

## Public School Employees

### It may be time for your financial checkup

Most of us have a vision of our best retirement. As priorities in life change, it's a good idea to check-in on your retirement plan account to see if you are on track. Here's a checklist of some things you can do on your way to a healthier retirement.



#### PLAN

##### Check to see if you can replace at least 70 percent of your current income in retirement

Log in to your account and use the myOrangeMoney® interactive educational online experience. It will show you how your current retirement savings may translate into future monthly income in retirement. Remember, to periodically check back to see if you are on track.

##### Measure your financial health

Log in to your account and click *Financial Wellness* to take a quick interactive financial wellness assessment to learn where to improve your money habits and take the next best steps to get well fast.

##### Empower yourself

Take advantage of education and tools available to you. The State of Michigan 401(k) & 457 Plans Education Hub at [stateofmiplanseducation.com](http://stateofmiplanseducation.com) provides all of the Plan-specific education offered each quarter. Register for a 1-on-1 Plan account review and live webinars. Voya Learn at [voya.com/voyalearn](http://voya.com/voyalearn) offers live sessions and on-demand videos, all designed to help you achieve the financial future you envision.

Use Voya's new Budget Calculator at [voya.com/tool/budget-calculator](http://voya.com/tool/budget-calculator) to keep your spending – and your savings – on track! The calculator uses the 50/30/20 approach and suggests putting 50 percent of your after-tax income toward things you need, 30 percent toward things you want, and 20 percent toward savings. Using this tool, you can create a personalized budget and you'll also have the ability to download a pdf or excel file of your budget and access to practical tips to help you stretch your income.

#### INVEST

##### Manage your investments as you age

When is the last time you checked your investment mix? Are your investments still aligned with your age and the length of time you have left to save? Be sure to periodically review your investments, especially as you near retirement.

##### Catch-up if you can

If you are 50 years or older, consider taking advantage of annual catch-up contributions that allow you to defer an additional \$6,500 for retirement savings into your 457 Plan in 2021. See the 2021 IRS limits below or visit [voya.com/irslimits](http://voya.com/irslimits) for the IRS contribution limits for the year.

#### PROTECT

##### Keep your account secure

Practice safe cyber habits and log in regularly to review your account at [stateofmi.voya.com](http://stateofmi.voya.com). If you have never logged in, click the "Register Now" button and follow the on-screen instructions. Regularly accessing your account will protect it under Voya's S.A.F.E. Guarantee program and enable Voya to restore the value of your account should any unauthorized activity warrant it.

##### Pitch the paper and help the planet

Log in to your account and go to *My Profiles > Communication Preferences* to provide an email address and update your communication preferences for notifications and electronic delivery of account information so you can help save the environment while you save for retirement.

##### Start the New Year right

Log in to your account at [stateofmi.voya.com](http://stateofmi.voya.com) 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, January 18, 2021**  
*Martin Luther King, Jr. Day*
- **Monday, February 15, 2021**  
*Presidents' Day*

# 2021 contribution and catch-up limits

The Internal Revenue Service announced the limits on the amounts you may contribute in 2021.




	457 Plan	401(k) Plan
Maximum Annual Contribution	\$19,500	\$19,500
Defined Contribution Plan 415 Limit*	--	\$58,000
Maximum including Age 50+ Catch-Up	\$26,000	\$26,000
457 Three-Year Traditional Catch-Up**	Up to \$39,000	--

You may contribute up to the maximum in both the 401(k) and 457 Plans. Beginning in the year in which you will reach age 50, you are allowed to contribute an extra \$6,500 with the Age 50+ Catch-Up option, for a total of up to \$26,000 per plan.

\*The Section 415 Limit is the combination of your total employee and employer contributions to the 401(k) Plan.

\*\*If you are a 457 Plan participant who is within three years of the year of your elected normal retirement age (as defined in the 457 Plan document), you may be eligible to contribute up to \$39,000 to the 457 Plan for three consecutive years prior to the year in which you will reach normal retirement age under the 457 Three-Year Traditional Catch-Up. Since this catch-up option takes into account your prior contributions, call **800-748-6128** for help with calculating the amount available to you under the 457 Three-Year Traditional Catch-Up. **You may not use both the Age 50+ Catch-Up and the 457 Three-Year Traditional Catch-Up options under your 457 Plan in the same tax year, but can use whichever catch-up is greater.**

## Connect with us:

-  **Web** – [stateofmi.voya.com](http://stateofmi.voya.com)
-  **Mobile** – Search Voya Retire
-  **Phone** – Questions? Call 517-284-4422

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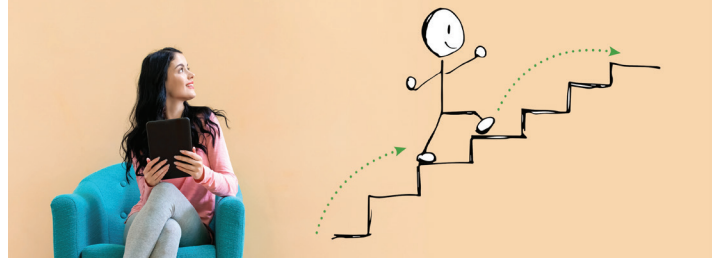
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## Small Steps springs forward



The Small Steps annual pre-tax savings rate increase is “springing forward” to just before daylight savings time and will occur with the first available payroll period in March 2021. This increase will continue to occur in the first payroll period in March going forward. The Small Steps program helps eligible participants set aside more for their future by increasing their contribution rate by 1 percent a year until their savings rate reaches the target savings rate of 15 percent of gross compensation (not including the employer’s matching contribution). To learn more, call the Plan Information Line at **800-748-6128** Monday – Friday, 8:00 a.m. to 8:00 p.m., except on stock market holidays.

## Required Minimum Distributions reminder

You are required by law to begin annual withdrawals, called Required Minimum Distributions (RMDs), from both your 401(k) and 457 Plan accounts and from other employer-sponsored retirement plans by April 1 of the year following the year in which you reach age 72 or in the year you retire, whichever is later. Subsequent RMDs must be taken by December 31 each year. If you do not take all or a portion of your RMD by the required deadline, you may be subject to a 50 percent IRS penalty tax on the amount not taken on time, even if you withdraw it later.

**Note:** If you terminated employment and had turned age 70½ in 2019 or earlier, the new RMD starting age does not apply to you, even if your first RMD would have been payable by April 1, 2020. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) waived the obligation for such individuals to take both the initial RMD (for the 2019 tax year if the individual had not yet taken that RMD and would have been required to do so by April 1, 2020) and the subsequent RMD (for the 2020 tax year that would otherwise have been required to be taken by December 31, 2020).

In October, Voya Financial® will send letters to 401(k) and 457 Plan participants and eligible beneficiaries who may need to take an RMD based on the birth dates and employment status on file with Voya. If you have questions regarding RMDs, talk with your financial advisor or call the Plan Information Line at **800-748-6128** Monday – Friday, 8:00 a.m. to 8:00 p.m., except on stock market holidays.