

horizons



Sometimes the best investment decision is to stay the course.

With the market changing by thousands of points in a single day, it can be easy to get caught up in the moment, which can lead to decisions that may not be prudent.

A key point to remember: No matter how much your account value drops in the short term, it's not an actual loss unless you sell.

History shows that investment markets have grown over time despite short-term losses and volatility. In fact, these fluctuations tend to create opportunities that may lead to greater earnings over time.

For most participants like you, investing for retirement is a long-term proposition. Short-term market changes are less important if the fundamentals of a long-term strategy are sound. Consider these principles to help you avoid emotional investing, which often leads to losses or missed opportunities.

Have a plan. Use *My Interactive Retirement PlannerSM* to set personal goals and decide how to reach them.

Historic Stock Market Ups and Downs

Crisis/epidemic	Year	Return of S&P 500 index one year later
1987 Market Crash	Nov 1987	15.93%
9/11 Terrorist Attack	Sep 2001	-20.61%
SARS	Apr 2003	22.66%
Avian (Bird) Flu	Jun 2006	20.49%
Lehman Bankruptcy	Oct 2008	-6.60%
H1N1 (Swine Flu)	Apr 2009	38.78%
Ebola	Mar 2014	12.61%
Zika	Jan 2016	20.03%
Brexit Vote Passed	Jun 2016	17.87%
2018 Market Correction	Dec 2018	16.06%

Source: ifa.com

Know your style.

Use *My Investment PlannerSM* to understand your investment style and choose the asset allocation model that is right for you.

Stay cool. Continue making regular contributions to your retirement, so you never miss out on market opportunities. You're using dollar-cost averaging to help reduce the effects of market volatility over time.

We can help you stay focused on your plan. Contact the Savings Plus Solutions Center today at (855) 616-4776 or the licensed Retirement Specialist in your area to schedule an account review.



COVID-19, the CARES Act and what it means for you.

On March 27, 2020, the federal government signed The Coronavirus Aid, Relief and Economic Security Act (CARES Act) into law, a \$2 trillion stimulus bill aimed at helping people, states, and businesses devastated by the coronavirus disease 2019 (COVID-19) pandemic.

The CARES Act is intended to bring relief to those impacted by the COVID-19 pandemic. It also has significant implications on your retirement planning. While the Act is aimed at helping you in the short term, be sure to understand the long-term impacts to your overall financial picture. Contact the licensed Retirement Specialist in your area about your specific situation.

Certain provisions of the CARES Act impact the Plan in three areas:

- Required Minimum Distributions (RMDs)
- Distributions
- Loans

Things to remember about retirement planning.

Any loans or withdrawals can impact your retirement nest egg. Never lose sight of the long-term impact they could have on your retirement. History tells us the markets will return. If you take yourself out of the market now, it may prevent you from benefitting from potential gains.

It's important to weigh all available options to address your immediate financial needs while still being thoughtful about your future financial wellbeing.

Required Minimum Distributions (RMDs).

The CARES Act made temporary waivers to RMDs for all types of defined contribution plans, including 401(k) and 457(b) plans, for the calendar year 2020. Changes include the following:

- RMDs are suspended for 2020, including 2019 first year RMDs that were deferred until April 1, 2020.
- If you've previously scheduled to receive periodic distributions, you'll continue to receive them unless you request to stop them.
- If you haven't previously scheduled your RMD for 2020, it will be stopped automatically. Contact the Savings Plus Solutions Center at (855) 616-4776 to receive it for 2020.

- If you already received an RMD for 2020, you can redeposit the money back into your Savings Plus account by August 31, 2020.

Coronavirus-Related Distributions (CRD).

The CARES Act created a new type of distribution available to all eligible participants, including those still employed as well as those out of work, while minimizing some of the tax consequences.

For qualifying individuals only, distribution amounts up to \$25,000 can be made anytime from January 1, 2020 to December 31, 2020. The following Savings Plus Plans are eligible: 401(k), 457(b), Part-time, Seasonal and Temporary (PST), and Alternate Retirement Program (ARP). The following applies to the CRD provisions available to participants that meet the qualifications:

- You must self-certify that you meet the eligibility requirements (found on page 3).
- You may take up to 100% of your balance; however, it cannot exceed \$25,000 across all plans now through December 31, 2020.
- Total CRD cannot exceed \$100,000 from all California state-sponsored plans within the calendar year. Any distributions will need to be coordinated with your 403(b) and any other state sponsored 401(k) plan, if applicable.
- You can spread the taxation of this distribution evenly over a three-year period. Note that you will receive one 1099-R in January 2021 for the full amount of your distribution. Consult with your tax advisor for guidance on how to spread the tax liability over the allowable three-year period.
- A 10% income tax will be withheld from your distribution unless you elect otherwise.
- Amounts distributed to qualified individuals under the CARES Act aren't subject to the additional 10% early withdrawal penalty.
- You have the option to redeposit the distribution back into your Plan account within three years. Amounts redeposited will be treated as a rollover contribution to the Plan and aren't subject to the annual contribution limit.



Loan Provisions.

Delay Loan Repayments. The CARES Act provides relief for loan repayments due between March 27, 2020 and December 31, 2020 on new or existing loans. The following applies to the Loan Repayment Delay provisions available to participants that meet the qualifications (listed in eligibility requirements section):

- Loan repayments due on new or existing loans through December 31, 2020 can be delayed until January 1, 2021.
- The term of your loan will increase by a year.
- Interest will continue to accrue on the delayed repayments.
- Accrued interest will be reamortized into your loan.
- The new loan repayment amount effective January 1, 2021 will include the accrued interest.
- Loans must be in good standing.

Modifications to current loan provisions. We're making the following changes to our loan parameters for all participants. These changes will be effective through December 31, 2020:

- Increasing the maximum number of loans per plan from one to two. However, primary residence loans are limited to one per plan.
- Reducing the minimum required balance to qualify for a loan from \$10,000 to \$5,000.
- Reducing the minimum loan amount from \$5,000 to \$2,500.
- Waiving the \$50 loan initiation fee ONLY for participants who self-certify that they meet the qualifications, as defined in the CARES Act as noted to the left, until September 30, 2020.

As always, you can access your account online, or contact us with questions. We're committed to addressing your concerns. There are several ways you can connect with your account or with us:

Login to your Savings Plus account to make changes to your contributions, update your investment strategy, and more.

Contact the Savings Plus Solutions Center at (855) 616-4776 from 5 a.m. – 8 p.m. PT, Monday- Friday.

Reach out to the licensed Retirement Specialist in your area to set up an appointment.

Eligibility requirements for distributions and loan repayment delay provisions.

To be eligible to take a CRD or the loan repayment delay provision, you must meet one of the following qualifications as defined in the CARES Act:

1. I have been diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention; or
2. I have a spouse or dependents diagnosed with such virus or disease by such a test; or
3. I have experienced adverse financial consequences because:
 - I, my spouse, or a member of my household¹ was quarantined, furloughed or laid off, or had work hours reduced due to COVID-19; or
 - I, my spouse, or a member of my household* was unable to work due to lack of child care due to COVID-19; or
 - A business owned or operated by me, my spouse, or a member of my household* closed or reduced hours due to COVID-19; or
 - I, my spouse, or a member of my household¹ had a reduction in pay (or self-employment income) due to COVID-19 or had a job offer rescinded or start date for a job delayed due to COVID-19

¹ A member of the individual's household is someone who shares the individual's principal residence.

Find the CARES Act Self-Certification request forms on the CARES act web page by selecting the home page banner on savingsplusnow.com



You heard it here. A lot is happening at Savings Plus.

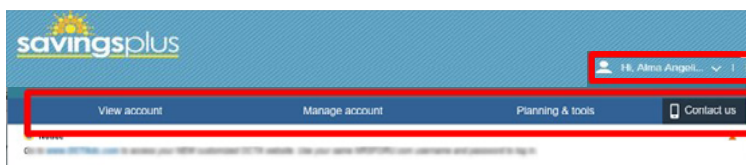
The Fund Redesign and Reselection Initiative is postponed until further notice.

What does the Fund Redesign and Reselection Initiative postponement mean for my account?

The ability to manage your account hasn't changed. You can continue to make changes to your account at any time. You may make contribution and investment changes or take distributions if you choose.

When will the Fund Redesign and Reselection Initiative be implemented?

We'll reevaluate the best time to launch this Initiative. When we feel that the environment is stable and conditions are conducive, we'll move forward.



We're making our website navigation easier and more intuitive.

We introduced a new post-login web navigation system on our webpages. As you will notice, the new top navigation bar replaces the prior left navigation bar so that you can enjoy an easier, more intuitive experience. The new experience:

- Arranges menu items more intuitively
- Sets the stage for future enhancements
- Allows for important content to be quickly seen
- Improves the navigation experience for web-enabled devices

What's next? We're working on a series of additional improvements that will enhance the look and feel of our website while offering intuitive digital solutions — all designed with you in mind. Look for more information on these additional improvements in the coming months!

We're here to help.

Covid-19 has impacted us all, and we're available to provide you with guidance and support during these challenging times. Contact a Retirement Specialist to understand your specific situation, review your Savings Plus account, and help determine your income needs or what steps to take next.

We're here, simply contact us at (855) 616-4776.

Census 2020

By completing the 2020 Census form, you can help ensure your community gets resources to build better roads and schools, fund community programs, create jobs, and improve housing.

Visit CaliforniaCensus.org.

California Department of
Human Resources
1515 S St.
North Building, Suite 500
Sacramento, CA 95811

Contact Information

 **Website**
savingsplusnow.com

 **Savings Plus
Solutions Center**
(855) 616-4776
(800) 848-0833 (TTY)
5 a.m. - 8 p.m. PT

Visit our website for
updates on Walk-in Center
appointment availability.



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Investing involves market risk, including possible loss of principal. No investment strategy or program can guarantee to make a profit or avoid loss. Actual results will vary depending on your investment choices and market experience.

Before investing, carefully consider the fund's investment objectives, risks, charges, redemption fees, and expenses. You may download Fund Fact Sheets from savingsplusnow.com or request them by calling (855) 616-4776.

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NRM-14952CA-CA (07/20)