



OHIO DEFERRED COMPENSATION

# 457 FOCUS

877-644-6457

Ohio457.org

First Quarter 2023

## At the heart of 2023 planning: *Financial Wellness*

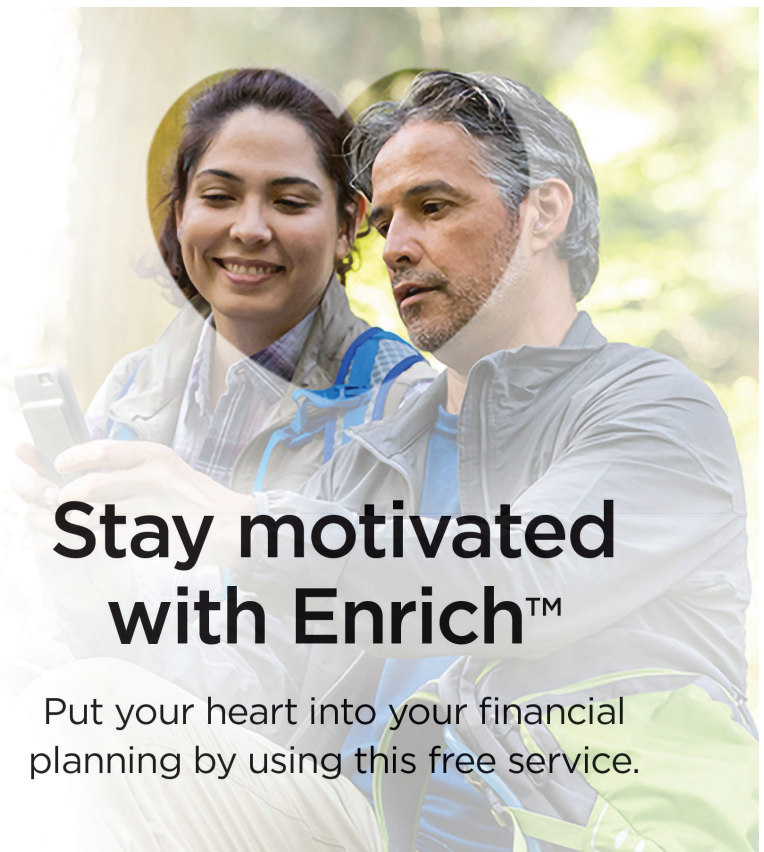
Financial wellness is understanding your current situation, establishing attainable short-term and long-term goals, and implementing solutions to achieve them. After finishing your taxes, it is a great time to think about your financial wellness.

To help you stay motivated and improve your financial wellness, Ohio DC has partnered with Enrich™, a one-stop destination for help with personal finance.

Through Enrich, you can receive a Financial Wellness Checkup that will help you build a personalized plan with recommendations for tools, videos, and mini-courses relevant to your path.

Enrich also provides resources to assist you on your journey to retirement. Most industry experts agree that workers seeking to be financially healthy at retirement should consider ways to supplement their future pension and Social Security benefits with savings or investments. That is why Enrich has developed engaging and interactive financial education on various topics, including budgeting, banking, investing, debt management, and more.

This service is free to you as a participant of Ohio DC. Log in to your online account and look for the green Financial Wellness button. Take advantage of Enrich today!



## Stay motivated with Enrich™

Put your heart into your financial planning by using this free service.



[Ohio457.org](https://Ohio457.org)



[Ohio457@Nationwide.com](mailto:Ohio457@Nationwide.com)



[877-644-6457](tel:877-644-6457)

*Ohio DC has contracted with Enrich to offer you financial wellness resources. Nationwide is not affiliated with Enrich.*

*Ohio DC's Service Center does not have access to your Enrich profile. For assistance with using the Enrich service, Ohio DC participants should contact Enrich Customer Service: [support@enrich.com](mailto:support@enrich.com)*

**A publication of the Ohio Deferred Compensation Board**

## Employers Recognized



The Ohio Deferred Compensation Board of Trustees formally recognized the following employers' achievements in improved retirement education, enrollment, and savings among their employees during 2022.

We appreciate everything these organizations do to make sure Ohio's public employees are ready for retirement!

- |                    |   |
|--------------------|---|
| ★ Adams County     | ★ City of Monroe                        |
| ★ City of Fairborn | ★ Hilliard City School District         |
| ★ City of Lorain   | ★ Miami Valley Career Technology Center |
| ★ City of Milford  | ★ New Lexington City Schools            |

## Required Minimum Distribution

If you reached age 72 on or before December 31, 2022, you will continue taking your required minimum distribution (RMD). Beginning January 1, 2023, the RMD age increased from 72 to 73. If you are no longer working, you will be required to take an RMD in the year you reach age 73. Your RMD, mandated by the IRS, is required to be withdrawn by the end of the year.

Your 2023 RMD amount(s) were provided in your fourth quarter 2022 statement and are also available to view by logging in to your account at [Ohio457.org](https://ohio457.org).

## Review Your Annual Statement

For most participants, Ohio DC issued Annual Statements in January. This statement contains valuable information about account performance, fund allocation, potential values and benefits, and beneficiaries. You can view your Annual Statement at [Ohio457.org](https://ohio457.org).

The Annual Statement gives you an update on your progress toward meeting your retirement income goal(s). Now is the perfect time to refresh your plan for the new year. Commit to take action toward a more secure retirement.



Consider enrolling in the SMarT automatic increase plan, rebalancing your investment options, updating your beneficiaries, or consolidating your retirement savings accounts at Ohio DC.

Go to [Ohio457.org](https://ohio457.org) and log in to your account to make changes.



## Does my employer allow Roth contributions?

Your employer must choose to offer the Roth 457 option and program their payroll systems for it to be available to you. To determine if your employer offers the Roth option, go to [Ohio457.org](https://ohio457.org).

Deciding whether to make Roth (after-tax) contributions depends on your individual financial circumstances, such as your current income, anticipated income in retirement, and your current and future tax rates.

To determine if Roth contributions may be right for you, you can use the Roth Analyzer Tool at [Ohio457.org/CalculatorsTools](https://ohio457.org/CalculatorsTools), but you should also consult with a tax advisor to assist you in making this decision.

Once you determine that your employer offers the Roth 457 option, you can enroll online or by calling 877-644-6457.

# Roth457

*Existing participants who wish to enroll online will need to log in to their account and choose "Add New Account."*

## Meet with Your Local Account Executive

We are offering multiple ways to stay in touch with your local Account Executive, including on-site visits, telephone appointments, or virtual meetings.

To schedule an appointment with your local Account Executive, visit [Ohio457.org](https://ohio457.org), then click the calendar icon link. Next, select the county where you work to see the Account Executive(s) for that county. Click the Account Executive name to see the available services and times.



### Your local Account Executive can help you:

- Review your investment options
- Evaluate your tolerance for risk
- Answer questions about retirement and post-employment withdrawals
- Navigate online tools and calculators
- Understand the difference between pre-tax or post-tax (Roth) contributions, if offered by your employer
- Update your address, email, or beneficiaries

*Account Executives are Registered Representatives of Nationwide Investment Services Corporation, member FINRA. Neither Nationwide nor its representatives provide tax, legal, or investment advice. Please consult your professional advisor for such advice.*

## Ohio DC Board of Trustees

At the January Board of Trustees meeting, Ken Thomas (municipal employees) was selected as chair, and Julie Albers (county employees) was selected as vice chair.

Also at the January meeting, Randy Desposito (state college and university employees), Christopher Mabe (state employees), Ken Thomas (municipal employees), and Steve Toth (retired employees) were sworn in for four-year terms.

Former Senate appointee, Senator Jay Hottinger retired at the end of December 2022 after serving on the Ohio DC Board since June 1999. Senator Blessing was appointed in March to represent the Ohio Senate.



Ken Thomas  
Chair



Julie Albers  
Vice Chair

# Simplify Through Rollover

You have probably switched jobs at some point. Do you know what is happening to your retirement accounts when you change jobs?

Some people cash out those accounts, leaving them to face tax consequences now and reducing their future retirement income. Did you know you can roll most of those retirement accounts into Ohio DC?

## Rolling over provides:

- 1. **Access to our low-cost investments.** That means potentially more money for your retirement.
- 2. **Simplification.** You will have one statement and one place to manage your accounts.
- 3. **Tax advantages.** Keep your money deferred and let it continue to grow. Unfortunately, Roth (after-tax) accounts cannot be rolled into Ohio DC.



The following types of pre-tax retirement plans can be rolled over:

- 457(b)
- 403(b)
- 401(k)
- 401(a)
- Traditional IRA

Simplify your retirement planning. Complete a Rollover form, at [Ohio457.org](http://Ohio457.org) or call an Account Executive at 877-644-6457 for assistance.

*Qualified retirement plans, IRAs, and deferred compensation plans have different rules, including fees and withdrawal restrictions. Assets rolled from other plans into your Ohio DC account might still be subject to a 10 percent early distribution penalty, if you choose to withdraw before age 59½. All withdrawals are taxed as ordinary income. Consider all factors and speak with your tax advisor for advice.*



**Ohio Deferred Compensation Service Center**  
257 East Town Street, Suite 457  
Columbus, Ohio 43215-4626



**877-644-6457**  
8 a.m.-4:30 p.m., Monday-Friday



**Ohio457@Nationwide.com**



**Ohio457.org**



**Holiday Schedule**  
The Service Center and exchange processing follows the New York Stock Exchange holiday schedule.  
Visit [Ohio457.org/Contact Us](http://Ohio457.org/Contact Us) for the 2023 holiday schedule.

The Ohio Deferred Compensation Program is a supplemental retirement benefit plan regulated by Section 457 of the Internal Revenue Code.

## Ohio DC Board of Trustees

### Elected

- Julie Albers, Vice Chair**  
County Employees
- Randy Desposito**  
Non-teaching College/  
University Employees
- Christopher Mabe**  
State Employees
- Stewart Smith**  
Miscellaneous Employees
- Timothy Steitz**  
Retired Group
- Ken Thomas, Chair**  
Municipal Employees
- Steve Toth**  
Retired Group

### Statutory

- Kathleen Madden**  
Director, Department of  
Administrative Services
- Richard Brown**  
House of Representatives
- Louis W. Blessing, III**  
Senate

### Appointed

- James E. Kunk**  
Investment Expert
- Scott Richter**  
Investment Expert
- James Tilling**  
Investment Expert

**Paul D. Miller**  
Interim Executive Director



# Ohio Deferred Compensation

## Investment Performance Report—As of March 31, 2023

The results shown represent past performance and should not be considered a representation of future performance or experience. Past performance cannot guarantee future results. Current investment results may be lower or higher than quoted in this report. The principal value and investment return of an investment will fluctuate so that an investor's units/shares, when redeemed, may be worth more or less than their original cost. Performance data current to the most recent month-end may be obtained by visiting [Ohio457.org](https://ohio457.org). Although data is gathered from investment providers, Ohio DC cannot guarantee completeness and accuracy. Please see other important disclosures at the end of this report. **Consider the investment objectives, risks, charges, and expenses carefully before investing by consulting the prospectuses or profiles, which contain this and other information. Read the prospectuses or profiles carefully before investing. Prospectuses or profiles are available by calling 877-644-6457 or visiting [Ohio457.org](https://ohio457.org).**

Fund Name (Manager or Ticker Symbol)	Inception Date	1st Quarter	Average Annual Returns				Expense Ratio <sup>(1)</sup>
			1 Year	3 Year	5 Year	10 Year	
LifePath Portfolios (BlackRock) <sup>(2)</sup>							
● LifePath Retirement <sup>(3)</sup>	8/15/2017	4.42%	-6.03%	5.00%	3.80%	4.24%	0.06%
● LifePath 2025 <sup>(3)</sup>	8/15/2017	4.72%	-6.43%	6.98%	4.37%	5.36%	0.06%
● LifePath 2030 <sup>(3)</sup>	8/15/2017	5.26%	-6.71%	9.13%	5.10%	6.07%	0.06%
● LifePath 2035 <sup>(3)</sup>	8/15/2017	5.75%	-6.99%	11.20%	5.78%	6.73%	0.06%
● LifePath 2040 <sup>(3)</sup>	8/15/2017	6.22%	-7.24%	13.09%	6.37%	7.30%	0.06%
● LifePath 2045 <sup>(3)</sup>	8/15/2017	6.60%	-7.43%	14.57%	6.84%	7.75%	0.06%
● LifePath 2050 <sup>(3)</sup>	8/15/2017	6.81%	-7.52%	15.31%	7.08%	7.95%	0.06%
● LifePath 2055 <sup>(3)</sup>	8/15/2017	6.86%	-7.54%	15.41%	7.13%	8.08%	0.06%
● LifePath 2060 <sup>(3)</sup>	8/15/2017	6.87%	-7.53%	15.40%	7.12%	7.30% <sup>(4)</sup>	0.06%
Non-US Stock							
▲ Non-US Company Stock (Vanguard, Schroders, Arrowstreet) <sup>(2)</sup>	9/11/2020	8.36%	-4.57%	6.00% <sup>(4)</sup>	n/a	n/a	0.54%
▲ Non-US Company Stock Index (State Street) <sup>(2) (5)</sup>	12/9/2022	6.91%	-4.73%	12.86%	2.62%	4.55%	0.05%
Small Company/Mid Company Stock							
▲ US Small Growth Company Stock (Westfield, Fiera) <sup>(2)</sup>	6/2/2017	7.50%	-8.81%	18.37%	8.87%	10.11% <sup>(4)</sup>	0.67%
▲ US Small Value Company Stock (Westwood) <sup>(2)</sup>	6/2/2017	2.77%	-2.44%	21.24%	5.38%	6.20% <sup>(4)</sup>	0.52%
▲▲ US Small/Mid Company Stock Index (State Street) <sup>(2) (5)</sup>	12/9/2022	5.92%	-13.15%	17.92%	6.54%	9.25%	0.02%
▲ Vanguard Capital Opportunity (VHCAX) <sup>(6)</sup>	11/12/2001	7.00%	-5.54%	18.37%	9.63%	13.20%	0.36%
Large Company Stock							
▲ Fidelity Growth Company Commingled Pool <sup>(2)</sup>	12/13/2013	15.67%	-12.72%	22.27%	15.35%	16.42% <sup>(4)</sup>	0.35%
▲ Fidelity Contrafund Commingled Pool <sup>(2)</sup>	1/17/2014	10.82%	-10.57%	15.34%	10.57%	11.54% <sup>(4)</sup>	0.35%
▲ US Large Growth Company Stock (T. Rowe Price) <sup>(2)</sup>	8/1/2014	14.51%	-14.15%	14.33%	10.67%	12.99% <sup>(4)</sup>	0.32%
▲ US Large Value Company Stock (Dodge & Cox) <sup>(2) (7)</sup>	12/9/2022	1.51%	-6.78%	23.33%	9.42%	11.36%	0.41%
▲ US Large Company Stock Index (State Street) <sup>(2) (5)</sup>	12/9/2022	7.49%	-7.74%	18.60%	11.17%	12.23%	0.01%
Bonds							
▲ US Bond (TCW) <sup>(2)</sup>	1/30/2015	3.40%	-5.61%	-2.30%	1.23%	1.11% <sup>(4)</sup>	0.25%
▲ US Bond Index (State Street) <sup>(2) (5)</sup>	12/9/2022	3.13%	-4.80%	-2.76%	0.94%	1.38%	0.02%
Stable Value							
▲ Stable Value Option (Multiple Managers) <sup>(2)</sup>	1/1/1994	0.61%	1.96%	1.94%	2.17%	2.19%	0.24%

**Annualized Crediting Rates: 1<sup>st</sup> Quarter 2023—2.50% 2<sup>nd</sup> Quarter 2023—2.60%**

- <sup>(1)</sup> Investment performance has been reduced for expense ratios. These expense ratios may vary from period to period. Expense ratios do not include administrative fees or service fees. See "Fees" for more information.
- <sup>(2)</sup> These options are not publicly traded mutual funds and do not have a ticker symbol or prospectus. Additional information regarding the manager(s) and investment strategy can be found in the fund profile at [Ohio457.org](https://ohio457.org). The value of the securities held by the Stable Value Option (SVO) will fluctuate. The SVO focuses on principal preservation and a stable rate of return.
- <sup>(3)</sup> Returns shown are of the respective LifePath Index N series. Returns for periods prior to the inception of the N series are those of the respective LifePath Index F series.
- <sup>(4)</sup> Average annual return since inception date.
- <sup>(5)</sup> Returns for Non-US Company Stock Index, US Small/Mid Company Stock Index, US Large Company Stock Index, and US Bond Index prior to inception are those for State Street Global All Cap Equity Ex-U.S. Index Securities Lending Series Fund Class II, State Street Russell Small/Mid Cap Index Securities Lending Series Fund Class II, State Street S&P 500 Index Securities Lending Series Fund Class II, and State Street U.S. Bond Index Securities Lending Series Fund Class XIV, respectively.
- <sup>(6)</sup> This option is a publicly traded mutual fund, and it has a ticker symbol and prospectus.
- <sup>(7)</sup> Returns for the US Large Value Company Stock prior to inception are for the Dodge & Cox Stock Fund (DODGX).

Account Executives are registered representatives of Nationwide Investment Services Corporation, member FINRA.

## Investment Performance Report Notes

- **LifePath Portfolios**—Each LifePath Portfolio is based on a target year (when you expect to begin using your money). Portfolios are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. LifePath Portfolios are designed for people who plan to begin withdrawing funds during or near a specific year. Like other funds, LifePath Portfolios are subject to market risk and loss. Loss of principal can occur at any time, including before, at, or after the target year. There is no guarantee that LifePath Portfolios will provide enough income for retirement.

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- ▲ **Non-US Stock**—Non-US or international funds involve risks not associated with investing solely in the United States, such as currency fluctuation, differences in accounting standards, and the limited availability of information. Over the long term, an investor should be willing to accept a high level of risk resulting from potentially higher market volatility.
- ▲ **Small Company Stock**—Small company funds contain stocks from companies with less than \$2 billion in capitalization, including many start-up companies. Small companies can grow much faster than big companies, but small company stocks tend to be more volatile than the stocks of larger companies. Over the long term, an investor should be willing to accept a high level of risk resulting from potentially higher market volatility.
- ▲ **Mid Company Stock**—Mid company funds contain stocks from companies with market values between \$2 billion and \$10 billion, and often include companies that are well established and growing. Over the long term, an investor should be willing to accept a moderate to high level of risk resulting from potentially higher market volatility.
- ▲ **Large Company Stock**—Large company funds contain stocks from companies with market values of more than \$10 billion, and they include blue-chip and Fortune 500 companies. They are typically more mature, diversified companies with many products and services. Over the long term, an investor should be willing to accept a moderate to high level of risk resulting from potentially higher market volatility.
- ▲ **Bonds**—Bonds are loans or debt instruments issued by governments or corporations that need to raise money. Bond funds have the same interest rate, inflation, and credit risks associated with the underlying bonds owned by the fund. Bonds are generally a more conservative form of investment than stocks, and usually provide a more steady flow of income. Typically, bonds have a lower long-term total return than stocks.
- ▲ **Stable Value**—These options own short to intermediate term, high-quality securities. Investors who seek safety of principal as well as a competitive rate of return compared to money market funds may invest in these options. The Stable Value Option returns are shown net of fees for investment management, custody, and principal protection.

### Investment Performance

All reported returns assume reinvestment of capital gains and dividends and reflect the fund's expense ratio, but not the deduction of the administrative fees.

## Fees

### Administrative Fees

An annual administrative fee of 0.0014 or 0.14% is charged to each participant. Administrative fees will be charged each quarter and are based on the total of a participant's account balance(s). Administrative fees will be waived if the total of a participant's account balance(s) is below \$5,000. Administrative fees will be capped at \$55 per quarter, per participant.

Before investing in a fund, carefully consider its objectives, risks, charges, and expenses. This information and other important facts can be found in the prospectus or fund profile at [Ohio457.org](https://Ohio457.org). Read them carefully before investing.