

Michigan Public School Employees' Retirement System

Pay yourself first.



If you are like most Americans, you pay your bills as soon as you get paid and treat what's left as disposable income. After all, that's what it's for, right? Not exactly.

To grow your wealth, you'll want to pay yourself first. This is how many wealthy people manage their finances. They pay themselves first with a specific amount of money immediately into savings, and then live off of what's leftover. That's how wealth grows. Learn how to take small steps today to help you build toward more wealth later.

So how do you actually pay yourself first when you have so many bills?

If you get a raise this year, the first thing you can do is increase your pre-tax contributions to your **State of Michigan 401(k) & 457 Plan** account. Even a small increase to your pre-tax contributions can have a big impact on retirement and because it's automatic, you won't even notice the difference in your take-home pay.

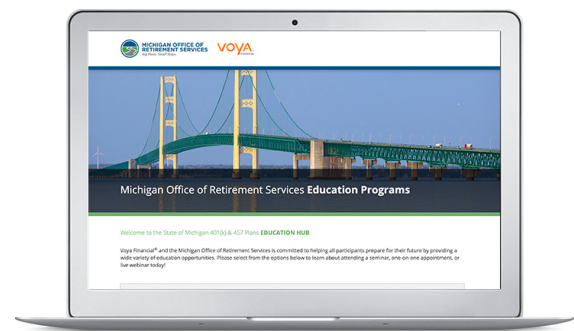
Paying yourself first and saving more sounds easy, right? But what about those bills? How can you save even a little more if your bills are larger than your income?

Consider this:

1. Make sure you have a budget and know where your money goes. Then, prioritize your expenses and trim some of your spending if you can. Keep your expenses low and set realistic savings goals to find more to save.
2. If you come up short to pay bills, resist dipping into your savings as a bailout. It may solve a short-term problem, but it creates more challenges to your long-term goals. Find ways to increase your income. For example, you

could sell unwanted items, start a side gig, or take a part-time job. Then, resolve to live by your budget and regularly monitor your monthly spending.

3. What about debt? While you continue to pay your normal bills, make it a priority to focus on getting out of debt. Watch a 2-minute video on how to prioritize debt and make a plan to eliminate it: **Spending and savings series: prioritizing debt.**



As you find new ways to create income or manage expenses, we can help. Visit stateofmiplanseducation.com to schedule a personal appointment with a Voya rep in the Michigan-based education office to review your Plan account(s) and create a plan that pays yourself first with pre-tax contributions. Together, we can help you create a healthier, and hopefully wealthier, future.

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Life happens.

Here's how to prepare financially.

How much emergency savings do you have?

The pandemic caused many Americans to realize their emergency savings was not sufficient. Did you know up to 46 million people depleted whatever emergency savings account they had?¹ And that is just counting those who had emergency savings at all! The good news is that, despite this, a majority of Americans surveyed have learned from the pandemic and are seeking to get back on track. Sixty-six percent agree that they are now better prepared for future emergencies and 62 percent are saving more in order to cover future unexpected expenses.²

Savings rates are at an all-time high.

The biggest priority shift from this past year is that, regardless of cash flow circumstances, 69% of Americans agree that they have become more of a saver than a spender over the past six months.² Even saving the smallest amount consistently can add up over time. Starting with a \$500 or \$1,000 savings goal for emergencies is achievable if you set your mind to it – and set up a budget.

Where can you start?

The online **budget calculator** can help you gain insight using the 50/30/20 rule, which budgets your spending and saving to 50% needs, 30% wants, and 20% savings. Grouping basic needs and wants can help you maximize your ability to save. A budget can also help you prioritize and personalize a new spending and savings plan based on your current situation.

Watch a 2-minute video on how to build an emergency fund: **Spending and savings series: establishing an emergency fund**. Together, we can help you prepare for when life happens, unexpectedly.

¹ NBCnews.com, 46 million Americans wiped out their emergency savings during the pandemic — How to turn it all around in 2021, <https://www.nbcnews.com/know-your-value/feature/46-million-americans-wiped-out-their-emergency-savings-during-pandemic-ncna1254073>, last accessed March 11, 2021

² Based on the results of a Voya Financial survey conducted through Ipsos on the Ipsos eNation omnibus online platform among 1,004 adults aged 18+ in the U.S. (including 534 who are currently working). Research was conducted Nov. 19-20, 2020.

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Review your beneficiary



Designate who will be the beneficiary of your retirement savings, so the state you live in will not have to. Log in to your account and go to **Personal Information > Add or update your beneficiary** today!

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:

- **Monday, September 6, 2021**
Labor Day



Protect your legacy and your loved ones

What is life insurance?

If you have a family or loved ones who depend on you financially, life insurance can help you protect them. If something happens to you, the death benefits a life insurance policy provides can help them meet their future financial needs.

What does life insurance matter?

We all want to protect our families, especially when we are no longer there. Although death benefits are closely associated with life insurance, did you know there are life insurance products that also offer living benefits? An Indexed Universal Life policy, for example, can offer cash value for emergencies, riders for medical or long-term care expenses and flexible options to supplement retirement income. Life insurance can be an important part of your future financial strategy for you and your family.

Once you're adequately protected, you should think about estate planning.

Is estate planning for everyone?

Estate planning is not just for the rich. Your estate is basically everything you own at the time of death. If you don't decide where it goes, the state will. Putting everything in writing and in one place can help keep your estate in the hands of your loved ones. You may wish to consult with a legal professional to review your estate planning needs and help build a holistic plan for your life and for your loved ones when you're no longer here.

Where do you stand financially?

You can measure your current level of protection by visiting stateofmi.voya.com to log into your account and take a financial wellness assessment. Just click Financial Wellness at the top of your account home page, above the orange money dollar bill. The assessment takes less than five minutes to complete. It can help you gauge where you stand on the six pillars of financial wellness, including protection. With your plan in place and organized, you are more prepared to help protect everything and everyone that matters most to you.

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