. If you incur extraordinary medical expenses in one year, you can deduct from your taxable income the medical costs that exceed 10% of your adjusted gross income (AGI).

Healthcare costs are likely to be a significant part of your retirement budget.

If you haven't already factored these costs into your retirement, you may want to consider planning for it. The sooner you prepare, the better off you could be.

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Earn Healthy Rewards Points!

Attend a Financial Wellness Session and earn 5 Healthy Rewards Points! Visit DER's Bulletin of Courses for more information at **www.milwaukee.gov/der/training**.

Meet with a Local Voya Rpresentative and earn 10 Healthy Rewards Points! Schedule a one-on-one appointment at **www.milwaukeedcp.com**.

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Keep your beneficiary designations current and updated

Check the beneficiary designations for your account at least once a year. If there's been a change in your personal situation, such as a marriage, divorce, birth/adoption or a death in the family, you may need to change your beneficiary information to reflect your intentions. It's important to not only name beneficiary(ies) for any new accounts, but to also maintain that election as life events dictate.

You've worked hard to save these assets to create a legacy for your loved ones. Make sure that legacy is left to all those you intend to share it with. Please note that naming an entity other than an individual as your beneficiary may have implications on the IRS required minimum distribution payments to beneficiaries. We encourage you to speak with a tax advisor before naming an entity as your beneficiary to help you understand the full implications of your decision.

Regularly checking the beneficiary designations of all your accounts is a good, responsible practice. It's the right thing to do for the people who will be counting on it in case of the unexpected. Start the habit with your retirement plan account. You can review and make changes to your beneficiary information any time. It's easy to name or update your beneficiary, log into your account and select Personal Information > Add/Edit Beneficiary.

Don't delay. Do it today!

Accessing Your Account

Log on to **www.milwaukeedcp.com**

Call **844-360-MDCP** (6327)

Use our online scheduling tool at **www.milwaukeedcp.com** or call **414-286-5541** to book a one-on-one appointment with a local Voya representative

quarterly calendar

Transactions made on these dates when the New York Stock Exchange (NYSE) is closed will be processed the following business day that the NYSE is open:

- Thursday, July 4
  Independence Day
- Monday, September 2
  Labor Day