

State Police Retirement System

Make this year your best yet



With every new year, there is a chance to begin again whether you are just starting out, rounding out your career, or somewhere between. Life has a way of changing and our financial priorities are always shifting. Now is a good time to reflect on how far you've come and where you want to go.

Maybe 2022 is the year you revise your financial goals, get on track for retirement, realign your contributions to help meet your savings goals, or consider consolidating your retirement assets in one place. Finding new ways to get and stay financially healthy can be a great resolution for us all.





- Where to start? First, consider reviewing all of your workplace benefits. You may want to check that you are insured to protect your health and your wealth with the right amounts of life, disability, and health insurance. This way, when the unexpected happens, you may not have to borrow from your savings.
- Are you saving enough for retirement? Review the 2022 contribution limits and consider increasing your contributions to get closer to the annual limit.
- Take another look at your retirement savings if your estimated monthly replacement income is lower than you may need in retirement. Getting back on track for retirement and kicking it up a notch may be wise, no matter the year.

Pay attention to where you are in life

- The younger you are, the more time you have for interest to accrue and compound. Saving consistently, even if it's just a little every month, has the potential to add up over time. A good way to save more each year is to take advantage of the annual 1% Small Steps increase which will occur the first pay period in March 2022.
- If you are nearing retirement and are at least age 50, a catch-up contribution option may be available to help you save more toward retirement.
- If you're already retired, you can still actively manage your investments and utilize all the resources and tools in the State of Michigan 401(k) and 457 Plans (the Plans) to stay on top of changing markets. Be sure to tap into these tools and get guidance when needed to help preserve what's yours and create the income you need for retirement.
- Finally, if you have multiple retirement savings accounts from previous employers, consider exploring the option to consolidate those assets into the Plans. This can help keep your investment options consistent within the same account, with one login to make it easier to monitor and manage your retirement savings. Please carefully consider the benefits of existing and potentially new retirement accounts and any differences in features. Rollover assets may be subject to an IRS 10% premature distribution penalty tax if withdrawn prior to age 59½. Consult your own legal and tax advisors regarding your situation.

This year, consider taking advantage of every available retirement benefit and resource to put time on your side so you can retire well. Retirement will come faster than you think.

CONNECT WITH US:

-  **Web** – StateOfMi.Voya.com
-  **Mobile** – Search Voya Retire
-  **Phone** – Questions? Call 517-284-4422
-  **Education:** StateOfMIPlansEducation.com

Invest in yourself and your future



Every year, the IRS announces the annual contribution limits for retirement savings accounts (including 401(k), 403(b), and 457(b) plans and IRAs, as well as Health Savings and Spending Accounts).

If you are contributing less than the limit for your current retirement savings rate, you can increase or change the amount you save anytime during the year.

For 2022, many of the limits have changed. How much are you contributing to your financial future? Remember, it's up to you.

2022 Contribution and Catch-Up contribution limits

	457 Plan	401(k) Plan
Maximum Annual Contribution	\$20,500	\$20,500
Defined Contribution Plan 415 Limit*	--	\$61,000
Maximum including Age 50+ Catch-Up	\$27,000	\$27,000
457 Three-Year Traditional Catch-Up**	Up to \$41,000	--

You may contribute up to the maximum in both the 401(k) and 457 Plans. Beginning in the year in which you will reach age 50, you are allowed to contribute an extra \$6,500 with the Age 50+ Catch-Up option, for a total of up to \$27,000 per plan.

*The Section 415 Limit is the combination of your total employee and employer contributions to the 401(k) Plan.

**If you are a 457 Plan participant who is within three years of the year of your elected normal retirement age (as defined in the 457 Plan document), you may be eligible to contribute up to \$41,000 to the 457 Plan for three consecutive years prior to the year in which you will reach normal retirement age under the 457 Three-Year Traditional Catch-Up. Since this catch-up option takes into account your prior contributions, call 800-748-6128 for help with calculating the amount available to you under the 457 Three-Year Traditional Catch-Up. You may not use both the Age 50+ Catch-Up and the 457 Three-Year Traditional Catch-Up options under your 457 Plan in the same tax year, but you can use whichever catch-up is greater.

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Required Minimum Distributions reminder

You are required by law to begin annual withdrawals, called Required Minimum Distributions (RMDs), from both your 401(k) and 457 Plan accounts and from other employer-sponsored retirement plans by April 1 of the year following the year in which you reach age 72 or in the year you retire, whichever is later. Subsequent RMDs must be taken by December 31 each year. If you do not take all of your RMD by the required deadline, you may be subject to a 50% IRS penalty tax on the amount not taken on time, even if you withdraw it later.

Each October, Voya Financial® will send letters to 401(k) and 457 Plan participants and eligible beneficiaries who may need to take an RMD based on the birthdates and employment status on file with Voya®. If you have questions regarding RMDs, talk with your financial advisor or call the Plan Information Line at **800-748-6128** Monday – Friday, 8:00 a.m. to 8:00 p.m., except on stock market holidays.

Lower fees for target retirement date funds

The negotiation power of the State of Michigan Plans helps to keep investment fees competitive.

Effective November 1, 2021, the cost for investing in the Plans' target retirement date funds was reduced. Because of the state of Michigan's negotiation power, a change in the share class lowered the fee from 0.07% to 0.055%. For fund fact sheets, go to StateOfMi.Voya.com or call **800-748-6128**.

Generally, investors can select a target date fund based on a certain date range for retirement, or the date the investor plans to start withdrawing money. The funds are designed to rebalance to a more conservative approach as the date nears. An investment in the target date fund is not guaranteed at any time, including on or after the target date.

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:

- **Monday, January 17, 2022 - Martin Luther King, Jr. Day**
- **Monday, February 21, 2022 - Presidents' Day**