

Save more ... and unlock the power of compounding interest!

How long has it been since you increased your contributions to the CalPERS Supplemental Income 457 Plan? Or have you put your contributions on hold?

If you postpone saving until "tomorrow," you could miss out on income for your retirement potentially worth thousands of dollars. Here's why it can be important to continue to save regularly.

When you make pre-tax contributions to the CalPERS Supplemental Income 457 Plan, your contributions and any earnings in your account are allowed to compound tax-deferred until distributed, typically at retirement. Compounding occurs when any earnings from your investments are reinvested to produce more earnings. Each year's gains can build on those of the past, increasing your account's growth potential. Taxes are typically due on your account balance upon withdrawal.

Only you know what you can afford to contribute to your account. You can review, restart or increase your contribution rate by logging into your account through calpers.voya.com or by calling **800-260-0659**.

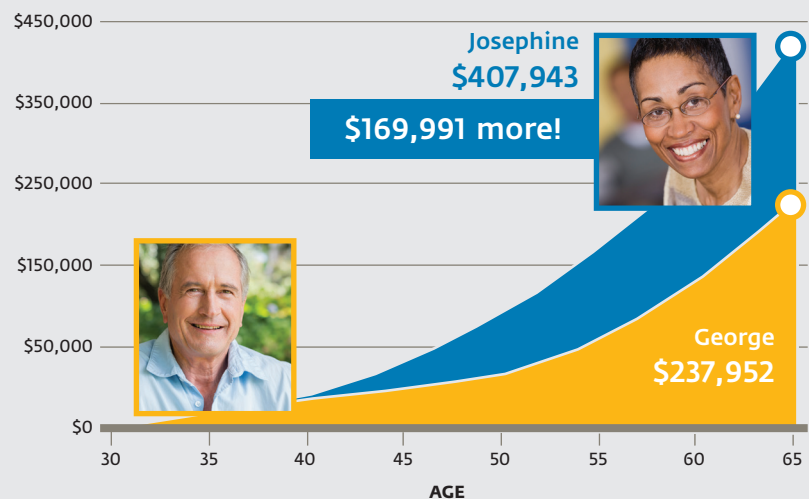
The cost of waiting

Here's a hypothetical scenario to illustrate the importance of saving without interruption.

Josephine and George earn \$50,000 a year. At age 30, they start participating in the CalPERS Supplemental Income 457 Plan and make pre-tax contributions of 5% from their paychecks every two weeks.

After 10 years of saving, George stops contributing while Josephine increases her contribution rate by 1% every year until her rate reaches 10%. George waits 10 years to restart his contributions, then contributes 5% of his pay every payday. He increases his contribution rate by 1% every year until his rate reaches 10%.

With a 6% annual return over 35 years when they both retire at age 65, George would have an account value of \$237,952 while Josephine would have an account value of \$407,943, a difference of \$169,991 more for her retirement.



This is a hypothetical example for illustrative purposes only and does not represent the performance of an actual investment. It assumes an annual salary of \$50,000, pre-tax contributions, 26 pay periods per year, a 6% annual rate of return and reinvestment of earnings. Investments are subject to investment risk including the possible loss of principal. The investment return and principal value of the security will fluctuate so that when redeemed, it may be worth more or less than the original investment. In addition, these figures do not reflect any adjustment for pay raises, inflation, taxes or any fees, expenses or charges of any investment product. Taxes are generally due upon withdrawal of tax-deferred assets.



Register now for the June 2 webinar

You are invited to participate in the **Staying the Course – A 457 Educational Presentation** on Friday, June 2, 2017 at 12 p.m. (Pacific Time). This webinar explains the importance of diversifying your investments.

▶ To register, go to <https://attendee.gotowebinar.com/register/5732803429618222850>.

After registering, you will receive a confirmation email with instructions. Or visit gotowebinar.com and join webinar ID: **809-505-363**.

Would you like to lower your taxes?

Contributions to the CalPERS Supplemental Income 457 Plan are deducted from your paycheck before taxes. When your contributions go up, your current income tax bills can typically go down. It's a strategy to keep in mind year-round and especially as you prepare to file your income tax return this season. To change your contribution rate, log into your account at calpers.voya.com or call **800-260-0659**.

Are you getting close to retirement?

Rate your own retirement readiness by using the checklist and other resources available to you through the new Retiree Corner at calpers-sip.com/retiree.



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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:

- Friday, April 14, 2017
- Monday, May 29, 2017
- Tuesday, July 4, 2017

NYSE closes at 1 p.m. (Eastern Time):

- Monday, July 3, 2017