

# City and County of Honolulu Deferred Compensation Plan Newsletter

Quarter 4 of 2023



## Cheers to a new year

No matter where you are in your retirement journey, a new year is a good time to reflect on your financial goals and think about your future. Make a resolution in 2024 to get and stay financially healthy by focusing on your spending and saving habits.

**Know where you stand** – log into your account at [honolulu.beready2retire.com](https://honolulu.beready2retire.com) and click *Financial Wellness* at the top of the page to take or retake your financial wellness assessment.

**Create a budget** – visit [voya.com/tool/budget-calculator](https://voya.com/tool/budget-calculator) to help maximize your monthly income by balancing saving with your spending needs and wants.\*

**Use myOrangeMoney®** – log in to your account at [honolulu.beready2retire.com](https://honolulu.beready2retire.com) to estimate how much income you may need for retirement.\*

**Review your investment allocations** – align your investments with your risk tolerance and time horizon for investing.

**Know your annual IRS contribution limit** – if you can, get closer to or contribute the maximum for the year. Visit [voya.com/irslimits](https://voya.com/irslimits) for more information.

**Review your estate plan** – keep your will, health care proxy, and power of attorney updated.

**Designate your beneficiaries** – name, review, and manage beneficiaries for all your financial accounts to help ensure your assets are distributed as you intended.

**Make a plan for Social Security and Medicare** – know when applying for each is best for you.

**Don't do it alone** – consult with a financial professional to review and discuss your saving and retirement planning strategies.

Consider taking advantage of every available retirement benefit and planning resource. Log into your account, schedule an appointment with your local Plan representatives or visit [voya.com/voyalearn](https://voya.com/voyalearn) for more ways to help put time on your side so you can retire well.



## Save more in 2024

Every year, the IRS announces the latest contribution limits for retirement savings accounts. The limits for 2024 **have increased**, giving you the opportunity to save even more today to help achieve your future goals.

Maximum Annual Deferral	\$23,000
Maximum including Age 50+ Catch-Up <sup>1</sup>	\$30,500
Maximum including Three-Year Special 457(b) Catch-Up <sup>2</sup>	\$46,000

Visit [voya.com/irslimits](https://voya.com/irslimits) for the latest contribution limits for all tax-deferred accounts and income thresholds for 2024.

## Don't overlook potential tax savings

In addition to a pre-tax retirement savings option, you can also choose to save after taxes with Roth contributions. With Roth contributions, your investment earnings grow tax free. Learn more about the benefits to Roth, visit [voyadelivers.com/Roth](https://voyadelivers.com/Roth).

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## Save more: Change from dollar to percentage

There is a natural benefit to saving in the City and County of Honolulu Deferred Compensation Plan by choosing a percentage of your pay instead of a dollar amount. Your contributions will increase anytime your salary increases—helping you save more for retirement.

## Get the right ingredients for your retirement

Conservative? Aggressive? Somewhere in between? Achieving a good balance of asset classes may help keep your retirement portfolio in shape. Learn more about your investor style and consider mixing it up. Take a quick quiz today at <https://resourcecenter.voya.com/tools/type-of-investor#>.

While using asset allocation as part of your investment strategy neither assures nor guarantees better performance and cannot protect against loss in declining markets, it is a well-recognized risk management strategy.

## Have a question?

Your local Voya representatives<sup>3</sup> are providing in person meetings on an appointment only basis. Telephone appointments may also be made. Individuals are encouraged to call the local office to speak with a Voya representative at **(808) 597-8213**.

## Addressing Financial Stress

If financial demands are affecting your ability to save for retirement now, you may have to work longer to achieve your financial goals or scale back your retirement plans. If you retire too early and without enough saved up, you risk running out of money in retirement. These kinds of financial worries can be a significant source of stress for many people and subsequently take a toll on your mental health.

Here are some things you can do to help manage financial stress.

### Focus on learning

Improving your money management skills and using them to make positive and proactive decisions with your finances can help reduce stress. Think of something financial that brings you stress. It could be increased costs due to inflation, paying your bills each month, carrying student loans or credit card debt, or finding ways to save for personal goals like retirement or putting the kids through college. Visit [blog.voya.com](http://blog.voya.com) and [voya.com/voyalearn](http://voya.com/voyalearn) for short articles and videos about financial concepts and get tips to address the things that are stressful to you.

### Plan for the unexpected

We've all experienced financial emergencies. No matter how big or small, these unplanned expenses often feel like they happen at the worst times. Knowing you have a dedicated savings account earmarked for emergencies can help protect yourself from life's little surprises and give you some peace of mind when the going gets rough. Consider putting money aside consistently to build up an emergency fund so you can help to avoid taking on debt or withdrawing from your retirement savings. (Note: Except in cases where a hardship meeting the requirements of the IRS is approved, withdrawals are not permitted from your Deferred Compensation Plan while you are in active City employment.)

### Stick to a budget

With rising prices due to inflation, creating and managing a budget can be very useful. Understanding where your money goes, and creating healthy habits to prevent overspending, can help reduce anxiety and stress. If you have never created a budget before, now may be a good time to focus on how you spend your monthly income. Visit [voya.com/tool/budget-calculator](http://voya.com/tool/budget-calculator) to get started.\*

These are only a few ways to help manage financial stress. No matter what you do, taking any kind of action to address what concerns you financially is an important first step on the road to overall financial wellness. But don't stop there. Visit [voya.com/blog/why-debt-causing-stress-and-anxiety-and-how-to-cope](http://voya.com/blog/why-debt-causing-stress-and-anxiety-and-how-to-cope) for more insight and tips to help you cope with financial stress and anxiety.



**\* 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.

<sup>1</sup> If eligible for both the Age 50+ Catch-up and the 3 Year Catch-up in the same year, you may only use the catch-up which allows you to contribute the greatest amount. You may not use both at the same time.

<sup>2</sup> To use the 3 Year Catch-up you must be in one of the 3 years prior to the year you reach Normal Retirement Age as defined in the deferred compensation plan. In addition, you must have under contributed to the Plan in the past. A calculation is required.

<sup>3</sup> Investment adviser representative and/or registered representatives of, and securities and investment advisory services offered through, Voya Financial Advisors, Inc. (member SIPC). Investment advisory services are only offered through investment adviser representatives of Voya Financial Advisors.

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