

# FOCUS



Deferred  
Compensation  
*Invest in you.*

Ohio457.org • 877-644-6457

Fourth Quarter 2024



## Be ready

Ohio DC is here  
to help you make  
SMarT decisions.

This is the perfect time to take a fresh look at your financial goals as we welcome the new year. If you are approaching retirement or are retired, you may want to review your investment mix to be sure it supports your ideal retirement.

If you are still working, think about enrolling in the [SMarT Automatic Increase Plan](#) to make the most of your retirement savings. This feature automatically increases the amount that you contribute to your account, beginning in the month you choose by the amount you choose, up to the annual contribution limit, as determined by the IRS. Refer to page 3 for the 2025 annual limits.

Let Ohio DC help you make SMarT decisions that could improve retirement readiness. We offer a wealth of [educational materials](#), [webinars](#), and [personalized support](#) to help you make informed decisions about your retirement savings.

**Enroll today.** Take advantage of the SMarT Plan to help you improve your retirement readiness.

### Here's how the SMarT Plan could work for you:

- **Automatic increases:** You can set your contributions to automatically increase annually, saving you from having to remember when to manually adjust your contributions.
- **Customizable:** You choose the dollar amount of your contribution increase. Should your financial situation change, you can adjust the amount at any time.
- **Minimal impact:** You can commit to higher savings over time without worrying about the potential impact on your current budget.
- **Compounded growth:** You could potentially grow your savings even more over time by gradually and regularly increasing your contribution amount.



Ohio457.org



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## Managing withdrawals online is easy

Once you have separated from employment and completed the necessary paperwork to receive an initial payment, you can manage future withdrawals online. [Log in](#) to your account at [Ohio457.org](#), and click the “Withdrawals” tab.



For more information about our [online withdrawal process](#), go to [Ohio457.org](#) or call our Service Center at 877-644-6457.

### Managing your Ohio DC withdrawals is easy! You can:

- Update your bank information.
- Select a different payment amount.
- Request a new withdrawal for a different payment date.
- Receive systematic or lump sum payments.
- Update your investment withdrawal options.

### Things to know before starting the online process:

- Only direct deposit payments can be requested online.
- Submitting an online withdrawal request stops any existing withdrawal requests.
- The next available withdrawal date will be chosen automatically.
- Federal income tax withholding will occur at the applicable default rates, unless you customize your withholding by submitting a Form W-4.
- Ohio income tax withholding is required to be a percentage.

## Simplify your retirement planning

You have probably switched jobs at some point. If you have IRAs or retirement accounts from former employers, make it easier to manage them by rolling them into your Ohio DC account.

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



Complete a [Rollover form](#) or call 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.*

# Annual Contribution Limits

The Internal Revenue Service recently announced an increase to the [annual contribution limits for 2025](#). Each year, the IRS sets limits on the amount of wages you can contribute. These limits are tied to inflation statistics and are recalculated each fall for the following calendar year. Your combined pre-tax and Roth contributions cannot exceed your annual contribution limit.

2025 Annual Contribution Limits	
<b>Regular</b> (49 and under)	\$23,500
<b>Age 50+ Catch-up</b> (50-59 or 64 and older)	\$31,000
<b>Age 60-63 Catch-up</b> (60-63) <b>NEW</b>	\$34,750
<b>Traditional Catch-up</b> (upon eligibility)	\$47,000

Effective January 1, 2025, the SECURE 2.0 Act introduced 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 Age 50+ catch-up amount (150% of \$7,500=\$11,250).

# Required Minimum Distributions

In 2025, 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 Deferred Compensation account. The RMD, mandated by the Internal Revenue Service, is determined at the beginning of the year and is required to be withdrawn by the end of the year. Participant Roth accounts are not subject to an RMD.

If applicable, RMD information for 2025 is provided in your fourth quarter 2024 statement.

# Tax Time

If you took a withdrawal or rollover from your account during 2024, Ohio DC will issue you a Form 1099-R in late January 2025.

Participants using eDelivery will be notified by email when a Form 1099-R is posted to their online account. If your eDelivery preference is to have a Form 1099-R mailed, your form is scheduled to be mailed the last week of January, and is also available in your online account.



**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.

[2025 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 December 31, 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	4th Quarter	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	-2.24%	7.10%	0.55%	4.02%	4.68%	0.06%
● LifePath 2030 <sup>(3)</sup>	8/15/2017	-2.24%	9.13%	1.58%	5.69%	6.39%	0.06%
● LifePath 2035 <sup>(3)</sup>	8/15/2017	-2.11%	10.90%	2.44%	6.81%	7.25%	0.06%
● LifePath 2040 <sup>(3)</sup>	8/15/2017	-1.95%	12.64%	3.28%	7.84%	8.02%	0.06%
● LifePath 2045 <sup>(3)</sup>	8/15/2017	-1.78%	14.28%	4.09%	8.80%	8.65%	0.06%
● LifePath 2050 <sup>(3)</sup>	8/15/2017	-1.51%	15.58%	4.67%	9.42%	9.01%	0.06%
● LifePath 2055 <sup>(3)</sup>	8/15/2017	-1.36%	16.23%	4.92%	9.63%	9.12%	0.06%
● LifePath 2060 <sup>(3)</sup>	8/15/2017	-1.34%	16.25%	4.93%	9.63%	9.11%	0.06%
● LifePath 2065 <sup>(3)</sup>	11/15/2019	-1.34%	16.28%	4.94%	9.60%	10.71% <sup>(4)</sup>	0.06%
<b>Non-US Stock</b>							
▲ Non-US Company Stock (Vanguard, Schroders, Arrowstreet) <sup>(2)</sup>	9/11/2020	-6.20%	8.17%	1.00%	7.14% <sup>(4)</sup>	n/a	0.54%
▲ Non-US Company Stock Index (State Street) <sup>(2) (5)</sup>	12/9/2022	-7.68%	5.15%	0.68%	4.32%	5.18%	0.05%
<b>Small Company/Mid Company Stock</b>							
▲ US Small Growth Company Stock (Westfield, Fiera) <sup>(2)</sup>	6/2/2017	-1.68%	7.92%	-0.36%	9.18%	10.67% <sup>(4)</sup>	0.66%
▲ US Small Value Company Stock (Westwood) <sup>(2)</sup>	6/2/2017	-2.09%	5.37%	2.84%	7.39%	7.37% <sup>(4)</sup>	0.50%
▲▲ US Small/Mid Company Stock Index (State Street) <sup>(2) (5)</sup>	12/9/2022	4.24%	17.18%	3.02%	10.32%	9.77%	0.02%
▲ Vanguard Capital Opportunity (VHCAX) <sup>(6)</sup>	11/12/2001	-0.12%	14.34%	5.83%	12.02%	12.24%	0.36%
<b>Large Company Stock</b>							
▲ Fidelity Growth Company Commingled Pool <sup>(2) (7)</sup>	9/7/2023	7.51%	37.39%	10.52%	22.92%	19.56%	0.32%
▲ Fidelity Contrafund Commingled Pool <sup>(2) (7)</sup>	12/5/2023	3.34%	35.41%	10.75%	17.40%	15.49%	0.30%
▲ US Large Growth Company Stock (T. Rowe Price) <sup>(2)</sup>	8/1/2014	5.19%	31.55%	8.05%	16.87%	16.44%	0.30%
▲ US Large Value Company Stock (Dodge & Cox) <sup>(2) (8)</sup>	12/9/2022	-1.51%	14.62%	7.67%	11.99%	10.85%	0.41%
▲ US Large Company Stock Index (State Street) <sup>(2) (5)</sup>	12/9/2022	2.39%	24.99%	8.93%	14.50%	13.09%	0.01%
<b>Bonds</b>							
▲ US Bond (TCW) <sup>(2)</sup>	1/30/2015	-3.75%	0.89%	-2.87%	-0.18%	1.24% <sup>(4)</sup>	0.25%
▲ US Bond Index (State Street) <sup>(2) (5)</sup>	12/9/2022	-3.04%	1.38%	-2.38%	-0.30%	1.36%	0.02%
<b>Stable Value</b>							
▲ Stable Value Option (Multiple Managers) <sup>(2)</sup>	1/1/1994	0.79%	3.06%	2.50%	2.32%	2.32%	0.25%

**Annualized Crediting Rates: 4<sup>th</sup> Quarter 2024—3.20% 1<sup>st</sup> Quarter 2025—3.15%**

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