

Wisconsin Deferred Compensation Program (WDC) *MoneyTalks*



JANUARY 2020 FEE CHANGES

In October 2019, the Deferred Compensation Board approved an increase in the administrative fees that Wisconsin Deferred Compensation Program (WDC) participants pay each month. The change took effect January 1, 2020, and amounts to an average 6.5% increase in fees. Because the administrative fees are based on account balance, your increase may be more or less than 6.5%. For more than 80% of participants, however, the increase will total \$0.50 or less each month. The fee increase will be reflected in your 2020 statements. The new fee schedule is as follows:

PARTICIPANT ACCOUNT BALANCE	2019 MONTHLY FEE	2020 MONTHLY FEE
\$1 - \$5,000	\$0	\$0
\$5,001 - \$25,000	\$1	\$1
\$25,001 - \$50,000	\$3	\$3.25
\$50,001 - \$100,000	\$6	\$6.50
\$100,001 - \$150,000	\$8	\$8.50
\$150,001 - \$250,000	\$11	\$11.75
Over \$250,000	\$16.50	\$17.50

What's the reason for the change? The WDC is self-supporting (no state tax dollars used) and administrative fees pay for important WDC features such as account recordkeeping services, the WDC website, call center, and the planning and education resources that you have access to as a WDC participant. The Board determined that an increase was needed to keep pace with increases in the WDC's expenses.

The Board uses the negotiating leverage of thousands of WDC participants to keep fees low and highly competitive with other retirement savings plans. The WDC is also committed to clear disclosure of fees, so you always know how much you pay and what those fees help fund. For more information on WDC fees, visit the website at www.wdc457.org and click on the *Learning center* menu and *Program resources* submenu to access the Program Highlights.

PLAN AND TRUST DOCUMENT UPDATE

The Deferred Compensation Board (Board) approved two changes to the WDC Plan and Trust Document at the October 2019 meeting. Effective January 1, 2020, changes enable participants to roll SIMPLE IRAs into their WDC accounts. In addition, the Board opted to provide participants with more flexibility by allowing participants to designate their Normal Retirement Age at any age that falls within a range of ages that is allowed by the Internal Revenue Code. To review the current Plan and Trust Document in more detail, [click here](#) or visit the website and click the *Learning center* menu at the top of the page and selecting *Program resources*.

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CONTRIBUTION LIMITS INCREASING IN 2020

The IRS recently announced the annual contribution limits for 2020. The WDC's 2020 contribution limits are \$19,500 or 100% of your includible compensation (as defined by the Plan and the Internal Revenue Code), whichever is less.

The age 50+ catch-up contribution is also increasing to \$6,500 for the WDC in 2020. This would equal a maximum possible contribution of \$26,000 if you are age 50 or older during the 2020 calendar year.

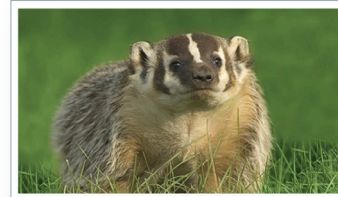
The special catch-up contribution amount also increased for 2020, which means you can contribute up to a maximum of \$39,000 to the WDC if you are within three years of normal retirement age. The additional amount you may be able to contribute under the special catch-up contribution will depend on the amount that you were able to contribute in previous years but did not. If you would like help catching-up, please call the WDC Office in Madison at **(877) 457-9327** and say "yes" at the prompt.

Note: If you are eligible for both the age 50+ catch-up and special 457 catch-up, you may not take advantage of both in the same calendar year.

THE WDC NEWSLETTER IS RETIRING

This edition of *MoneyTalks* is the last that will be produced. The way people access and consume information has changed significantly over the years, and the newsletter format simply doesn't meet the needs of WDC participants any longer.

Even though the newsletter is coming to an end, you'll still have access to the information and updates you need to make smart decisions about your financial future, including WDC updates via email and paper mail.



News & updates

Read the latest news and updates to the WDC Program.

Visit the WDC homepage regularly and access current news from the *News and updates* tile.

You'll also see WDC notices and information included on and/or with your WDC account statement (both printed and electronic versions). If you're a regular reader of the *WRS News Online* or the *WRS News for Retirees*, published by the Department of Employee Trust Funds and the State of Wisconsin Investment Board, you'll find articles on the WDC periodically featured in those publications. And finally, you can always follow @WI ETF on Twitter for the latest real-time news and updates.

Don't miss out! **Log in** to your WDC account today and make sure that your email address is current and correct. You can access your profile information by clicking on your name in the top right corner of your account.

THANK YOU, WDC NEWSLETTER READERS

The newsletter that helped you boost your retirement IQ every quarter is heading off to its own retirement. If you're one of the people who have regularly (or occasionally) read the WDC newsletter, a "thank you" is in order. But rest assured, the news and updates will continue! Keep checking **www.wdc457.org** or the *News & updates* tile for the latest.

WDC Call Center Hours: 7 am - 9 pm, Monday - Friday, 8 am - 4:30 pm, Saturday Central Time
(877) 457-WDCP (9327)

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