Good news for your future! Lower fees effective July 1, 2020

The CalPERS 457 Plan is constantly reviewed to ensure that it best serves those currently participating and those who will do so in the future. As part of newly negotiated contracts with our investment manager and plan administrator, CalPERS is pleased to announce that the costs associated with investing in 457 Plan investment fund options are going down! Effective July 1, 2020, the costs will be reduced to a range between 0.31% - 0.44%, depending on the investment, down from a range between 0.40% - 0.55%. This represents an average overall reduction of more than 0.11%. These changes will happen automatically. The cost reductions allow all 457 Plan participants to keep more of their investment dollars working in their account, accumulating more savings over time.

The reduced costs in the CalPERS 457 Plan could have a big savings impact over time. For more information and a list of the changes per investment, please read the Fee Reduction Letter on calpers457.com.

CalPERS 457 Plan changes as a result of the SECURE and CARES Acts

The SECURE Act
The Setting Every Community Up for Retirement Enhancement (SECURE) Act provisions of the Further Consolidated Appropriations Act, 2020 changed the age that triggers required minimum distributions (RMDs) to begin from retirement plans like the CalPERS 457 Plan. The triggering age has now been increased from age 70½ to age 72. This change applies to individuals who will attain age 70½ after December 31, 2019. If you turned age 70½ in 2019 or before, this change does not affect your current and future RMD requirements. You may wish to consult with your CalPERS Account Manager or tax advisor regarding your personal situation.

The CARES Act
The Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law to help ease some of the financial pressures facing Americans in the wake of COVID-19 by allowing more access to retirement savings. CalPERS has fully adopted the provisions of the CARES Act and recognizes that this is a challenging situation that may require you to access to your retirement savings in the CalPERS 457 Plan. It’s important, however, to weigh the immediate benefit of taking a loan or plan distribution. Withdrawing funds when the market has decreased could affect future rebound opportunities and have long-term consequences that may impact your retirement savings.

For detailed information about the Eligibility Requirements required to take a Coronavirus-related distribution, please visit calpers457.com to read the CalPERS CARES Act Notice or call 800-260-0659 weekdays between 6:00 a.m. - 5:00 p.m. (excluding stock market holidays) to speak with a Participant Service Representative.
Why work with your CalPERS Account Manager?

We want you to retire well. One way to do that is consider working with your CalPERS 457 Plan Account Manager to help you craft a retirement planning and saving strategy to get there. Account Managers can review your personal situation and are invested in your future. Recent research from Voya Financial® focused on the benefits of working with a financial professional.

Did you know?

94% of those working with a financial professional feel somewhat prepared to estimate their retirement monthly income vs. 42% of those who are not.

50% of those working with a financial professional plan to learn more about calculating expected monthly expenses more than 5 years prior to their target retirement date.

19% of those not working with a financial professional plan on waiting until the year they retire to calculate monthly expenses.

Leading up to retirement...76% of those working with a financial professional plan to adjust their investment strategy based on the educational guidance they received vs. 35% of those who are not.

Consider working with your Account Manager to help guide you to wiser, more-informed retirement planning and saving decisions. The journey to and through retirement involves various financial, emotional and social choices. Your Account Manager can help set you on the right path toward success, then help navigate pivotal decisions that help you stay on track for retirement. Schedule a one-on-one personal appointment with your Account Manager today. Go to calpers457.timetap.com or call 888-713-8244 to schedule a phone review at a time of your choice.

Source: Voya Financial 2018

Protect yourself and the ones you love

Is your quality of life protected for your loved ones in case of a disability or death? Protection products like disability and life insurance can help supplement your finances if you’re injured and provide peace of mind and security for your loved ones if the unexpected occurs. While everyone’s needs and budgets are different, here are some reasons to consider protecting yourself and your income.

Starting out
As a single adult, life insurance is often overlooked. But if you have any debt with a co-signer, they’d be responsible to complete payments should you pass. If you are a single parent, disability insurance could help provide the funds needed to support yourself and your children.1, 2

Gaining momentum
As a newly married couple, you may have added a new mortgage and little ones to the equation. Protecting your family means getting enough coverage to replace income, pay the mortgage, and cover future life expenses like tuition1, 2

Balancing
At this stage of life, you may find yourself both preparing to send your kids to college and caring for elders. To protect yourself, disability coverage helps cover the loss of income and life insurance with a cash value component may help you accumulate funds to help supplement additional expenses.1, 2

Transitioning
So your kids are all moved out and life is a little quieter, but you’re still working and nearing your retirement goal. The need to protect your income with disability insurance is not as great in your final working years, but you still need to protect the well-being of your spouse and cover other life expenses. It’s time to reassess your insurance needs and possibly work with a financial professional to adjust your protection plan.1, 2

Retiring
So you’ve finally retired. What a sweet relief! Being financially responsible, however, doesn’t stop there. Your cash value life insurance policy may be used to help supplement your retirement income. That way, you can still protect the ones you love - for life.1

Sources:
1 Life insurance at different stages, Voya Financial, https://www.voya.com/articles/life-insurance-different-life-stages

Join us for a CalPERS 457 Plan webinar

Visit zoom.us/join and enter the ID below to sign up for a one-hour webinar on a date that is most convenient for you. The webinars cover a range of topics to help you with saving to and retirement planning in the CalPERS 457 Plan. We hope you can join us!

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