

Creating a balanced spending plan

Planning for retirement is an important goal. But competing financial priorities can often get in the way, such as reducing debt or saving for a home. How do you make it all work?

Start with the fun part! Write down what matters most to you. How you want to spend your time. Where you want to live. When you want to retire.

Of course, few of us have unlimited wealth to pay for everything we dream about. We have to decide what's important and what we can live without. Thinking about it upfront can help you figure out where to trim your spending and save more.

Start by categorizing your expenses into needs, wants and savings.

Needs

are the essentials, such as housing, utilities, food, medical care, credit card and auto loan payments.

Wants

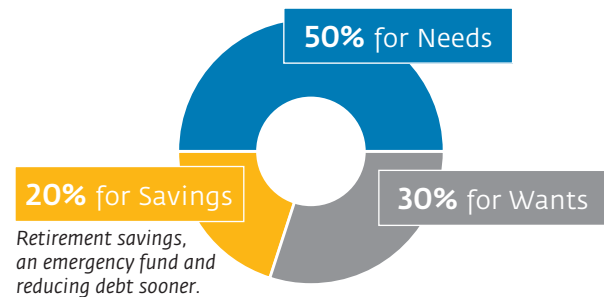
are lifestyle choices, such as entertainment, vacations and eating in restaurants.

Savings

are an emergency fund, retirement savings and extra payments toward debt.

When you have competing needs and wants, it can be difficult to determine how much money to spend or save. You could use financial software or online budgeting tools to get organized.

Or you could consider the 50-30-20 guideline described by Senator Elizabeth Warren (D-MA) and her daughter, Amelia Warren Tyagi, in their book, *All Your Worth: The Ultimate Lifetime Money Plan*. Using their approach, your after-tax income would be divided in three ways:



Applying the 50-30-20 percentages to each paycheck could make it simpler to create your spending plan and make saving automatic — plus still leave room for enjoying your money.

How you get your finances in order is up to you. These guidelines are just one way to help you get started. Taking action now is what matters most. The sooner find and commit to a plan that works for you, the more money you can free up to accomplish what you want now and for your future.

Required Minimum Distributions reminder

You are required by law to begin annual withdrawals, called Required Minimum Distributions (RMDs), from your eligible IRAs and employer-sponsored retirement account(s) by April 1 of the year following the year in which you reach age 70½ or in the year you retire, whichever is later. If you do not satisfy your RMD amount 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. For more information, call the Plan Information Line or talk with your financial or tax adviser.

2019 contribution and catch-up limits

The Internal Revenue Service has increased the limits on the amounts participants may contribute to retirement plans in 2019.



Maximum Annual Deferral (401k and 403(b) Plans*)	\$19,000
Maximum Annual Contribution (457(b) Plans)	\$19,000
Maximum including Age 50+ Catch-Up**	\$6,000
Maximum including Three-Year Special 457(b) Catch-Up	Up to \$38,000

Beginning in the year in which you will reach age 50, you are allowed to contribute an extra \$6,000 with the Age 50+ Catch-Up, for a total of up to \$25,000. If you are a 403(b) participant who is eligible for both the 15 Years of Catch-Up and the Age 50+ Catch-Up in the same year, the Internal Revenue Code requires that you first contribute the maximum permitted under that year's 15 Years of Service Catch-Up before contributing under the Age 50+ Catch-Up. Since the 15 Years of Service Catch-Up takes into account your prior deferrals, please work closely with your employer to calculate the catch-up amount available to you.

If you are within three years before the year in which you will reach Normal Retirement Age defined by the 457(b) Plan, you may be eligible to contribute up to \$38,000 with the Three-Year Special 457(b) Catch-Up. Since the Three-Year Special 457(b) Catch-Up takes into account your prior contributions, please work closely with your employer to calculate the catch-up amount available to you.

Remember, if you participate in a governmental 457(b) plan and are eligible for both the Special 457 Catch-Up and the Age 50+ Catch-Up in the same year, IRS rules provide that you cannot use both in the same tax year and must use the catch-up that lets you defer the greater amount.

* Certain 403(b) participants who have at least 15 years of service with their current employer may be eligible to defer up to an additional \$3,000 if permitted under the 403(b) plan.

** Available to participants in 401(k), 403(b), and governmental 457(b) plans.



IMPORTANT: The illustrations or other information generated by the calculators are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. This information does not serve, either directly or indirectly, as legal, financial or tax advice and you should always consult a qualified professional legal, financial and/or tax advisor when making decisions related to your individual tax situation.

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Spend time with your account to kick off the New Year

Your Plan account offers features to help you plan for your retirement and other priorities. Make a fresh start in the New Year!

See where you stand and take action if you need to by logging into your account today.

Click Financial Wellness to take an assessment. When you're done, you'll see how you score on the six pillars of Financial Wellness and what you can do about it. The dashboard is personalized with guidance to help you focus on areas to improve.

Check myOrangeMoney® to see the income you'll likely need each month in retirement. You'll see the progress you've made towards the goal and determine if you need to change how you're saving or investing.

Pull together all your financial information in one place. To use your Personal Financial Dashboard, click **Organize my \$\$** under the dollar bill graphic on your account home page. Then follow the steps to enter your information and get started. The tool can then update your information automatically, so you always have a current view of your complete financial picture.



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 21, 2019
Martin Luther King Jr. Day
- Monday, February 18, 2019
Presidents' Day