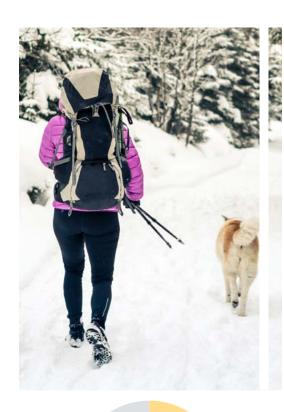


Start the New Year Strong.





WELL BALANCED

A well-balanced life is easier to achieve when you know your retirement readiness.

Most industry experts agree that you'll need to supplement your pension and Social Security benefits with savings or investments.¹ That's why Savings Plus is here for you.

In this issue: How Savings Plus can help you improve your retirement readiness.



65% of Savings Plus participants

who used My Interactive
Retirement PlannersM in 2017
improved their Retirement
Readiness Score!

65% of all CalPERS service retirees receive less than \$3,000 per month.²

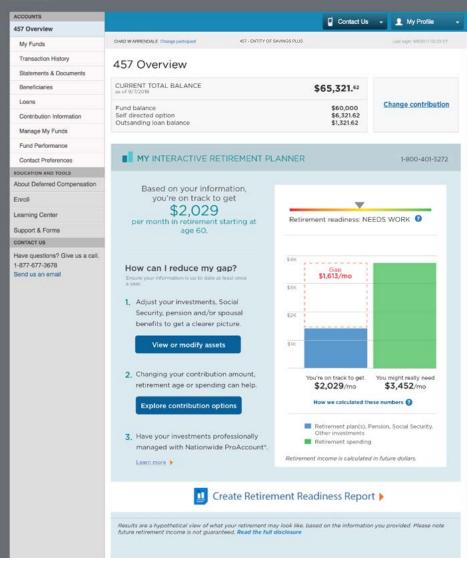


 $^{^{\}scriptsize 1}$ ssa.gov : Security Programs, Prepare For Your Financial Needs.

² Source: The average pension payment from CaIPERS is \$2,825 per month-FY2015-2016 CaIPERS Facts at a Glance

³ In the Dark about Retirement? Squared Away Blog. "Financial Behavior: Work, Save, Retire," Center for Retirement Research at Boston College, February 28, 2017





Retirement readiness is a "big picture" assessment of how likely you are to reach your retirement goals. It takes into account:

- When you plan to retire
- · Resources for retirement income
- How much you're saving
- Your long-term investment strategy

We've made knowing your retirement readiness even easier.

Our research showed us that employees wanted an easier way to view their personal retirement readiness. So, we enhanced our existing experience to encourage you to become even more engaged with My Interactive Retirement PlannerSM, our retirement readiness tool.

Now, when you log in to your Savings Plus retirement account, you'll see a projected monthly income amount. If you haven't already used the tool, you may be asked to help refine your income projection by providing information about your pension and Social Security benefit. If you're not sure of each benefit amount, the tool will help you estimate them.

In just a few minutes, you can also:

- Add information about your other financial assets.
- Select your desired retirement lifestyle and see how it may affect your budget.
- Experiment to see how decisions you make now could impact your future.

You can model the effects of increasing your contribution at regular intervals to find an amount that's comfortable. Then, using the tool's Auto Increase feature, you can set an increase amount that will go into effect in the period you specify. You'll be notified when each annual automatic increase goes into effect.

When you've added your information into the tool, you can generate your personalized Retirement Readiness Report for future reference and discussions with your Savings Plus Retirement Specialist.

Log in to your account at **savingsplusnow.com** and use our enhanced My Interactive Retirement PlannerSM.



Look for Savings Plus On-site Service Days in 2019

Following a successful pilot last summer, Savings Plus has adopted On-site Service Days as another way to bring support and education to you.

Savings Plus On-site Service Days bring licensed Retirement Specialists and representatives from Savings Plus to state agency locations for a day. You can meet one-on-one with a Retirement Specialist to review your Savings Plus account and your retirement goals. You can also attend workshops to learn more about the program in the comfort of your own building.

Watch for emails from Savings Plus announcing an On-site Service Day at your agency location.

Keeping your balance through the market's ups and downs

When the market rises and falls more than one percent over a sustained period of time, professionals refer to it as a volatile market.

After a lengthy period of relatively quiet markets, the final quarter of 2018 entered a period of market volatility. Periods such as this tend to unsettle investors, 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 a loss unless you sell.

Market volatility is a component of a healthy stock market and shouldn't affect your long-term investment strategy. But how can you get comfortable with it? First, remember that you're investing for the long term. History shows that investment markets have grown over time despite short-term ups and downs. Consider these three principles for long-term investing.

- Have a plan. Use the newly enhanced My Interactive Retirement Planner^{s™} (see page 2) — Set personal goals and model scenarios to see how you can reach them.
- 2. Know your style. Use My Investment PlannersM Understand your investment style and choose the asset allocation model that is right for you. To make it easier for you, Target Date Funds are available to provide a diversified investment approach for a less hands-on investing experience.
- **3. Stay cool.** Through Savings Plus, you contribute regularly from your paycheck, so you never "miss out" on market opportunities. You're using dollar-cost averaging to help reduce the effects of market volatility over time.

When you implement these three principles, you can avoid emotional investing that often leads to losses or missed opportunities.

To learn more about how to keep your balance when the markets get bumpy, go to **savingsplusnow.com** and click Learning Center. From there, select Retirement Library and click Investing For The Long Term In A Volatile Market.

Investing involves market risk, including possible loss of principal. No investment strategy or program — including asset allocation, diversification, dollar-cost averaging and compounding — can guarantee a profit or avoid loss. Actual results will vary depending on your investment and market experience.

Know your tax benefits.

With tax season nearly here, now may be a good time to evaluate the tax benefits of participating in Savings Plus.

Pre-tax contributions

- Come out of your pay before taxes are deducted, meaning more money goes into your account than comes out of take-home pay
- Lower your taxable income now
- Contributions and any earnings grow tax-deferred until withdrawn
- Withdrawals are taxed as ordinary income, when you may be in a lower tax bracket

Roth contributions

- Come out of your pay after taxes are deducted
- Have no income restrictions for participation (as opposed to Roth IRAs).
- Can be used for estate planning
- Offer tax planning flexibility in retirement
- Contributions and any earnings may be withdrawn tax-free during retirement if certain criteria are met

See what impact your pre-tax contribution has on your pay. Go to the Learning Center at savingsplusnow.com, select Tools and Calculators then use our Paycheck Impact Calculator. Then, follow the easy prompts in your online account at savingsplusnow.com to change your contribution.



IRS contribution limits increased for 2019.

Go to the Increased Contribution Limits for 2019 article on the home page at savingsplusnow.com. To increase your contributions, log in to your account savingsplusnow.com and select Manage My Funds.

	Maximum contribution limit	Contribution limit plus Age-Based Catch-Up	or Traditional 457(b) Catch-Up contribution limit ¹
This year, if you are	less than age 50	at least age 50	3 years or less from your normal retirement age ²
401(k) Pre-tax/ 401(k) Roth	\$19,000	\$25,000	\$25,000 (use Age-Based Catch-Up
457(b) Pre-tax/ 457(b) Roth	\$19,000	\$25,000	\$38,000
TOTAL	\$38,000	\$50,000	\$63,000

¹ Individuals cannot use the Traditional 457(b) Catch-Up and Age-Based Catch-Up in the same year, however, an individual can use the Traditional 457(b) Catch-Up in the 457(b) plan and the Age-Based Catch-Up in the 401(k) plan.

Look for your 1099-R Form.

If you received a distribution in 2018, Nationwide will mail your IRS Form 1099-R by January 31, 2019. If you are enrolled in Paperless Delivery, you'll receive an email when the form is available to download.

New Global Tactical Asset Allocation strategy.

Savings Plus will add a Global Tactical Asset Allocation (GTAA) manager to our Target Date Funds this year. The GTAA manager has the flexibility to change investments and their relative exposure in the portfolio as worldwide economic conditions present new opportunities. Watch our website for more information about the new GTAA strategy.

Reduced ProAccount fees.

As of January 2, 2019, the Nationwide ProAccount® fee schedule has been reduced. Read all about it online on savingsplusnow.com.

Changes coming in April 2019.

The current policy regarding Hardship and Unforeseeable Emergency withdrawals from a 401(k) or 457(b) plan is changing. Participants will:

- No longer be required to take out a Savings Plus loan before taking a withdrawal
- Be able to withdraw 100% of the account balance
- No longer be required to stop contributions for 6 months after withdrawal

Look for more information this spring at savingsplusnow.com.

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

Contact Information





Savings Plus
Walk-in Center
1810 16th Street,
Room 108
Sacramento, CA 95811
8 a.m. – 5 p.m. PT
Monday-Friday

Our workshops are educational, and free

For a complete list of available classes and locations, click Savings Plus Events at the bottom of our home page at savingsplusnow.com.



Investing involves market risk, including possible loss of principal. No investment strategy or program - including asset allocation and diversification - can guarantee a profit or avoid loss. Actual results will vary depending on your investment 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 contacting us at (855) 616-4776.

Savings Plus representatives are Registered Representatives of Nationwide Investment Services Corporation (NISC), member FINRA. Neither Nationwide nor its Savings Plus representatives can offer investment, tax or legal advice. Consult your own counsel before making retirement plan decisions.

Target Date Funds invest in a wide variety of underlying investment options to help reduce investment risk. Their expense ratio represents a weighted average of the expense ratios and any fees charged by the underlying investment options in which the Funds invest. The Funds do not charge any expense or fees of their own. Like other funds, target date funds are subject to market risk and loss of principal can occur at any time, including before, at or after the target date. There is no guarantee that target date funds will provide enough income for retirement or that asset allocation, diversification or any investment strategy will assure a profit or avoid losses.

Nationwide ProAccount investment advice is provided to plan participants by Nationwide Investment Advisors, LLC (NIA), an SEC-registered investment adviser. NIA has retained Wilshire* as an Independent Financial Expert for Nationwide ProAccount. While NIA is the investment adviser, Wilshire has discretion over all investment decisions and uses mathematical and statistical investment processes to allocate assets, select mutual funds and construct portfolios and funds in ways that seek to outperform their specific benchmarks. Such processes may not achieve the desired results. Wilshire is a service mark of Wilshire Associates Incorporated, which is not an affiliate of Savings Plus, Nationwide or NIA.

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² You may participate in Traditional Catch-Up during the last three years PRIOR to your Normal Retirement Age. Your Normal Retirement Age is the age you elect between ages 50 (age 55 for PEPRA members) and 70½. If no age has been elected, your Normal Retirement Age will be age 70½. Source IRS gov