



NV

Retiring Minds Want to Know

Financial Education Workshop

your
retirement

Objectives

- How much income will you need to replace in retirement?
- How much can and should you contribute to the Nevada Deferred Compensation (NDC) Plan?
 - Consider your age and number of service years
- What do you need to be thinking about when you are:
 - 10 years, 5 years, 3 years, 1 year, 6 months, and 1 month out from your estimated retirement date
- To roll over or not to roll over? That is the question
- Discuss current NDC Investment platform



How much will you need to retire?

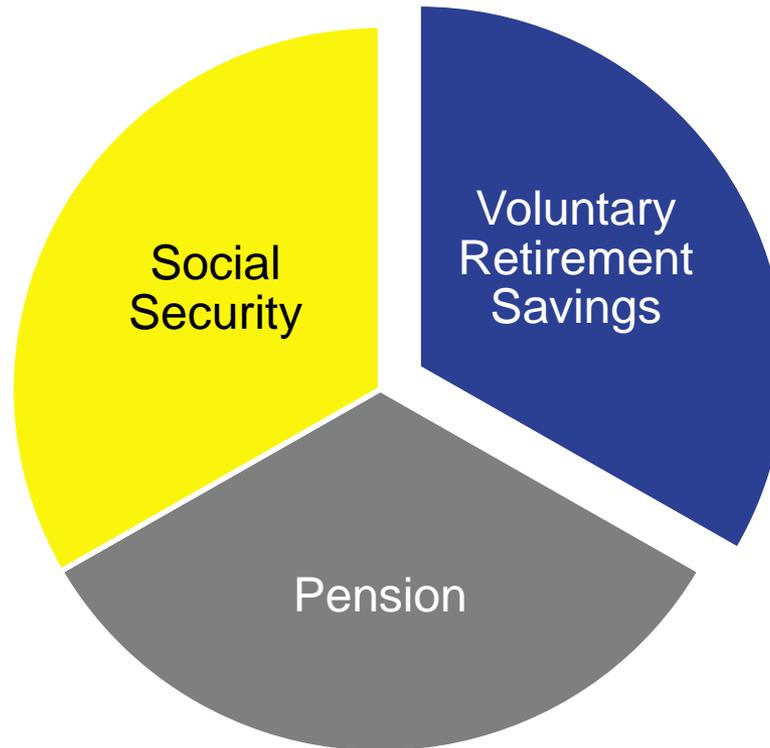
You will need to replace at least

70%

of your current income in
retirement



Where will retirement income come from?



Average NV PERS Monthly Benefit*



Regular Members

- **Age:** 68
- **Service:** 19.10 years
- **Salary:** \$5,427/month
- **Benefit:** \$3,101/month
- **57.14%** Income Replacement

\$2,326 Difference

Police/Fire Members

- **Age:** 61
- **Service:** 22.55 years
- **Salary:** \$8,589/month
- **Benefit:** \$5,736/month
- **66.78%** Income Replacement

\$2,853 Difference

**Source: NV PERS Annual Financial Report
for period ending June 30, 2021.*

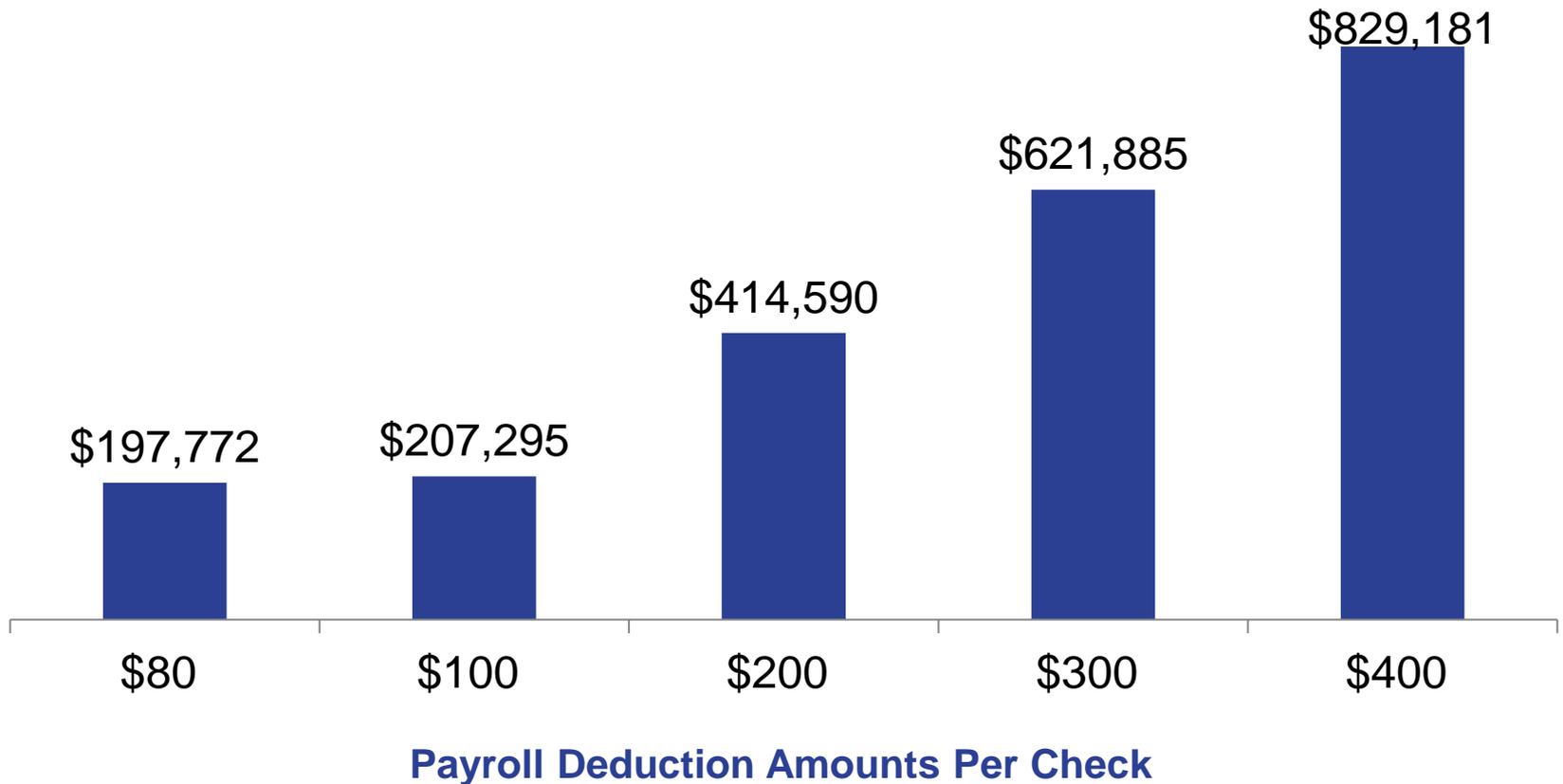
How do you compare?

Eligible employees as of September 31, 2021

Age Range	Participants in NDC	Average NDC Account Value	Average Bi-Weekly Contribution
Age Range	Participants in NDC	Average NDC Account Value	Average Bi-Weekly Contribution
Age 30 and Under	1,043	\$4,495	\$71
Ages 31-40	3,069	\$14,123	\$123
Ages 41-50	3,639	\$37,002	\$181
Ages 51-60	4,255	\$70,806	\$257
Age 61 and Over	4,501	\$118,229	\$323

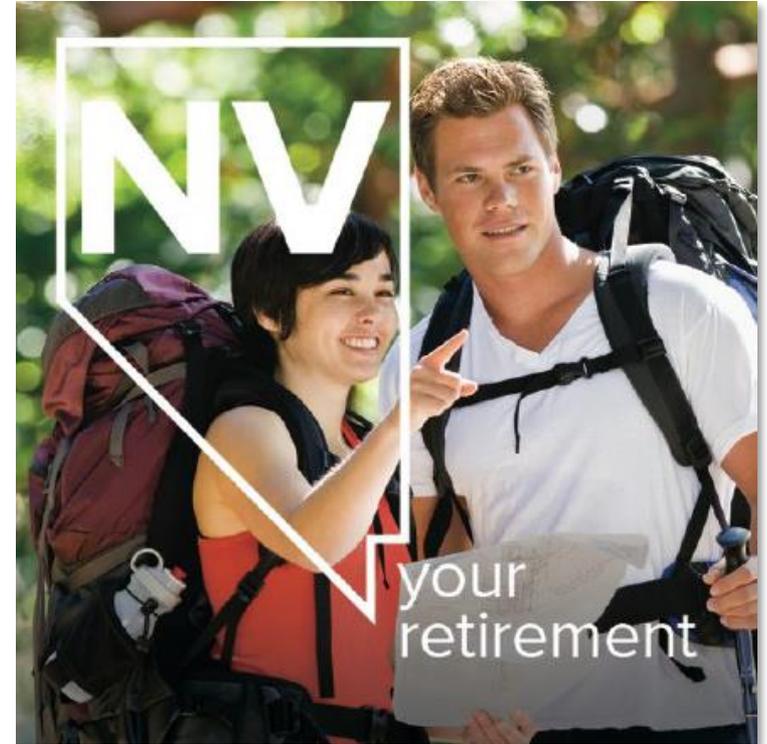
What does your NDC contribution per pay period look like over 25 years?

Assuming a hypothetical 8% return on your NDC account



What is the NDC Program?

- NDC is a *voluntary* tax-deferred retirement savings plan
- The Plan has been adopted pursuant to Nevada Revised Statute (NRS) 287.250 – 287.370, and Internal Revenue Service (IRS) Code Section 457(b).
- NDC is one of your voluntary benefits offered through the State of Nevada
- NDC is designed to increase your personal savings for retirement
- NDC serves as an essential supplement to your NVPERS pension or other retirement plan



Saving for retirement with the NDC Plan

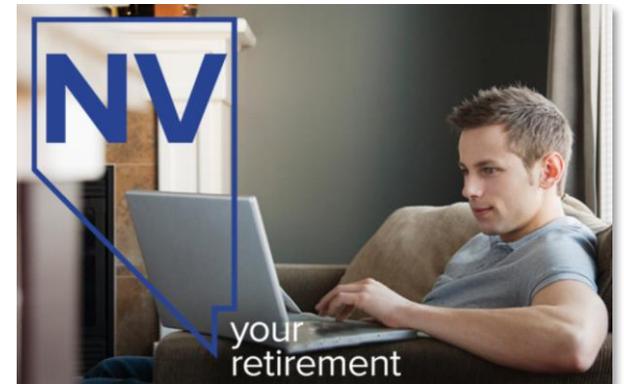
Saving in the NDC Plan is voluntary and can be changed at any time.

- Minimum contribution is \$35.00 per bi-weekly pay period or \$70.00 a month up to the annual IRS contribution limit
- [Annual Contribution Limits](#) (Click links to see current Contribution limits)
 - Contribution limits are set annually by the IRS and can change year-to-year
 - Visit voya.com/irslimits for updates to annual IRS contribution limits
- [Age 50+ Catch-Up](#)
 - If you reach age 50 anytime within the current calendar tax year, you can contribute an additional amount above and beyond the regular annual deferral limit (Click links to see current Contribution limits)
- [Special 457\(b\) Catch-Up provision](#) (Pre-Retirement 3-Year Catch-Up)
 - Available only in the 3 consecutive years prior to reaching your normal retirement age.
 - Participants cannot use both the Age 50+ and Special 457(b) Catch-Up provisions in same year
 - Participants must pre-qualify for the Special 457(b) Catch-Up (Pre-Retirement 3-Year Catch-Up) and complete/submit a 457(b) Special Catch-Up Calculation Worksheet verifying their qualification (*Participants are encouraged to contact the NDC Administrative office or an Authorized State of Nevada Voya Financial Advisor Representative for assistance with this process up to three years in advance of their retirement date).

Holistic planning for your retirement date

Look at the big picture when preparing for retirement. Retirement isn't all about making financial decisions. Look at retirement holistically.

- **Retirement** – NV PERS, Social Security, Nevada Deferred Compensation, IRAs, retirement plans from former employers, other pension plans, etc.
- **Estate Preservation Plan** – Living trust, will, Power of Attorney, health care directives, guardianship provisions, etc.
- **Health Protection Plan** – Retiree health insurance options, life insurance, long term care insurance, self-funded options, etc.
- **Reinventing your life** – Downsizing your home, starting another career, educating yourself, volunteering, traveling, starting a new business venture, pursuing new opportunities, etc.



Early in your Career: 20 - 30 years out from retirement

When you are early in your career, but no more than 10 years out from your estimated retirement age, consider the following:

- Determine what your estimated number of years you anticipate working.
- Set up and start contributing to the Nevada Deferred Compensation Program; even if you start with the minimum of \$35 per paycheck.
 - Every time you get a merit-step increase, change positions for higher pay, or promote, contribute 50% or more of your income increase to Deferred Comp, (extra income you haven't even seen yet, so it's easy)
 - **#1 complaint from employees:** *"I wish I would have started my deferred comp account sooner and/or contributed more of my increases!!!"*
 - **What we never hear:** *"I wish I hadn't started that Deferred Comp. Plan and saved the money I have it!!!"*
- Regularly review your NDC account and determine what you need to do to meet your estimated future monthly retirement replacement income goal; It will likely Change as you go through your career

10 years out from retirement

When you are more than 10 years out from your estimated retirement age, consider the following:

- Schedule a Pension Review with NV PERS and determine what your estimated benefit may be based on the number of years you anticipate working.
- Register an account online with Social Security and determine what your estimated benefit may be (if applicable).
- Estimate how much monthly income will be generated from NV PERS, Social Security, or other outside retirement accounts you may have (if applicable).
- If you haven't already, determine what percentage of your current income you will need to replace every month in retirement.
- Do you have a retirement income gap?
- Review your NDC account and determine what you need to do to meet your monthly retirement replacement income goal.
- Consider developing, executing, and properly funding an Estate Preservation Plan and Long-Term Health Care Plan, as needed.

5 years out from retirement

When you are about 5 years out from your estimated retirement age, consider the following:

- Evaluate your current NDC contribution amount
- Take advantage of the Age-50 Catch-up provision if you qualify
- Review your beneficiary designations for all financial accounts to ensure it aligns with your Estate Preservation Plan
- Review your asset allocation to determine if your current investments align with your risk preference and investment horizon
- Schedule a reoccurring automatic account rebalance, if necessary
- Review your current debt-to-income ratio
- Determine if your estimated income replacement in retirement will be able to cover your outstanding debt obligations
- Develop a 5-year plan to reduce your debt before retirement

3 years out from retirement

When you are about 3 years out from your estimated retirement age, consider the following:

- Evaluate your current NDC contribution amount to meet your income replacement goal
- Take advantage of the Age-50 Catch-up provision or initiate the Special 3-Year Catch-up provision, if you qualify
 - Call the NDC Plan Information Line for information about your catch-up contribution options and to complete the required 3-Year Special Catch-up form
- Review your asset allocation to determine if your current investments align with your risk preference and investment horizon
- Schedule a reoccurring automatic account rebalance, if necessary
- Review your plan to reduce your debt before retirement

Catch-up Options

Remember, you may defer vacation, annual, comp-time, and unused sick pay from your final payout up to the annual IRS contribution limit.

Age-50 Catch-up allows participants age 50 or older to contribute an additional amount to the annual deferral limit.

Special 3-Year Catch-up allows a participant to contribute the underutilized amount up to double the current annual deferral limit - The provision can only be initiated in the 3 consecutive years prior to your established normal retirement age.



1 year out from retirement

When you are about 1 year out from your estimated retirement age, consider the following:

- Evaluate your current NDC contribution amount to meet your income replacement goal
- Take advantage of the Age-50 Catch-up provision or initiate the Special 3-Year Catch-up provision, if you qualify
 - Call the NDC Plan Information Line for information about your catch-up contribution options and to complete the required Special 3-Year Catch-up form
- Review your asset allocation to determine if your current investments align with your risk preference and investment horizon
- Schedule a reoccurring automatic account rebalance, if necessary
- Review your debt reduction plan
- Review your estate preservation plan to make sure everything still meets your and/or your spouse's needs

6 months out from retirement

When you are about 6 months out from your estimated retirement age, consider the following:

- Notify NV PERS of your intended retirement date
- Request a retirement estimate and NV PERS application packet
- Evaluate your current NDC contribution amount to meet your income replacement goals.
- Take advantage of the Age-50 Catch-up provision and/or the Special 3-Year Catch-up provision, if you haven't already
- Make sure that the Special 3-Year Catch-up worksheet is on file with NDC's contracted recordkeeper and your payroll center as you prepare for your final pay
- Review the progress of your debt reduction plan and consider the impact of any remaining date on your retirement income plan

1 month out from retirement

When you are about 1 months out from your estimated retirement age, consider the following:

- Complete and submit a NDC Payroll Contribution Change Form to direct the final payout of your accrued unused sick and vacation time to your designated payroll center
- Call the NDC Plan Information Line to discuss your options to distribute NDC assets, as needed
- **WARNING** – Be prepared to deal with outside representatives who will want you to transfer your assets to products or strategies that they offer outside of the NDC Program. Remember, you do not have to withdraw your NDC account just because you have retired.
- Complete the NDC “To Roll or Not to Roll” worksheet to compare the NDC with other savings account options

To roll or not to roll

Questions to Ask Broker/Insurance Agent	NDC Answer	Broker/Insurance Agent Answer
What is the Plan's recordkeeping, compliance, and administrative cost?	\$10.25 / quarter	
What are the fund management/operating expenses?	Avg. 0.23%	
Is there a contract maintenance fee?	NO	
Is there a withdrawal fee?	NO	
Do the available investments represent a broad array of asset allocation categories?	YES	
Does your proposed rollover account include the services of a licensed financial guidance professional without additional cost?	YES	
Would the proposed rollover account be at risk if your company went bankrupt or became insolvent?	NO	
Can my money be accessed at any age without penalty, fee or cost after retirement or termination from the State?	YES	
Are there commissions to be paid on the new investments? If so, what are they?	NO	
Are there commissions I do not see, such as on investment products like annuities and back-end loaded funds?	NO	

Advantages to rolling tax-deferred accounts into your Nevada Deferred Compensation Plan

Rolling out is an option, but so is rolling in outside accounts!

What qualified plans can you roll into the NDC?

IRA, 403(b), 401(k), and other 457(b) accounts



What are the advantages of rolling other qualified accounts into the NDC?

You can take advantage of the pricing and guaranteed interest rates of being a part of a large State retirement program



Required Minimum Distributions (RMDs)

- Give your money the opportunity to grow in the NDC Plan and begin taking required minimum distributions beginning in the year you turn age 72
- The IRS requires RMDs begin by April 1 following the year you turn age 72 or the year you retire, whichever is later
- 50% IRS penalty if you fail to take a required minimum distribution on time



Can you withdraw money from your NDC account?

If you are still employed by the State, you may withdraw from your NDC account:

- At age 72
- For an approved unforeseen financial emergency
 - You must qualify through the Recordkeeper and are subject to IRS guidelines outlined in the NDC Plan Document)
- As a small inactive account withdrawal
 - If you have not contributed to the NDC Plan for 2 or more years and have less than \$5,000 in your account, you may take advantage of the one-time provision
- For service credit purchase
 - If you have verified with NVPERS the cost of your additional years of service, you may use pre-tax NDC money to purchase these additional years of service credit



Stay invested in the NDC Plan

- Pre-tax contributions and earnings stay tax deferred – you don't pay taxes on the money until you need to use it
- Take advantage of the institutional pricing
- Changes in investments can be made at any time
- Assets remain liquid with no restrictions or fees for distributions
- You don't have to pay excessive administration cost or commissions to Agents or Financial Planners
- Rollovers into your NDC account are allowed at any time
- NDC's Investment Consultant provides investment oversight of the NDC Core Investment Options



Investment flexibility in the NDC Plan

- You can choose to invest your contributions, in 1% increments up to 100%, in any combination of investment options.
- You can do it yourself by actively or passively managing your investments. You may design your own asset allocation from the core menu of individual investment options in the NDC lineup. An index fund is available in each asset class for participants who desire a passive investment strategy.
- Retirement Date Funds are also available for participants who are unsure how to allocate their investments or want to select an investment approach that automatically incorporates an asset allocation strategy. The Vanguard Target Retirement Date Funds are based on an assumed retirement age of 65.
- Transfers may be requested by calling the Plan Information Line toll-free at **(855) GO-RET-NV** (467-3868). All transfer requests received prior to the close of the New York Stock Exchange (normally 1:00 p.m. PT) will be processed at the business day's closing price.

Target Date Funds List

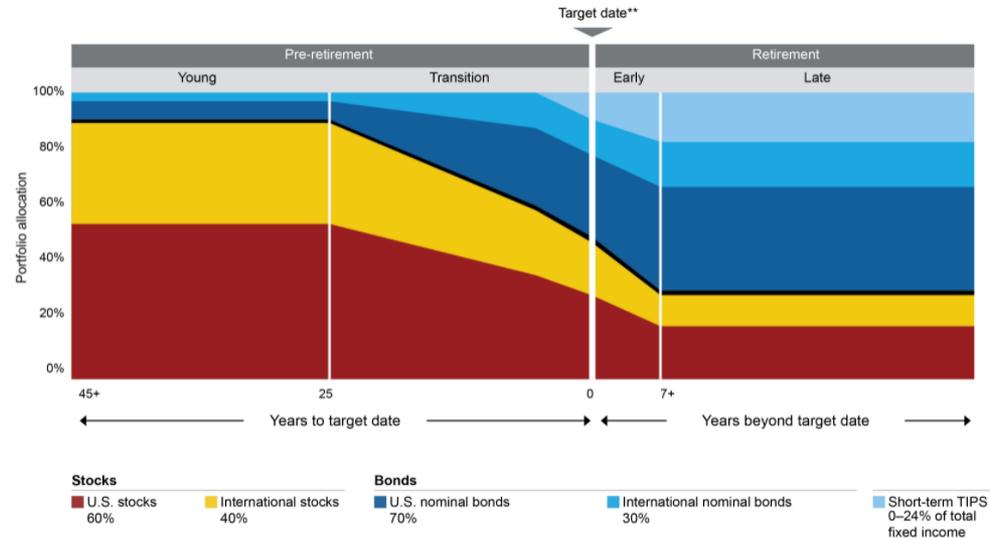
Each Target Retirement Date Fund is a complete, diversified portfolio that is appropriate for the time period of today out to the year in the fund's name and is designed as a stand-alone investment option.

- Vanguard Institutional Target Retirement 2020 Fund – Collective Investment Trust
- Vanguard Institutional Target Retirement 2025 Fund – Collective Investment Trust
- Vanguard Institutional Target Retirement 2030 Fund – Collective Investment Trust
- Vanguard Institutional Target Retirement 2035 Fund – Collective Investment Trust
- Vanguard Institutional Target Retirement 2040 Fund – Collective Investment Trust
- Vanguard Institutional Target Retirement 2045 Fund – Collective Investment Trust
- Vanguard Institutional Target Retirement 2050 Fund – Collective Investment Trust
- Vanguard Institutional Target Retirement 2055 Fund – Collective Investment Trust
- Vanguard Institutional Target Retirement 2060 Fund – Collective Investment Trust
- Vanguard Institutional Target Retirement 2065 Fund – Collective Investment Trust
- Vanguard Institutional Target Retirement 2070 Fund – Collective Investment Trust
- Vanguard Institutional Target Retirement Income Fund – Collective Investment Trust

Target Date Funds

Each fund automatically gets more conservative in its investment mix (meaning fewer stocks and more bonds) as you get closer to your retirement year.

- **IMPORTANT:** If you choose to use a Target Retirement Date Fund, it's suggested that you pick a single Target Retirement Date Fund and direct your balance and future contributions into that one fund. Investing in multiple Target Retirement Date Funds or adding individual core funds to the mix may disrupt your diversification and risk level.



Get help with your investments

Investment advice is available to you in the NDC Plan through Voya Retirement Advisors (VRA), powered by Financial Engines.

- **Speak to a VRA Representative**

Get personalized advice from an investment advisor by calling **(855) GO-RET-NV** (467-3868) weekdays from 5:00 a.m. to 6:00 p.m., PT., except on stock market holidays. There is no additional charge to speak with a VRA representative.

- **Online Advice**

Online advice — available at no additional cost — is a service designed for individuals who prefer to manage their own account but want some professional guidance along the way. Online advice provides you with investment suggestions and shows you how changes to your retirement and other savings goals may affect your potential retirement income. If you have questions about the Online Advice service, you can speak with a VRA Representative at no additional charge.

- **Professional Management**

The Professional Management program powered by Financial Engines — available for an additional fee based on your NDC account balance — lets you work with a VRA Representative who will review your retirement savings and investments, walk you through a personal assessment, suggest changes to your Plan investment choices and savings amounts, manage your account on an ongoing basis, and provide Quarterly Retirement Updates. For more information on Professional Management and to speak with a VRA Representative, please call **(855) GO-RET-NV** (467-3868).

Nevada Public Employees' Deferred Compensation Plan (NDC)

We are located in the Nevada State Library and Archives Building

100 North Stewart Street, Suite 100
Carson City, Nevada 89701



Micah Salerno



Rob Boehmer



Lynda Thomassen

Contact us about the NDC Plan

NDC Administrative Office

Phone: (775) 684-3398 or 3397

Fax: (775) 684-3399

Online: defcomp.nv.gov

Email: deferredcomp@defcomp.nv.gov

NDC Plan Information Line

Phone: **(855) GO-RET-NV** (467-3868)

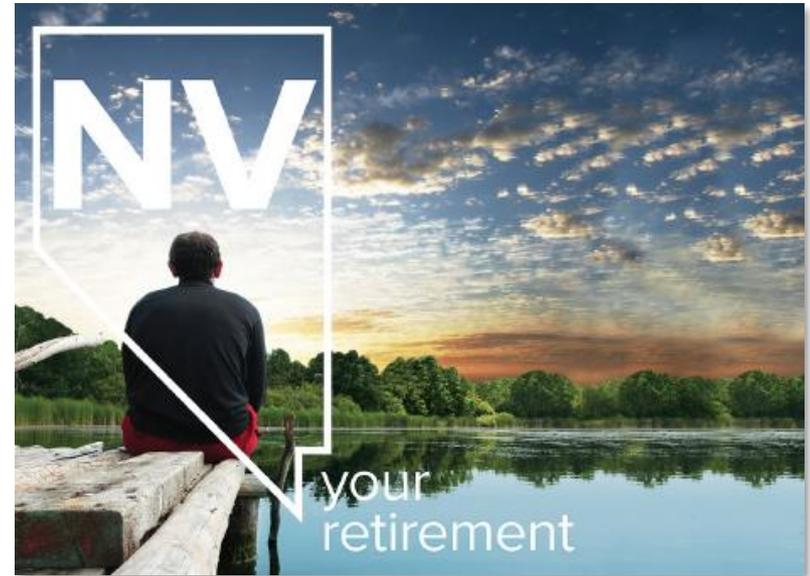
Hours: Weekdays between 5:00 a.m. – 6:00 p.m. PT,
except stock market holidays

Online: nevada.beready2retire.com



Now is the time!

- Enrolling is easy – complete the EZ Enrollment Form from **defcomp.nv.gov** or enroll online at **nevada.beready2retire.com**
- Don't put off until tomorrow what you can do today.” – Benjamin Franklin
- Increase or change your contribution – use the NDC Payroll Contribution Form
- Call the NDC Administrative Staff or the NDC Plan Information Line with any questions





Thank you