

# FOCUS



Deferred  
Compensation  
*Invest in you.*

Ohio457.org • 877-644-6457

Third Quarter 2024



## You hold the key to account security

Invest in you. Create your online account today.

Some people believe that by not setting up online access to their financial accounts, they are less likely to have those accounts hacked.

### The opposite may be true. Here's why.

Fraudsters are skilled at scouring the internet to accumulate data about everyone, including you. Once they have found enough information, they can try to set up an online account in your name, so they can gain access to your retirement account.

Ohio DC has systems in place to identify and shut out fraudsters. But, even the most advanced systems in the world cannot guarantee that an online account will not suffer unauthorized access.

When you create online access for your Ohio DC account, choose a unique username and password. This step adds an essential layer of security against hacking, ensuring you are in control of your account.

Creating online access to your account is easy:


- ✓ Go to [Ohio457.org](https://Ohio457.org)
- ✓ Click on [Create an online account](#)
- ✓ Follow the prompts

After you have created your online account, Ohio DC adds another layer of protection by using multi-factor authentication. Any time you try to log in to your account, with some exceptions granted to a recognized device or browser, we will send you a code via your on-file email or text. When you enter that code into your device, you will gain access to your account.

**Invest in you.**  
**Create your online account today!**

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

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

 877-644-6457

# LifePath 2025 reaches its target date

LifePath Portfolios combine a blend of stocks, bonds, and other investments that seek to produce competitive returns over time. Each Portfolio changes its investment mix gradually to become more conservative as it approaches its target date. The principal value of the fund(s) is not guaranteed at any time, including at the target date.

When a LifePath Portfolio reaches the year identified in the portfolio's name—its "target date"—it is transitioned into the LifePath Retirement Portfolio.



**On September 20, participants invested in the LifePath 2025 Portfolio were moved to the LifePath Retirement Portfolio.** Participants affected by this change received information detailing the changes in their account.

---

Ohio DC is proud to have been selected as a recipient of a National Association of Government Defined Contribution Administrators (NAGDCA) 2024 Leadership Award in the area of Participant Education and Communication. Ohio DC was one of 16 public sector plans recognized for excellence and innovation. Our [Enhanced Webinar Education Campaign](#) can be viewed on their website. The award was presented in September at the NAGDCA Annual Conference.



We are excited to continue educating our participants for their future/current retirement. We are here to help you; invest in you!

# Required Minimum Distributions

In 2024, if you are no longer working and will turn 73, or are already 73 or older, you will need to take a [Required Minimum Distribution \(RMD\)](#) from your Ohio DC account. If you are a beneficiary of an account, you may also be subject to an RMD. The RMD, mandated by the IRS, is required to be withdrawn by the end of the year.

If you are subject to a 2024 RMD and have not made withdrawals equal to or greater than your full RMD amount by Wednesday, December 4, your remaining RMD amount will be automatically withdrawn on Thursday, December 5. If you are receiving systematic payments, your scheduled December 4 withdrawal amount will be automatically increased to meet the full RMD amount, if necessary. Your systematic payments will resume as originally requested in 2025. Please allow two days from the withdrawal date for the receipt of funds in your bank account.

**No action is required for these automatic withdrawals to be made.**

For first-time RMD payments, federal income taxes will be withheld using the IRS default withholding amount of 10%. Ohio state income taxes will default to zero exemptions. If your address on file is outside of Ohio, no state income taxes will be withheld.

Visit [Ohio457.org](https://Ohio457.org) to manage your RMD withdrawal, including adding or updating bank information, changing Ohio income tax information, selecting an investment withdrawal option, or printing a federal income tax withholding form.



# New Age 60–63 Catch-up Contribution Limit in 2025

Effective January 1, 2025, the SECURE 2.0 Act introduces a new annual catch-up contribution limit for participants in the calendar year they turn age 60, 61, 62, or 63. The new Age 60–63 catch-up contribution limit is the greater of \$10,000 or 150% of the regular catch-up amount (\$7,500).

Age Attained During 2025	Potential 2025 Annual Contribution Limits (assuming no change from 2024 limits)
49 and under	\$23,000
50 to 59	\$30,500 (\$23,000, plus \$7,500 catch-up)
60 to 63	\$34,250 (\$23,000, plus \$11,250 catch-up)
64 and older	\$30,500 (\$23,000, plus \$7,500 catch-up)

Contribution limits for 2025 should be recalculated by the IRS based on inflation statistics and announced in early November, which may change the limits shown in the table above.

To automatically increase your per-pay contribution amount to the annual limit allowed by the IRS every January, [log in](#) to your account at [Ohio457.org](#) and enroll in the [SMarT Plan](#). To make a one-time increase to your contribution amount, call the [Service Center](#), or [log in](#) to your account after December 17, 2024, when increased contributions using 2025 limits can be processed.

---

---

## Invest your unused sick and vacation leave

Let your unused sick and vacation leave grow by investing it! If your employer offers a lump sum cash out program on an annual basis or at retirement, you may choose a lump sum contribution to your Ohio DC account. It is a great way to get a boost in your retirement savings and invest it for continued growth, while deferring current income taxes (with pre-tax contributions) on your lump sum contribution. Lump sum contributions are subject to the IRS annual contribution limits.

### Timing Is Important

If you will receive a [leave cash out](#), contact your payroll manager to determine the dollar amount and the date it will be paid. We request that you contact Ohio DC, at 877-644-6457, at least 31 days before the pay date of your leave cash out.

To be eligible to contribute a [leave cash out when ending employment](#), the IRS requires that your leave cash out be made within 75 days of your termination date or within the same calendar year in which you terminate, whichever is longer. It is necessary that you be enrolled in Ohio DC before your last day of work. Please call 877-644-6457 at least 31 days before your cash out is paid and prior to your termination date.





## Help your retirement savings fall into place

Take advantage of our resources to help you work toward your retirement goals.

**October is National Retirement Security Month.** Take a moment to check up on your retirement security and financial wellness. Building healthy financial habits and contributing to your retirement savings are key to providing the stability and comfort you want for yourself and your loved ones. Whether you're trying to accumulate savings, develop withdrawal strategies, or adjust your approach, we're here to give you the support that you need.

**Take advantage of Ohio DC's free financial wellness program.** With our partner, [Enrich](#), Ohio DC can assist you with your overall financial wellness. Enrich contains a wide range of personalized tools and resources. Enrich has added Ask Earnie, a new AI tool to help you with all your basic or complex financial questions.

**Stay in touch with your local Account Executive.** Visit [Ohio457.org](#) to [schedule an appointment](#). If you are getting close to retirement or have already retired, **meet with a Retirement Planning Specialist (RPS)**. Our RPSs are Chartered Financial Consultants (ChFC) who can help participants with retirement planning at no charge. Take advantage of our resources to help you work towards your retirement goals. Call our [Service Center](#) to set up a consultation with an RPS. Appointments are required.

*Information presented by an Account Executive or RPS is for educational and planning purposes only and is not intended as investment advice. Neither Ohio DC, nor its representatives, provide tax, legal, or investment advice. Please consult your professional advisor for such 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.

[2024 Holiday Schedule](#)

**The Ohio Public Employees 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

# Ohio Deferred Compensation

## Investment Performance Report—As of September 30, 2024

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](http://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](http://Ohio457.org).**


Fund Name (Manager or Ticker Symbol)	Inception Date	3rd Quarter	YTD	Average Annual Returns				Expense Ratio <sup>(1)</sup>
				1 Year	3 Year	5 Year	10 Year	
<b>LifePath Portfolios</b> (BlackRock) <sup>(2)</sup>								
● LifePath Retirement <sup>(3)</sup>	8/15/2017	5.81%	9.55%	18.66%	2.15%	5.23%	5.06%	0.06%
● LifePath 2030 <sup>(3)</sup>	8/15/2017	6.31%	11.63%	22.20%	3.68%	7.39%	6.80%	0.06%
● LifePath 2035 <sup>(3)</sup>	8/15/2017	6.62%	13.29%	24.73%	4.77%	8.70%	7.65%	0.06%
● LifePath 2040 <sup>(3)</sup>	8/15/2017	6.90%	14.87%	27.19%	5.81%	9.91%	8.42%	0.06%
● LifePath 2045 <sup>(3)</sup>	8/15/2017	7.16%	16.36%	29.47%	6.77%	10.97%	9.04%	0.06%
● LifePath 2050 <sup>(3)</sup>	8/15/2017	7.24%	17.36%	30.86%	7.37%	11.59%	9.38%	0.06%
● LifePath 2055 <sup>(3)</sup>	8/15/2017	7.27%	17.82%	31.37%	7.60%	11.77%	9.47%	0.06%
● LifePath 2060 <sup>(3)</sup>	8/15/2017	7.27%	17.83%	31.39%	7.60%	11.77%	9.37% <sup>(4)</sup>	0.06%
● LifePath 2065 <sup>(3)</sup>	8/15/2017	7.28%	17.86%	31.44%	7.61%	11.77%	11.57% <sup>(4)</sup>	0.06%
<b>Non-US Stock</b>								
▲ Non-US Company Stock (Vanguard, Schroders, Arrowstreet) <sup>(2)</sup>	9/11/2020	6.23%	15.32%	25.24%	3.19%	9.31% <sup>(4)</sup>	n/a	0.54%
▲ Non-US Company Stock Index (State Street) <sup>(2) (5)</sup>	12/9/2022	8.06%	13.90%	25.06%	4.12%	7.88%	5.55%	0.05%
<b>Small Company/Mid Company Stock</b>								
▲ US Small Growth Company Stock (Westfield, Fiera) <sup>(2)</sup>	6/2/2017	6.80%	9.76%	24.13%	1.51%	12.25%	11.30% <sup>(4)</sup>	0.65%
▲ US Small Value Company Stock (Westwood) <sup>(2)</sup>	6/2/2017	8.99%	7.62%	23.88%	6.17%	9.05%	7.94% <sup>(4)</sup>	0.51%
▲▲ US Small/Mid Company Stock Index (State Street) <sup>(2) (5)</sup>	12/9/2022	8.27%	12.41%	29.09%	2.06%	11.30%	10.00%	0.02%
▲ Vanguard Capital Opportunity (VHCAX) <sup>(6)</sup>	11/12/2001	1.92%	14.47%	25.09%	7.66%	14.82%	12.99%	0.36%
<b>Large Company Stock</b>								
▲ Fidelity Growth Company Commingled Pool <sup>(2) (7)</sup>	9/7/2023	1.30%	27.79%	46.29%	10.19%	24.55%	19.47%	0.32%
▲ Fidelity Contrafund Commingled Pool <sup>(2) (7)</sup>	12/5/2023	4.48%	31.04%	45.93%	12.56%	19.00%	15.47%	0.30%
▲ US Large Growth Company Stock (T. Rowe Price) <sup>(2)</sup>	8/1/2014	2.75%	25.06%	43.15%	8.48%	17.97%	16.35%	0.30%
▲ US Large Value Company Stock (Dodge & Cox) <sup>(2) (8)</sup>	12/9/2022	7.19%	16.37%	27.83%	10.29%	14.51%	11.26%	0.41%
▲ US Large Company Stock Index (State Street) <sup>(2) (5)</sup>	12/9/2022	5.89%	22.07%	36.33%	11.91%	15.95%	13.36%	0.01%
<b>Bonds</b>								
▲ US Bond (TCW) <sup>(2)</sup>	1/30/2015	5.86%	4.82%	12.78%	-1.62%	0.62%	1.67% <sup>(4)</sup>	0.25%
▲ US Bond Index (State Street) <sup>(2) (5)</sup>	12/9/2022	5.19%	4.56%	11.58%	-1.38%	0.35%	1.86%	0.02%
<b>Stable Value</b>								
▲ Stable Value Option (Multiple Managers) <sup>(2)</sup>	1/1/1994	0.77%	2.25%	2.99%	2.37%	2.30%	2.30%	0.26%

**Annualized Crediting Rates: 3<sup>rd</sup> Quarter 2024—3.10% 4<sup>th</sup> Quarter 2024—3.20%**


- <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 is in the fund profile at [Ohio457.org](http://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> The inception date of the earliest share class of the Fidelity Growth Company Pool was 12/13/2013. The inception date for the earliest share class of the Contrafund Pool was 1/17/2014. Performance between inception dates of the earliest class of the Pools and the inception dates (see above) of Class S shares of the Pools was calculated by subtracting the respective Class's management fee for that period from the Pool's gross performance.
- <sup>(8)</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.


---


 **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](http://Ohio457.org). Read them carefully before investing.