

## DEFERRED COMPENSATION PLAN

Supplemental Benefit

### DEFERRED COMPENSATION PLAN - SUPPLEMENTAL BENEFIT

## DEFERRED COMPENSATION PLAN NEWS

### Retirement planning

#### Saving for retirement? Your future self is counting on it

Most of us have a lot of people who depend on us. Our family, neighbors, and coworkers all rely on us to do our part. However, you also have someone who's relying on you right now whom you have never met, but whose welfare is vitally important to you. That person is your future self — and he or she is probably trying to get your attention to encourage you to save more for your future retirement income.

Think about it: Have you ever heard a retired person say that they wish they had saved less for the future? Probably not. So, why is it a challenge for so many people to put future needs ahead of current wants? One possible reason is that it can be hard for us to picture what our future lives will be like. In **one experiment**, a researcher found that people were more likely to save money when they saw digitally altered images of themselves made to look retirement age. In other words, when people got an actual picture of what their future self could actually look like, they were more likely to take action to benefit that future self.<sup>1</sup>

Ready or not, the future is coming. The good news is that your deferred comp plan can help you prepare for it. In fact, it even makes saving for retirement automatic with each paycheck. It helps you take action now to make the life of your future self a little more comfortable.

The next time you notice a wrinkle or gray hair that wasn't there the day before, use it as a reminder to do something nice for your future self and save a little more for your retirement income.

### Mid-year retirement resolution reality check

It's the time of year when we start watching for sales on sunscreen and flip flops. But before you stow away the snow shovel and fold up the wool scarves, it's a good time to check in on the resolutions you made back in January — especially any resolutions about saving more for retirement.

Many of us have first hand experience with how difficult it can be to stick to our New Year's resolutions. And financial resolutions in particular seem to be difficult to maintain. A **recent survey** found that 74% of Americans who made financial resolutions last year broke them in less than six months, and 21% gave up in less than two weeks.<sup>2</sup>

According to one psychologist who specializes in behavioral modification and motivation, some of the strategies that can help you stick to your resolutions include:<sup>3</sup>

1. Clearly define your goals.
2. Track your progress.
3. Have patience.

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### Expecting a payout of your unused leave when you retire?

Contributing it to your deferred compensation plan could allow you to defer taxes on that payout.

Learn more at  
[www.sers.pa.gov/DeferredCompensationPlan.html](http://www.sers.pa.gov/DeferredCompensationPlan.html).

1.800.633.5461 | [www.SERS.pa.gov](http://www.SERS.pa.gov)

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## Let's take a closer look at each one.

**First**, you need to narrow down your resolution to a specific action instead of a vague intention. In terms of your retirement preparations, this can mean deciding to raise the amount you save through your deferred comp plan by a specific percentage or choosing to learn more about concepts like asset allocation and investment risk.

**Next**, tracking your progress is important because it can help you stay motivated. This could involve resolving to review and compare the account statements you receive or choosing to log in to your online account on a regular basis.

**Finally**, having patience is essential with a retirement resolution because achieving your retirement goals is a long-term process. Over time, small changes in your saving and investing habits can ultimately have a big impact — but you won't see results overnight.

When it comes to sticking with your retirement savings resolutions, there's good news. Your deferred comp plan can help make it a little easier. After all, it makes saving for retirement automatic. It offers the tools and education to help you define realistic goals. It gives you the information to help you track your progress. And it can help you stay focused on your long-term goals.

**There's more good news:** Even if you've already slipped up on your retirement planning resolutions — or if you never made them in the first place — it's never too late to get back on course. Why not start (or restart) today?

## Is your beneficiary up to date?

To check or update your beneficiary designation, go to [www.SERS.pa.gov](http://www.SERS.pa.gov), click on *Account Sign In* under the Deferred Compensation Plan graphic and then sign in to your account. Select the *Accounts* link at the top of the page. When you reach the *Account Overview* page, choose

*Beneficiaries* from the menu on the left. You'll be able to see your current beneficiary designation (if applicable) and make any needed changes.

Click this [link](#) to log into your account. Once you have logged in, you will be taken directly to the *Beneficiaries* page.

**Please note:** *If you have multiple SERS plans, you will need to designate a beneficiary for each one of them. Your designation for one plan does not automatically apply to others.*

1 NYTimes.com, Why it's so hard to put "Future You" ahead of "Present You", September 10, 2018

2 Nerdwallet.com, New Year Money Report: Strategies for Success, November 2017

3 Forbes.com, A Psychologist's Secrets To Making New Year's Resolutions Stick, January 3, 2016

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