



MoneyTalks

Wisconsin Deferred Compensation Program

Catch and Release: Beware of Email “Phishing” Frauds

Most of us recognize a spam email when it lands in our inbox. The most obvious contain bizarre subject lines – often in another language – and promise instant wealth or miracle cures that are just too good to be true.

But some of these emails look legitimate and may tempt us to click on a link or provide information to the sender. No matter how professional these emails appear, say experts, resist the urge to respond.

The fraudulent practice of sending emails that appear to come from reputable organizations is called “phishing,” and they want you to reveal personal and financial information such as credit card numbers, passwords or Social Security numbers. Phishers then use this information to steal your identity, run up your credit card bills and drain your bank accounts.

The practice is widespread and growing. According to Symantec’s 2016 Internet Security Threat Report, more than half a billion personal records were stolen or lost in 2015. Phishing campaigns targeting employees increased 55% in 2015, when 1 out of every 1,800 emails sent worldwide was a phishing attempt.

Retirement accounts are also phishing targets, but there are simple ways to protect yourself:

- Never give your Social Security number to someone who calls or emails you.
- Never send someone a blank form with your signature.
- Don’t let your financial advisor fill out your WDC forms.
- Never provide anyone with personal or financial information if they contact you from an organization you don’t recognize.

Banks, credit card companies and retirement funds will almost never email you for personal information – they already have it! And requests to update account information, for example, will typically invite you to login to an account you already have established, with your own private password, or will request via letter that you contact the organization. Most often, a legitimate company you do business with will then ask you to verify a small piece of information rather than your full SSN, address, mother’s maiden name or credit card number, for example. The WDC

DID YOU KNOW?

The WDC piloted communications with participants via email in 2016. Look for more communications to come via email in 2017. The subject line will typically refer to the WDC in some way, and if there is a link, you’ll be asked to log on to your account for security or view a video/flier that contains useful WDC information.

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*FDIC Insured Bank Option: Nationwide Bank has declared an annualized interest rate of 0.68% for the first quarter of 2017.**



* Certificates of deposit are insured by the FDIC for up to \$250,000 per depositor and offer a fixed rate of return, whereas both the principal and yield of bonds and stocks will fluctuate with market conditions

Notarization Now Required for New ACH Requests

As of December 12, 2016, all new requests for WDC distributions by direct deposit via Automated Clearing House (ACH) must be notarized. We take account security very seriously, and this change is an important step toward protecting WDC participants and retirees against fraud. Many banks offer free notary services for their customers; call your bank or credit union to ask about availability and potential fees. Questions? Call us toll-free at **(877) 457-9327**.



Catch and Release *(continued)*

call center representatives ask you to verify your SSN or participant ID number, address and birth date when calling to ensure they are speaking with you, the participant.

Don't become a phishing victim this year! Follow these rules to keep your personal information and financial accounts safe from phishers in 2017. For more useful tips, visit www.consumer.ftc.gov.

Reminder: 2017 Fee Changes

Fees paid by WDC participants have increased slightly in 2017. The rate changes, effective January 1, 2017, primarily impact those with larger account balances. These participants will see fee increases of \$0.50 to \$1.50 per month, depending on their balance.

2017 WDC Administrative Fees

Account Balance	Previous Monthly Fee	New Monthly Fee
\$0 - \$5,000	\$0	\$0
\$5,001 - \$25,000	\$1	\$1
\$25,001 - \$50,000	\$2.50	\$3
\$50,001 - \$100,000	\$5	\$6
\$100,001 - \$150,000	\$7	\$8
\$150,001 - \$250,000	\$10	\$11
Over \$250,000	\$15	\$16.50

For more information, please refer to the Administrative Fee Analysis Memo from the November 1, 2016, *Board Agendas and Materials* found under *Governing Boards* on the Wisconsin Department of Employee Trust Fund's website at etf.wi.gov.

Meet With a Local Retirement Plan Counselor

The WDC has seven local, salaried Retirement Plan Counselors who are available to meet with you at your workplace, either one-on-one or as part of a group meeting – at no additional cost to you! Meeting with a counselor can help answer questions you may have about the WDC to help you feel more prepared for retirement, and can cover topics such as:

- Plan features.
- Budgeting and savings goals.
- General investment education.
- Retirement readiness.

Meeting with your local Retirement Plan Counselor or Advisor is easy. You can use the WDC's Online Scheduler tool to register for a group meeting or set up a one-on-one appointment from your computer, smart phone or tablet. Visit www.wdc457.org and click on *Schedule a Meeting* from the home page.

Once your appointment is scheduled, be sure to gather WRS pension and Social Security statements and other relevant financial information you may have (e.g. age you would like to retire, number of dependents you have and gross income) and bring it to your appointment. This information will help ensure that your meeting is thorough and productive. For more information or to schedule an appointment by phone, please call **(877) 457-9327**, press 0 and say "yes" to speak to a WDC representative.

Rx: Six Steps to Financial Wellness

Good health is core to your decisions about money

As any wise person will tell you, health is wealth. The irony is that the opposite is also true – a growing body of research suggests that financial problems actually can lead to health issues.

Financial stress has been shown to cause anxiety, migraines, sleep disorders and other physical ailments like high blood pressure and heart disease.¹ And it's not a rare occurrence, either. A 2012 survey by the American Psychological Association (APA) showed that 69% of American adults felt that money worries created a significant cause of stress – higher than any other single stress factor.² While this statistic was down slightly from the 80% of Americans who felt this way in 2008-09, it remains persistently high.³

Some psychologists have coined the term Money Anxiety Disorder (MAD) to describe a condition of constant worry and unease about money. The emotions that arise from worrying about money can lead to health issues affecting job performance, relationships and feelings about work-life security.

How to face health-related money anxiety

Many Americans resort to unhealthy or excessive eating and drinking to cope with financial stress.

Health experts warn this can lead to long-term health issues and instead recommend regular exercise, sticking to a healthy diet and deep breathing exercises, which has a proven calming effect on the central nervous system.

De-stressing about money

Financial experts often suggest taking a direct approach to understanding your relationship with money and better managing your financial stress. Some recommend taking one or more of the following steps that can help lead to improved financial wellness:

1. Understand the role of good health in your life.
2. Prioritize your savings and control your spending.
3. Budget: You cannot manage your finances without a plan.
4. Plan for life events: Experts suggest setting aside specific buckets for near-term emergencies, education and long-term retirement.
5. Find a trusted source for advice.
6. Get the most out of the benefit programs you're offered at work, like the WDC.

Following these guidelines can help you put financial wellness in the right perspective. Ultimately, the goal should be to know how to deal honestly with your feelings about money in ways that don't compromise your health. As a WDC participant, you have access to resources that can help you get started on the road to financial wellness. Visit www.wdc457.org and click on the Retirement Planner tool under *Education and Planning / Calculators*. You can also participate in the ETF Financial Fitness Challenge – visit <http://etf.wi.gov/financialfitness/index.htm> to get started.

You Spoke, We Listened: Online Distributions Now Available

A big thank you again to everyone who took the time to complete our survey last year. Based on the feedback you provided, we are pleased to announce that online distributions are now available. This new feature is another way to make the WDC work better for you up to and through retirement.

Log in to your account and look for the *Withdrawals* tile to get started. Please note that all new requests to set up an ACH distribution will require a notarized signature for your protection. If you are setting up a new ACH distribution, call (877) 457-9327 to request a paper distribution form.

Sign Up for Free Webinars with Bob Schulz, “The Retirement Guy”⁴

The WDC and ETF are partnering to offer you two free webinars as part of Bob's “Taking the Mystery Out of Retirement” series. Join us to discuss:

- Medicare, Medicaid and Long Term Care (LTC) on **Thursday, April 27, 2017, at 11:45 am CT**
- Social Security on **Thursday, May 18, 2017, at 11:45 am CT**

Space is limited! Sign up at www.wdc457.org.

Please note: the retirement webinars will be recorded and made available for later viewing.

¹ “Debt Stress: The Toll Owing Money Takes on the Body,” AP-AOL Health Poll, April 2008.

² “Highlights of APA Stress in America™: Missing the Health Care Connection,” American Psychological Association, 2012. <http://www.apa.org/news/press/releases/stress/2012/report-summary.aspx>.

³ “Stress in America,” American Psychological Association, October 7, 2008. <https://www.apa.org/news/press/releases/2008/10/stress-in-america.pdf>.

⁴ Bob Schulz is not affiliated with GWFS Equities, Inc. Neither GWFS Equities, Inc. nor its parent company, Great-West Life & Annuity Insurance Company, have reviewed or approved this material or are responsible for this material or for providing updated information with respect to this material.

WDC Participant Spotlight: Jeff Peck



In this quarter's WDC Participant Spotlight, we are proud to introduce you to Jeff Peck. Jeff shared his story about how the WDC helped him prepare for retirement.

"In the next two months, I will be retiring from the Department of Corrections after 25 years of state service. This would not be possible without the Wisconsin Deferred Compensation Program. Currently I have saved up enough money to not have to worry about my future and will be able to enjoy the fruits of my labor at the young age of 53. Although I have found that my work has been rewarding, it has not been without challenges and stressors, given the constant demands and difficult situations we deal with on a daily basis. To that point, I have seen long-term employees with little

or no savings in their deferred compensation program having to toil until they become eligible for Social Security. The adage that "nobody plans to fail, they fail to plan," certainly applies to most of us.

For me, my biggest regret is that I didn't take advantage of the deferred compensation program for the first two years of my career. In fact, when I did, I only put in a nominal amount of \$20 per paycheck without realizing the importance of compound interest over time. Fortunately I met with a deferred compensation representative about three years later, who showed me that I could attain a six-figure savings over time by simply increasing my contributions to an achievable \$50 per paycheck. I realize that this amount may seem significant, but the deductions are pre-tax. Consequently, my take-home pay was equivalent to a \$35 reduction in my check, which translates to

about \$2.00 a day. Over time, I increased my contributions and I am proud to say that for the last 10 years, I have put at least \$100 per paycheck into my deferred compensation. Thus, my original goal of achieving six figures has been shattered in about a 20-year time span. Additionally, I will take my unused sabbatical leave as a lump sum contribution to further my substantial nest egg. Thanks to this wonderful program, I traveled to Punta Cana in mid-January and was able to do some additional traveling to South Carolina in February. In closing, I hope that others will heed my message to take advantage of this program and reap the rewards that I will be enjoying."

This testimonial may not be representative of the experience of other participants and is not a guarantee of future performance or success.

Take Advantage of Saver Tax Credits

In 2017, WDC participants have an opportunity to save even more through a special saver tax credit. This special credit from the IRS may be claimed by:

- **Married couples filing jointly** with incomes up to \$61,500 in 2016 or \$62,000 in 2017.
- **Heads of household** with incomes up to \$46,125 in 2016 or \$46,500 in 2017.
- **Married individuals filing separately and single filers** with incomes up to \$30,750 in 2016 or \$31,000 in 2017.

Take advantage of this credit and maximize your retirement savings today!

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker-dealers.

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