



# Plan Review

Washoe County 664390

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07/01/2022 through 09/30/2022

For sponsor use only.  
Not for distribution to plan participants

PLAN | INVEST | PROTECT

**VOYA**  
FINANCIAL®

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## CONTACT INFORMATION

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Bishop Bastien  
Voya Financial\*



### Plan Sponsor web site

[www.voyaretirementplans.com/sponsor](http://www.voyaretirementplans.com/sponsor)

Use the Plan Sponsor web site to help better manage your retirement plan. The site provides access to an education library, fiduciary information, and legislative/industry updates. In addition, it includes the ability to:

- View plan and participant-level account balances
- View plan level transaction history
- View year-to-date contribution amounts
- Review and manage plan investment options

\* Entities listed above may or may not be affiliated with Voya.

Not FDIC/NCUA/NCUSIF Insured | Not a Deposit of a Bank/Credit Union | May Lose Value  
Not Bank/Credit Union Guaranteed | Not Insured by Any Federal Government Agency

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## Voya Update

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At Voya, we are making strides toward being America's Retirement Company® by helping individuals become financially independent – one person, one family, one institution at a time. Within the Voya Update section, we explain why a growing number of people are choosing Voya to meet their financial and retirement planning needs.

# Voya Financial Fact Sheet



## Q2 2022

Voya Financial, Inc. (NYSE: VOYA), is a leading health, wealth and investment company that provides products, solutions and technologies that help Americans become well planned, well invested and well protected. Serving the needs of 14.3 million individual, workplace and institutional clients, Voya is purpose-driven and is equally committed to conducting business in a way that is socially, environmentally, economically and ethically responsible.



6,000  
employees

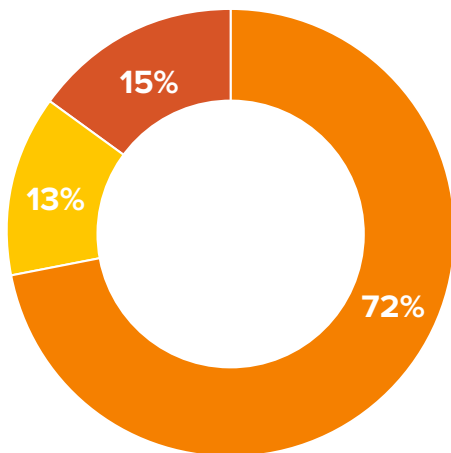


14.3 million  
customers

\$4.2 billion  
2021 revenues

\$644 billion  
total AUM and AUA\*

\$6.1 billion  
market cap\*  
\*as of June 30, 2022



Percentage of adjusted operating earnings  
before income taxes by segment –  
trailing 12 months ended June 30, 2022\*\*

- Wealth Solutions
- Health Solutions
- Investment Management

\*\* Excludes Corporate.

## Our Businesses:

**Wealth Solutions** is a top-five\*\*\* provider of retirement products and services in the U.S. serving more than 52,000 institutional clients and over 6 million individual retirement plan participants. Voya also has approximately 600 financial professionals serving retail and workplace clients. Voya is focused on guiding Americans to greater retirement readiness and financial wellness through employer-sponsored savings plans and holistic retirement and income guidance.

**Health Solutions** is a top-five group\*\*\*\* provider of supplemental health insurance in the U.S.

Voya provides a comprehensive and highly flexible portfolio of stop loss, life, disability, and voluntary insurance products - as well as health savings and spending accounts - to businesses covering over 6.6 million individuals through the workplace.

**Investment Management** manages public and private fixed income, equities, multi-asset solutions and alternative strategies for institutions, financial intermediaries and individual investors, drawing on a 50-year legacy of active investing and the expertise of 300+ investment professionals.

\*\*\*Pensions & Investments Magazine, Defined Contribution Record Keepers Directory, April 2022.

\*\*\*\*LIMRA 4Q 2021 Workplace Supplemental Health In Force Final Report; Marketshare-Total Group Based Supp. Health.



## Awards and Recognition:



Third-party awards and/or rankings about entities within the Voya family of companies are given based upon various criteria and methodologies. Awards and/or rankings are not representative of actual client experiences or outcomes, and are not indicative of any future performance. For certain awards/rankings, Voya pays a fee to be considered. For material facts regarding an award, including but not limited to whether a fee was paid to be eligible for the award, please visit [www.voya.com/about-us/our-character/awards-and-recognition](http://www.voya.com/about-us/our-character/awards-and-recognition).

## Voya Cares®



The Voya Cares program is an extension of our mission to help all Americans plan, invest and protect their financial future. Specifically, the program impacts the lives of people with disabilities and special needs, as well as their caregivers, by helping them think differently — and holistically — about their financial future.

At the intersection of our culture and business expertise, Voya Cares is designed to help serve the one in four Americans who are impacted by a disability,<sup>1</sup> which is a vast and largely underserved community. Learn more by visiting [VoyaCares.com](http://VoyaCares.com).

Voya also received a score of 100% on the 2022 Disability Equality Index®, designating the company as one of 240 companies named as a “Best Places to Work for Disability Inclusion” for the fifth consecutive year.



## Our Four Pillars of Corporate Responsibility



### Empowering Our People

**50%** Gender parity among independent Board Members

**116,000** Employee Training Hours

**57%** Enterprise Leadership Nonprofit Board Service

**50%** Gender Parity among Voya's workforce



### Serving Our Clients

**94%** Customer Satisfaction for Wealth Solutions business<sup>2</sup>

**40** ESG Engagements with Portfolio Companies

**218,000+** Benefit Claims Paid

**28%** Increased Savings for myOrangeMoney Users<sup>3,4</sup>



### Investing in Communities

**40** Paid Volunteer Hours Annually

**37,000+** Hours of Volunteer Service

**\$5.6M** Employee Donations with Foundation Matching Gifts

**3,250+** Unique Nonprofit Organizations Served<sup>5</sup>



### Protecting the Environment<sup>6</sup>

**54%** Energy Reduction

**88%** Paper Use Reduction

**120%** Electricity Use Offset

**13.7 Million** Disposable Cups Diverted from Landfill<sup>7</sup>

1. "Prevalence of Disabilities and Health Care Access by Disability Status and Type Among Adults — U.S., 2016"

2. Based on July-August 2020 survey data

3. Based on data from 4/1/19 through 3/31/20

4. Voya Plan Participant myOrangeMoney users save 28% more than non-users

5. Nonprofit beneficiaries of volunteerism hours and donations

6. Performance as compared to 2007 baseline

7. Since 2008, due to our *Bring Your Own Mug* program



## Client Health Review



















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Capture the pulse of your plan with the Client Health Review. This section provides an overview of plan performance through an intuitive analysis of key elements, including participation, deferrals, participant engagement, and more.

## PLAN PULSE

Gauge the direction and health of your plan by reviewing how key plan statistics have increased, decreased or stayed the same over time.

07/01/2021 - 09/30/2021 vs. 07/01/2022- 09/30/2022

Change since prior period		Impact of change			
 Increase	 Decrease	 No Change	 Positive impact	 Negative impact	 No impact
Plan assets					
Participant accounts					
Employee contributions*					
Employer contributions*					
Overall distributions					
Loan requests*					

\* If applicable to your plan.

**For sponsor use only. Not for distribution to plan participants.**

Plan statistics for: Washoe County 664390



## PLAN STATEMENT

Here's a summary of your plan's current and prior period assets. In addition, total assets are graphed in the chart below for the 5 most recent periods. Please note, in some cases there may be differences between amounts noted here and in other reports or statements you receive. Differences may be due to timing and reporting methods. For this reason, we suggest you do not rely solely on the Plan Review for audit purposes.

### Plan summary

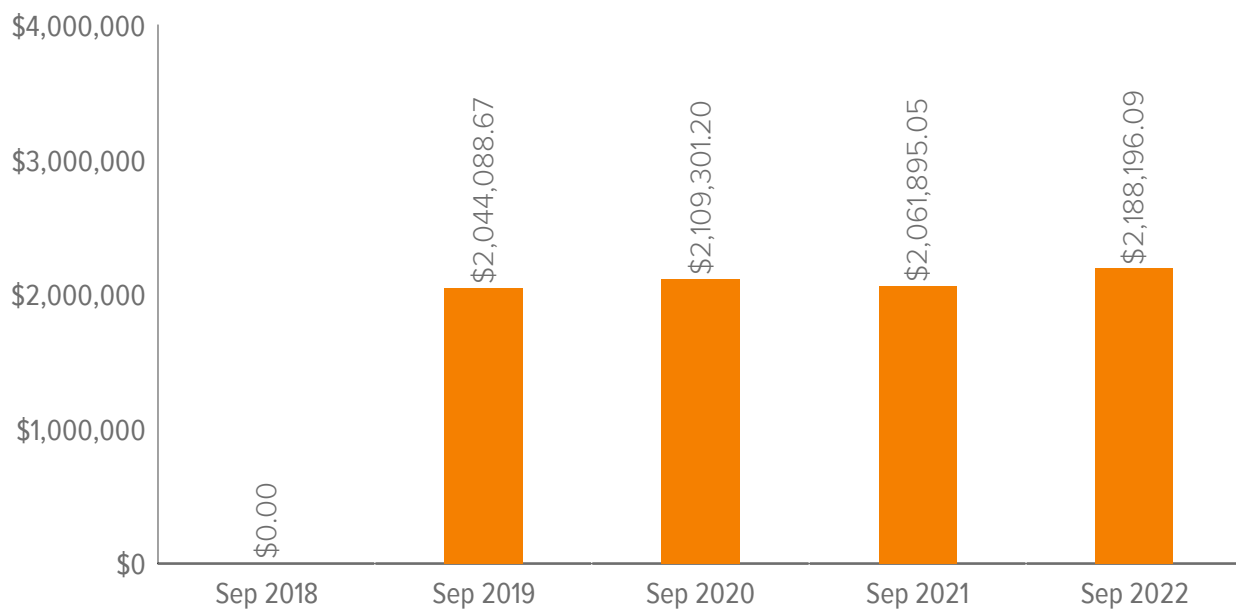
Compare by period

	(07/01/2021 - 09/30/2021)	(07/01/2022 - 09/30/2022)
Beginning of Period Plan Assets	\$2,008,953.02	\$2,151,429.86
Contributions	\$73,408.83	\$73,145.77
Distributions	-\$31,069.51	-\$42,837.05
Other Activity	-\$1,126.77	-\$363.99
Appreciation/Depreciation	\$11,729.48	\$6,821.50
End of Period Plan Assets	\$2,061,895.05	\$2,188,196.09

Appreciation/Depreciation reflects the investment gains/losses during the period reported excluding assets held outside Voya. If applicable, Dividends may represent dividends earned on assets held in NAV Funds or Self Directed Brokerage Option accounts.

### Total plan assets

Compare by period end



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Plan statistics for: Washoe County 664390

## PARTICIPATION

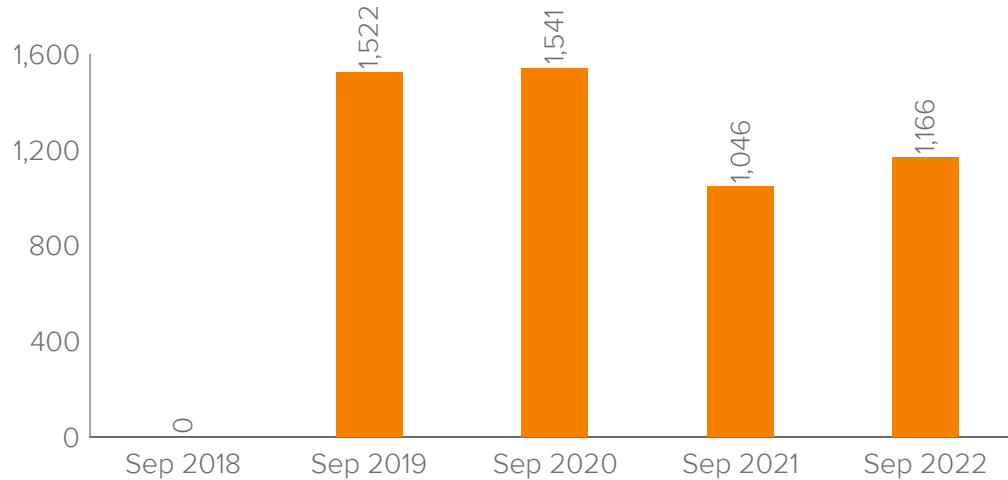
Participation is a key indicator of the success of your plan. Check out your progress. We can help you devise a plan to boost participation among employees as well as increase the deferral rates of existing participants.

### Participant account reconciliation

07/01/2022 - 09/30/2022

Beginning of Period	1,125
New Accounts	53
Closed Accounts	-12
End of Period	1,166
Terminated Employees with an account balance	272
Terminated Employees with an account balance < \$5,000	237

### Participant accounts by year



### Participant accounts by age group

	Sep 2018		Sep 2019		Sep 2020		Sep 2021		Sep 2022	
<30	0	0.00%	471	30.95%	449	29.14%	329	31.45%	395	33.88%
30 - 39	0	0.00%	454	29.83%	480	31.15%	302	28.87%	319	27.36%
40 - 49	0	0.00%	209	13.73%	224	14.54%	148	14.15%	158	13.55%
50 - 59	0	0.00%	177	11.63%	181	11.75%	135	12.91%	137	11.75%
60+	0	0.00%	210	13.80%	206	13.37%	129	12.33%	154	13.21%
Unknown	0	0.00%	1	0.07%	1	0.06%	3	0.29%	3	0.26%

For sponsor use only. Not for distribution to plan participants.

Plan statistics for: Washoe County 664390

## PLAN HEALTH INSIGHTS

As of 09/30/2022

 **142**  
**Participants**  
included in analysis

  
**9%**  
**are on track**  
to exceed 70% of their  
income in retirement.  
Benchmark: 15%

The average  
deferral  
rate

Benchmark: 7%

**3%**

Income replacement %

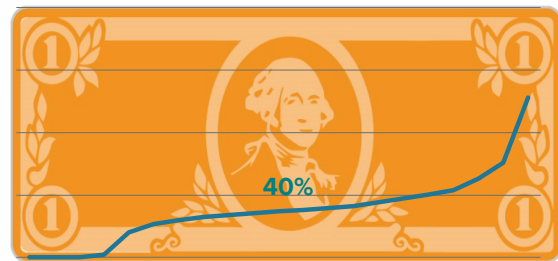
200%

150%

100%

50%

0%



1

142

Participants Included in Analysis

Average plan  
income replacement

Benchmark: 40%

**40%**

32%

Social  
Security

2%

DC

2%

Other

4%

Pension

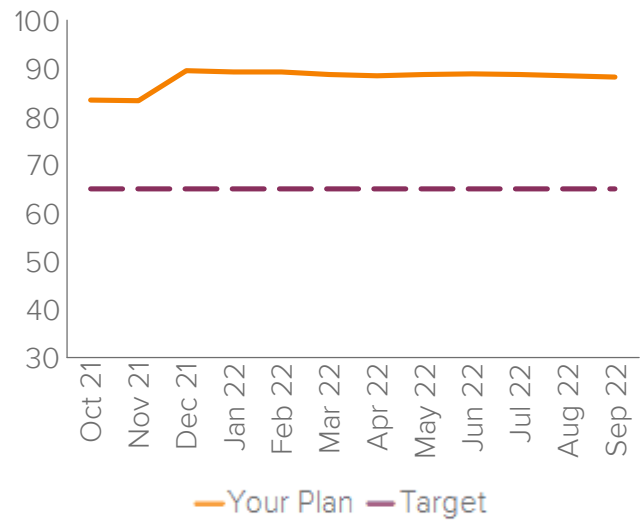
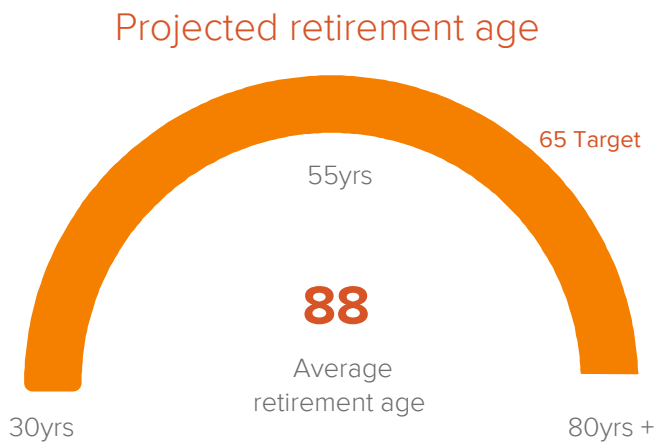
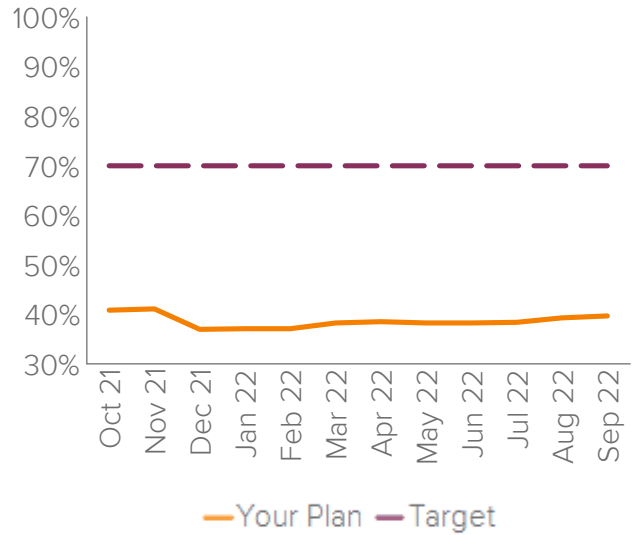
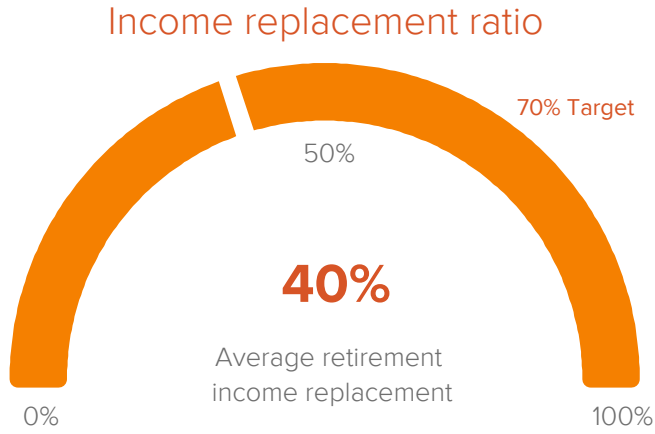
Benchmark data derived from Voya book of business statistics  
Source of Data: Voya Retirement Readiness Data Mart

For sponsor use only. Not for distribution to plan participants.

Plan statistics for: WASHOE COUNTY OBRA DEFERRED COMP

## PLAN HEALTH TRENDING

As of 09/30/2022



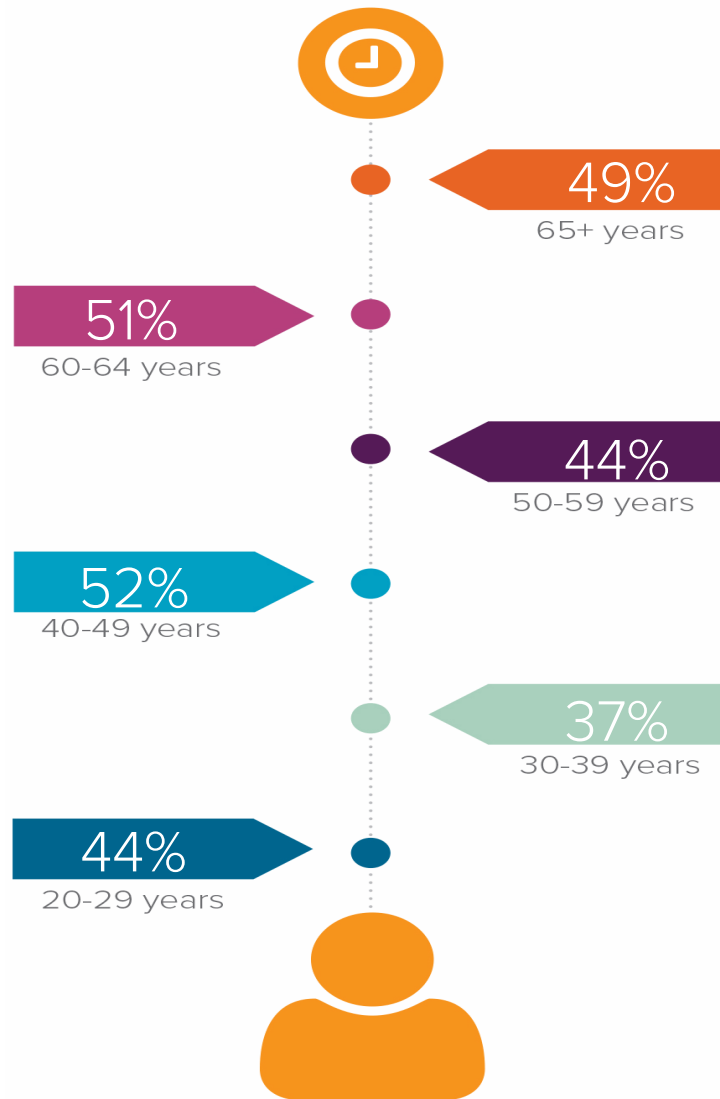
Source of Data: Voya Retirement Readiness Data Mart

For sponsor use only. Not for distribution to plan participants.

Plan statistics for: WASHOE COUNTY OBRA DEFERRED COMP



# Income replacement ratio by age



Source of Data: Voya Retirement Readiness Data Mart  
CN0428-33960-0519D

**For sponsor use only. Not for distribution to plan participants.**  
Plan statistics for: WASHOE COUNTY OBRA DEFERRED COMP

## PARTICIPANT ENGAGEMENT

Offering a variety of services helps create a more engaging experience for participants, which encourages action and drives results. The Participant Engagement report provides an overview of participant activity with central services, such as the toll-free Customer Service Center, Internet, Mobile, and the Voice Response line. Use this report to gain key insight into the actions and engagement levels of plan participants.

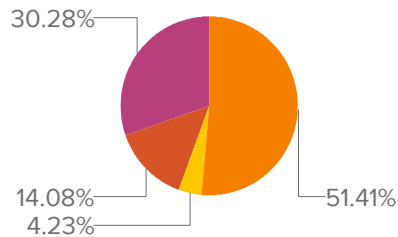
### Participant access statistics

07/01/2022 - 09/30/2022

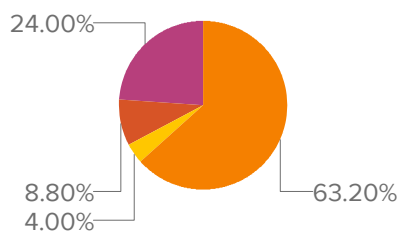
	Internet	Mobile	VRU	CSA*
<b>Inquiries by type</b>				
Total participants (unique)	94	6	15	31
Total inquiries	1,111	13	15	46

#### Unique participant inquiries by type

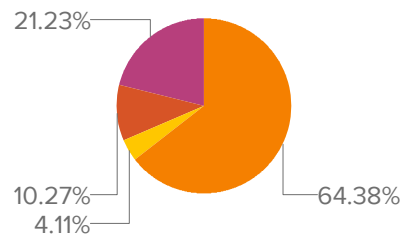
Internet Mobile VRU CSA\*



07/01/2020 - 09/30/2020



07/01/2021 - 09/30/2021



07/01/2022 - 09/30/2022

	Internet	Mobile	VRU	CSA*
<b>Actions by type</b>				
Catch up contribution elections	0	0	0	0
Contribution rate escalations	0	0	0	0
Deferral updates	0	0	0	0
Fund transfers	0	0	0	0
In-service/partial withdrawals	1	N/A	N/A	1
Investment election changes	1	0	0	0
Investment reallocations	1	0	0	0
Loan requests	0	N/A	N/A	0
Lump sum withdrawals	1	N/A	N/A	9
Rebalance elections	0	0	0	0
<b>Total</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>10</b>

\* CSA - Customer Service Associate

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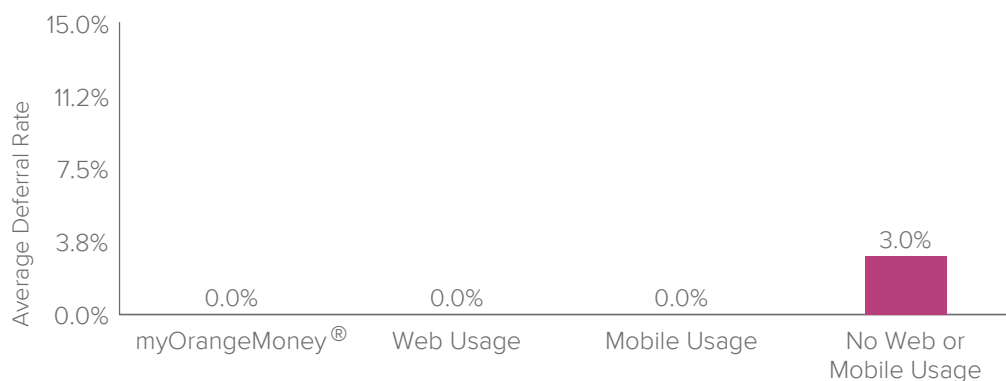
Plan statistics for: Washoe County 664390

**Engagement**

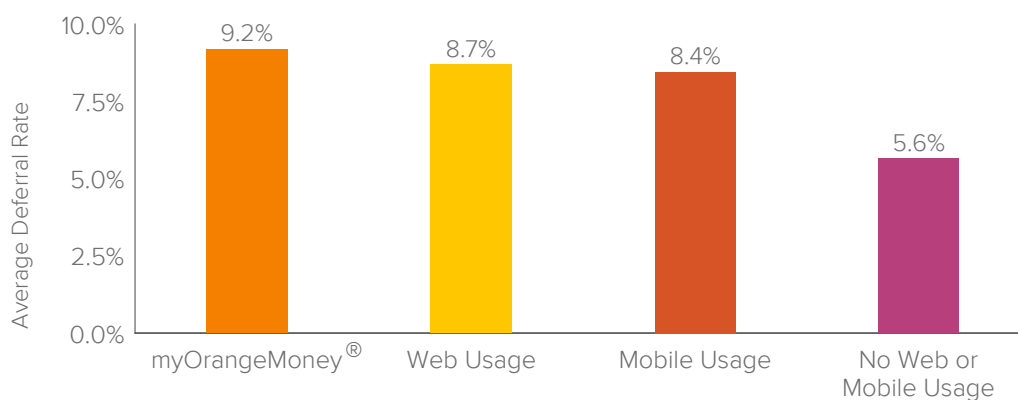
myOrangeMoney®	1
Personal Financial Dashboard	1
Retirement Readiness Service Center & agreed to take action	2
Total participants (unique)	4

**Action taken through engagement**

Change current/future asset allocation	1
Participants taking action (unique)	1

**Web engagement impact on deferral rates****07/01/2022 - 09/30/2022****Your plan**

Important Note - Your plan's rates are calculated based on the information provided to Voya.

**All Voya plans**

Rates derived from Voya Retirement Readiness Data Mart as of August 2022

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Plan statistics for: Washoe County 664390



## Plan Activity

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The Plan Activity is designed to lighten your burden and provide you with several easy-to-read analysis tools. These tools will empower you to actively analyze plan performance and objectively make recommendations for optimizations.



## TRANSACTION ACTIVITY DETAIL

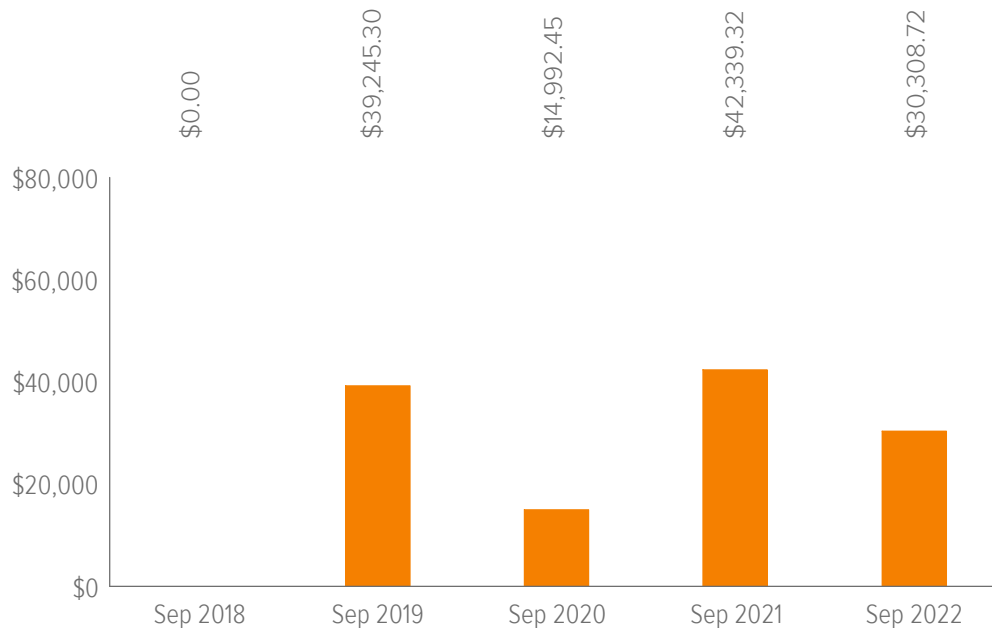
Below is a summary of your plan's transaction activity and net cash flow, along with highlights of the more notable transactions for the current period and prior periods. Monitor this data over time to ensure contribution levels are satisfactory and that distributions haven't risen unexpectedly, possibly indicating a need for further employee education.

### Summary activity

	Prior Period 07/01/2021 - 09/30/2021		Current Period 07/01/2022 - 09/30/2022	
	Amount	Participants	Amount	Participants
Contributions	\$73,408.83	280	\$73,145.77	272
Distributions	-\$31,069.51	14	-\$42,837.05	14
Other Activity	-\$1,126.77	956	-\$363.99	1,072

The Summary Activity section does not include daily valuations of investment options; thus it does not reflect market appreciation or depreciation. Net Cash Flow below is determined by subtracting the total Distributions from the total Contributions for the period.

### Net cash flow by period end (contributions vs. distributions)



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Plan statistics for: Washoe County 664390

## Activity Highlights

	Prior Period 07/01/2021 - 09/30/2021		Current Period 07/01/2022 - 09/30/2022		Change Over Prior Period	
Contributions	Amount	Participants	Amount	Participants	Amount	Participants
414H Pickup	\$73,408.83	280	\$73,145.77	272	-0.36%	-8
<b>Total</b>	<b>\$73,408.83</b>		<b>\$73,145.77</b>		<b>-0.36%</b>	
Distributions	Amount	Participants	Amount	Participants	Amount	Participants
Death Claim	\$0.00	0	-\$16,018.25	1	0.00%	1
Withdrawal	-\$31,069.51	14	-\$26,818.80	13	-13.68%	-1
<b>Total</b>	<b>-\$31,069.51</b>		<b>-\$42,837.05</b>		<b>37.87%</b>	
Other Activity	Amount	Participants	Amount	Participants		
Asset Transfer	-\$971.77	1	\$0.00	0		
Fee	-\$155.00	955	-\$363.99	1,070		
Inter-Participant Transfers	\$0.00	0	\$0.00	2		
<b>Total</b>	<b>-\$1,126.77</b>		<b>-\$363.99</b>			

If applicable, "Asset Transfer" may refer to internal or external transfers of assets as a result of various transactions including, but not limited to, 90-24 transfers, 1035 exchanges, rollover contributions, mergers or product conversions. If applicable, "Fee," aside from "TPA Fee Deduction" and "Maintenance Fee," may refer to asset based administration, service or loan fees. If applicable, "Dividends" may represent dividends earned on assets held in NAV Funds or Self Directed Brokerage Option accounts.

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Plan statistics for: Washoe County 664390

## CONTRIBUTION SUMMARY

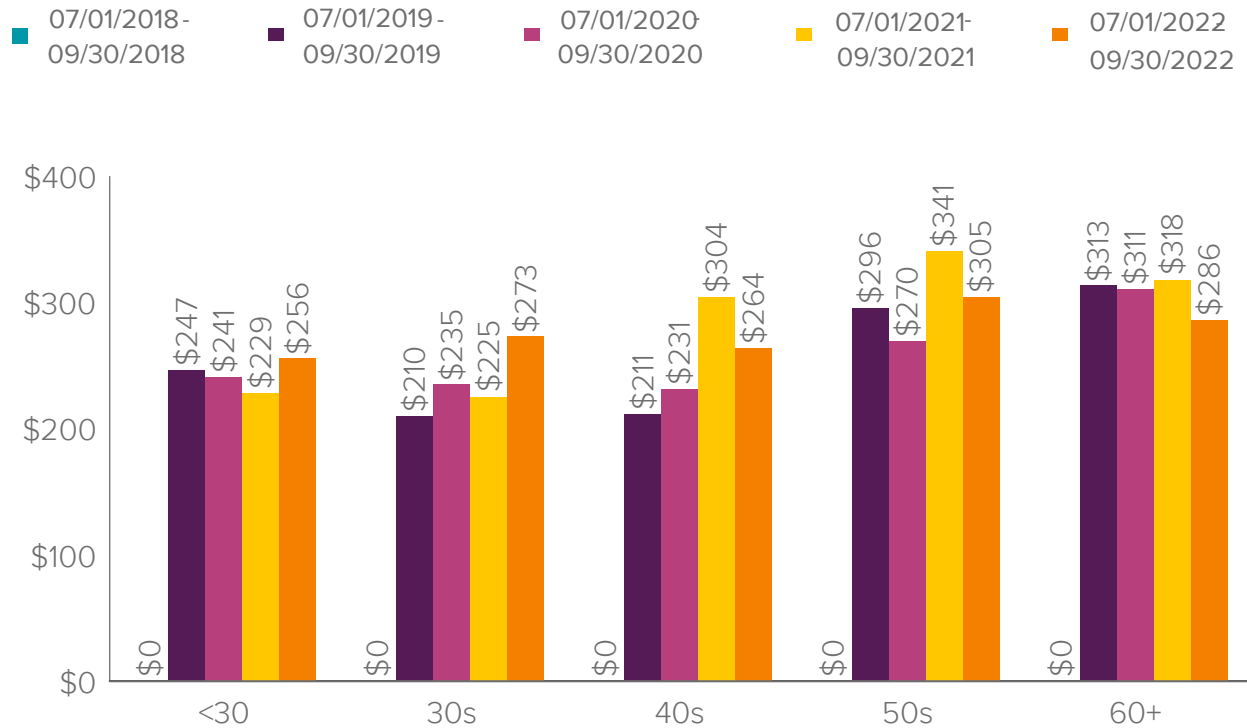
Examine contribution levels in a simple year-over-year format. Find out if your employees' contribution levels increased or decreased over the last five years.

### Contributions by source and participants

	07/01/2018 - 09/30/2018	07/01/2019 - 09/30/2019	07/01/2020 - 09/30/2020	07/01/2021 - 09/30/2021	07/01/2022 - 09/30/2022
<b>Employee</b>					
414H Pickup	\$0.00 (0)	\$72,613.80 (285)	\$50,713.93 (199)	\$73,408.83 (280)	\$73,145.77 (272)
<b>Total</b>	<b>\$0.00</b>	<b>\$72,613.80</b>	<b>\$50,713.93</b>	<b>\$73,408.83</b>	<b>\$73,145.77</b>
<b>Grand Total</b>	<b>\$0.00</b>	<b>\$72,613.80</b>	<b>\$50,713.93</b>	<b>\$73,408.83</b>	<b>\$73,145.77</b>

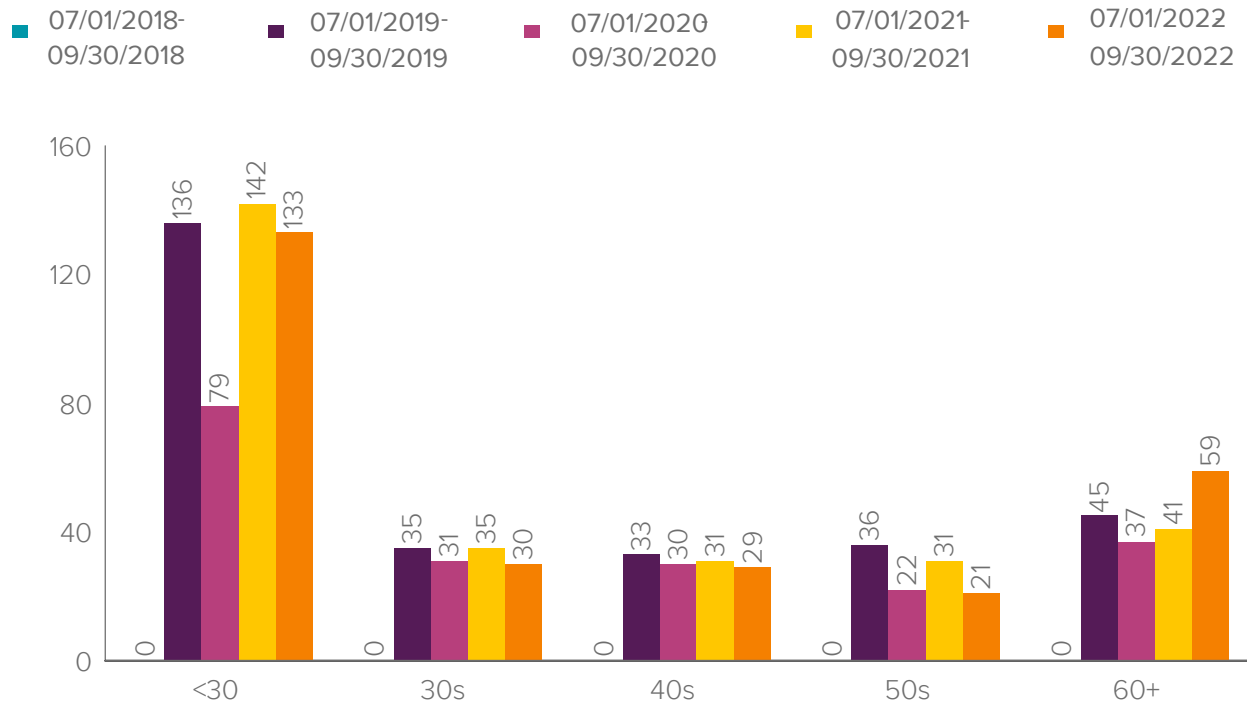
(Numbers) represent number of participants

## Average participant contributions by age group



Average participant contributions include employee sources only

## Contributing participant counts by age group



Contributing participant counts include employee sources only

**For sponsor use only. Not for distribution to plan participants.**

Plan statistics for: Washoe County 664390



## CURRENT PARTICIPATION AND ENROLLMENT STATISTICS

Review key plan enrollment statistics at a glance including participation, deferrals, auto enrollment, and more. Use this report to spot trends and understand the overall activity and enrollment health of the plan.

### Current participation

	Year End 2018	Year End 2019	Year End 2020	Year End 2021	Q1 2022	Q2 2022	Q3 2022
Participant accounts	0	1,529	1,610	1,065	1,088	1,125	1,166
Deferral summary				Eligibility tracking			
As of				As of 09/30/2022			
Average deferral rate for all participants	%			Total eligible employees		1,756	
Average deferral rate for HCE participants	%			Eligible employees not enrolled		1	
Average deferral rate for NHCE participants	%			Plan participation			
Participants included in deferral rate calculation				As of			
Participants who changed deferral rate to 0 in the last 3 months	N/A			Participation rate		%	
Contribution summary				Terminated employees			
As of 09/30/2022				As of 10/21/2022			
Total participants actively deferring in last 4 months	273			With an account balance		272	
				With an account balance < \$5,000		237	

### Enrollment summary

07/01/2022 - 09/30/2022

New enrollments	38
Participants who opted for auto-escalation	0

### Auto enrollment

07/01/2022 - 09/30/2022

Average deferral rate of auto-enrollers (0)	0.0%
Average deferral rate of self-enrollers (0)	0.0%
Average deferral amount of self-enrollers (0)	\$0
Opted out	0

Your plan's data is calculated based on information provided to Voya. Participants actively deferring in last 4 months excludes those who've been suspended or currently have an inactive account status.

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Plan statistics for: Washoe County 664390

## PARTICIPANT BALANCE

Monitoring your participants' account balances and comparing them to benchmark data helps you encourage employees to remain on track with their retirement.

### Your average participant account balance compared to benchmark data

⬆️ Your balance is above the benchmark
⬇️ Your balance is below the benchmark
ⓧ No change

	Sep 2018	Sep 2019	Sep 2020	Sep 2021	Sep 2022
Your Plan	\$0	\$1,343	\$1,368	\$1,971	\$1,876
Benchmark	\$35,773 <sup>1</sup>	\$40,381 <sup>2</sup>	\$46,823 <sup>3</sup>	\$52,286 <sup>4</sup>	\$43,587 <sup>5</sup>
		⬇️	⬇️	⬇️	⬇️

<sup>1</sup> Voya Universe of Government Plans as of December 2018

<sup>2</sup> Voya Universe of Government Plans as of December 2019

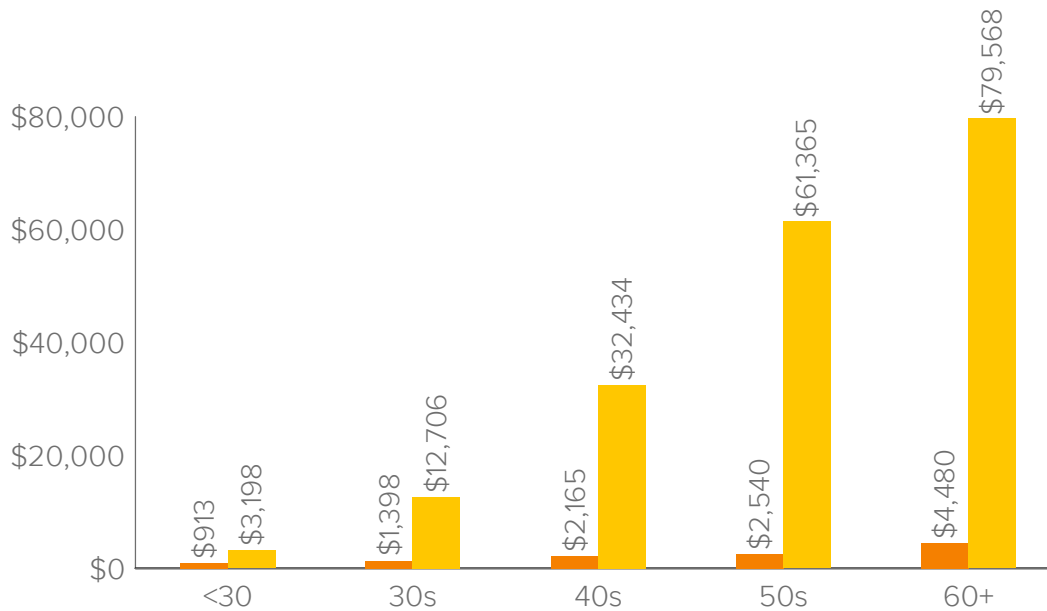
<sup>3</sup> Voya Universe of Government Plans as of December 2020

<sup>4</sup> Voya Universe of Government Plans as of December 2021

<sup>5</sup> Voya Universe of Government Plans as of June 2022

### Your average participant account balance by age group

👤 Your Plan
👤 Benchmark



Voya Universe of Government Plans as of June 2022

**For sponsor use only. Not for distribution to plan participants.**

Plan statistics for: Washoe County 664390

## DISTRIBUTION SUMMARY

Compare your plan's total distribution dollars over a five year span. See how these dollars change according to type of distribution, in addition to your number of transactions.

### Distributions by type and participants

	07/01/2018 - 09/30/2018	07/01/2019 - 09/30/2019	07/01/2020 - 09/30/2020	07/01/2021 - 09/30/2021	07/01/2022 - 09/30/2022
Death Claim	\$0.00 (0)	\$0.00 (0)	\$0.00 (0)	\$0.00 (0)	-\$16,018.25 (1)
Withdrawal	\$0.00 (0)	-\$33,368.50 (35)	-\$35,721.48 (17)	-\$31,069.51 (14)	-\$26,818.80 (13)
<b>Total</b>	<b>\$0.00</b>	<b>-\$33,368.50</b>	<b>-\$35,721.48</b>	<b>-\$31,069.51</b>	<b>-\$42,837.05</b>

(Numbers) represent number of participants

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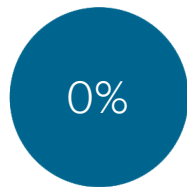
Plan statistics for: Washoe County 664390

## DIVERSIFICATION

It's sensible for each participant to hold a well-diversified retirement portfolio. Doing so reduces each investor's exposure to risk while optimizing his/her potential for return. The information that follows provides some insight as to how your participants are diversifying their investments.

### Investment diversification

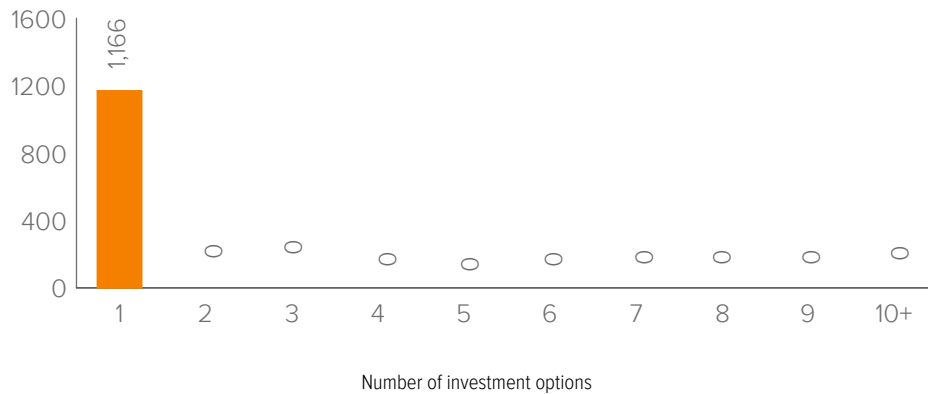
As of 10/21/2022



Voya views a person as diversified if their investment mix is made up of at least one fixed fund, one U.S. fund, and one Non U.S. fund and less than 20% in company stock, as applicable. Alternately they are considered diversified if they are invested in an asset allocation fund.

### Diversification of participant assets by number of participants

As of 09/30/2022



### Average number of investment options utilized per participant

	Sep 2019	Sep 2020	Sep 2021	Sep 2022
With Asset Allocation Funds	1.0	1.0	1.0	1.0
Without Asset Allocation Funds	1.0	1.0	1.0	1.0

The average number of investment options utilized per participant without asset allocation funds excludes those participants who are invested solely in an asset allocation fund.

Please remember, using diversification as part of an investment strategy neither assures nor guarantees better performance and cannot protect against loss in declining markets.



Benchmark\*

\* Voya Universe of Government Plans as of June 2022; includes ppts invested solely in an asset allocation fund

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Plan statistics for: Washoe County 664390

## Diversification detail of participants utilizing one investment option

Investment Option/Fund Name (by Asset Class)		Participants Invested
Asset Allocation		Total: 0
		0
Stability of Principal		Total: 1,166
Voya Fixed Account - 457/401 II		1,166
Bonds		Total: 0
Balanced		Total: 0
Large Cap Value/Blend		Total: 0
Large Cap Growth		Total: 0
Small/Mid/Specialty		Total: 0
Global / International		Total: 0
Grand total of participants utilizing one investment option		1,166

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Plan statistics for: Washoe County 664390



## Plan Investment Review

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The Plan Investment Review provides a comprehensive overview of all of the investment options under your plan. It highlights multiple investment analysis tools, employee diversification, and several key facets to help you determine if the plan is on track to achieve the desired performance goals.

## TOTAL PLAN ASSETS AND CONTRIBUTIONS BY INVESTMENT OPTION

Compare the allocation of existing assets with that of the current period. Do you see a dramatic change where assets are currently being allocated? Does that shift make sense given current market conditions...or your employees? Are the participants well diversified across the asset classes?

### Diversification of Participant Assets and Contributions

Investment Option/Fund Name (by Asset Class)	Assets as of 09/30/2022	% of Total Assets	Participants Invested	Contributions 07/01/2022 - 09/30/2022	% of Total Contributions	Participants Contributing
Asset Allocation						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
Stability of Principal						
Voya Fixed Account - 457/401 II	\$2,188,196.09	100.00%	1,167	\$73,145.77	100.00%	272
<b>Total</b>	<b>\$2,188,196.09</b>	<b>100.00%</b>		<b>\$73,145.77</b>	<b>100.00%</b>	
Bonds						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
Balanced						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
Large Cap Value/Blend						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
Large Cap Growth						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
Small/Mid/Specialty						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
Global / International						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
<b>Grand Total</b>	<b>\$2,188,196.09</b>			<b>\$73,145.77</b>		

For sponsor use only. Not for distribution to plan participants.

Plan statistics for: Washoe County 664390



# Voya Fixed Account – 457/401 II

The Voya Fixed Account – 457/401 II is available through a group annuity or other type of contract issued by Voya Retirement Insurance and Annuity Company ("VRIAC" or the "Company"). The Voya Fixed Account – 457/401 II is an obligation of VRIAC's general account which supports all of the Company's insurance and annuity commitments. All guarantees are based on the financial strength and claims-paying ability of VRIAC, which is solely responsible for all obligations under its contracts.

Asset Class: **Stability of Principal**

## Important Information

This information should be read in conjunction with your contract prospectus, contract prospectus summary or disclosure booklet, as applicable. Please read them carefully before investing.

## Voya Retirement Insurance and Annuity Company

One Orange Way  
Windsor, CT 06095-4774  
www.voyaretirementplans.com

## Objective

Stability of principal is the primary objective of this investment option. The Voya Fixed Account – 457/401 II guarantees minimum rates of interest and may credit interest that exceeds the guaranteed minimum rates. Daily credited interest becomes part of principal and the investment increases through compound interest. All amounts invested by your plan in the Voya Fixed Account – 457/401 II receive the same credited rate. This is known as a portfolio method of interest rate crediting.

## Key Features

The Voya Fixed Account – 457/401 II is intended to be a long-term investment for participants seeking stability of principal. The assets supporting it are invested by VRIAC with this goal in mind. Therefore, VRIAC may impose restrictions on transfers and withdrawals involving the Voya Fixed Account – 457/401 II if Competing Investment Options (as defined below) are offered, or if you have a choice between multiple service providers. These restrictions help VRIAC to provide stable credited interest rates which historically have not varied significantly from month to month despite the general market's volatility in new money interest rates.

## Restrictions on Transfers from the Voya Fixed Account – 457/401 II

Transfers from the Voya Fixed Account – 457/401 II will be subject to the equity wash restrictions shown below.

**Equity Wash Restrictions on Transfers**  
Transfers between investment options are allowed at any time, subject to the following provisions:

- (a) Direct transfers from the Voya Fixed Account – 457/401 II cannot be made to a Competing Investment Option;
- (b) A transfer from the Voya Fixed Account – 457/401 II to other investment options under the contract cannot be made if a transfer to a Competing Investment Option has taken place within 90 days;
- (c) A transfer from the Voya Fixed Account – 457/401 II to other investment options under the contract cannot be made if a non-benefit withdrawal from a non-Competing Investment Option has taken place within 90 days; and
- (d) A transfer from a non-Competing Investment Option to a Competing Investment Option cannot be made if a transfer from the Voya Fixed Account – 457/401 II has taken place within 90 days.

## Competing Investment Option

As used throughout this document, a Competing Investment Option is defined as any investment option that:

- (a) Provides a direct or indirect investment performance guarantee;
- (b) Is, or may be, invested primarily in assets other than common or preferred stock;
- (c) Is, or may be, invested primarily in financial vehicles (such as mutual funds, trusts or insurance company contracts) which are invested in assets other than common or preferred stock;
- (d) Is available through an account with a brokerage firm designated by the Company and made available by the Contract Holder (as defined in the contract) as an additional investment under the plan;
- (e) Is a self-directed brokerage arrangement;
- (f) Is any fund with similar characteristics to the above as reasonably determined by the Company; or
- (g) Is any fund with a targeted duration of less than three years (e.g. money market funds).

For more information regarding Competing Investment Options in your plan, please contact the Customer Contact Center at (800) 584-6001.

## Requests for Full Withdrawals

If the contract is surrendered completely, or if you surrender your account to transfer to another carrier within the plan, a Market Value Adjustment ("MVA") may be applied to the Voya Fixed Account – 457/401 II portion of your account (or the Contract Holder may elect to have the surrendered amount paid out over a period of 60 months, with interest paid). This MVA would not apply to any distribution made to you as a benefit payment. Please refer to your contract prospectus, contract prospectus summary or disclosure booklet, as applicable, for more information.

## Interest Rate Structure

The Voya Fixed Account – 457/401 II guarantees principal and a guaranteed minimum interest rate ("GMIR") for the life of the contract, as well as featuring two declared interest rates: a current rate, determined at least monthly, and a guaranteed minimum floor rate declared for a defined period – currently one calendar year. The guaranteed minimum floor rate may change after a defined period, but it will never be lower than the GMIR that applies for the life of the contract. The current rate, the guaranteed minimum floor rate and the GMIR are expressed as annual effective yields. Taking the effect of compounding into account, the interest credited to your account daily yields the then current credited rate.

VRIAC's determination of credited interest rates reflects a number of factors, which may include mortality and expense risks, interest rate guarantees, the investment income earned on invested assets and the amortization of any capital gains and/or losses realized on the sale of invested assets. Under this option, VRIAC assumes the risk of investment gain or loss by guaranteeing the principal amount you allocate to this option and promising a minimum interest rate during the accumulation period and also throughout the annuity payout period, if applicable.

Currently, the guaranteed minimum floor rate equals the GMIR. The current rate to be credited under a contract may be higher than the GMIR/guaranteed minimum floor rate and may be changed at any time, except that VRIAC will not apply a decrease to the current rate following a rate change initiated solely by us prior to the last day of the three-month period measured from the first day of the month in which such change was effective. The current rate for a plan's initial investment in the Voya Fixed Account – 457/401 II may be in effect for less than a full three-month period.

Any insurance products, annuities and funding agreements that you may have purchased are issued by Voya Retirement Insurance and Annuity Company ("VRIAC"). VRIAC is solely responsible for meeting its obligations. Plan administrative services provided by VRIAC or Voya Institutional Plan Services, LLC ("VIPS"). Neither VRIAC nor VIPS engage in the sale or solicitation of securities. If custodial or trust agreements are part of this arrangement, they may be provided by Voya Institutional Trust Company. All companies are members of the Voya® family of companies. Securities distributed by Voya Financial Partners, LLC (member SIPC) or other broker-dealers with which it has a selling agreement. All products or services may not be available in all states.

# Lightening the sails and monitoring the storm

It was a bruising first half of the year for financial market participants, with U.S. and global stocks entering bear market territory while core bonds, generally considered “safe-haven” assets, declined by double digits. Russia’s war on Ukraine continues to warp market dynamics, and inflation is running at the highest level in over 40 years, which adds more than a pinch of salt to a gaping real return wound. Unfortunately, pain has not provided clarity; the prevailing market narrative has shifted again with further deterioration in the global macro backdrop. From visions of transitory inflation to views of a prolonged period of Federal Reserve rate hikes, the consensus is now that some price pressures will abate primarily due to a rapid slowdown in demand, which will force the Fed to quickly reverse course and cut rates next year.

Weakening economic growth has not emerged out of nowhere. U.S. real GDP declined by 1.5% in 1Q22 and is expected to be negative again in 2Q22, which would meet the technical definition of recession (two consecutive quarters of declining GDP), but may not be officially classified as such.\* Regardless, the pullback in output reflects a substantial fiscal drag after massive quantities of pandemic-related government spending. This pullback has resulted in weakening inventory investment and net exports, which have been hampered by a persistently stronger U.S. dollar. The new orders component of the ISM Manufacturing Purchasing Managers’ Index (PMI) points to fading activity in goods sectors. Consumer spending, the foundation of the U.S. economy, remains healthy, with strong household balance sheets and rising wages, but it is showing signs of strain. Whether spending cracks depends on the extent to which excess demand for labor can cushion the blow from tightening monetary conditions.

## Tactical indicators



### Economic growth (negative)

U.S. real GDP growth was –1.5% in 1Q22 and is forecast to be ~–1.5% in 2Q22. Estimated full-year 2022 real GDP growth has been revised down to 2.0%.



### Fundamentals (positive)

U.S. earnings appear resilient to rising prices and economic instability, but their pace of growth is likely to fall below past quarters and current expectations.



### Valuations (negative)

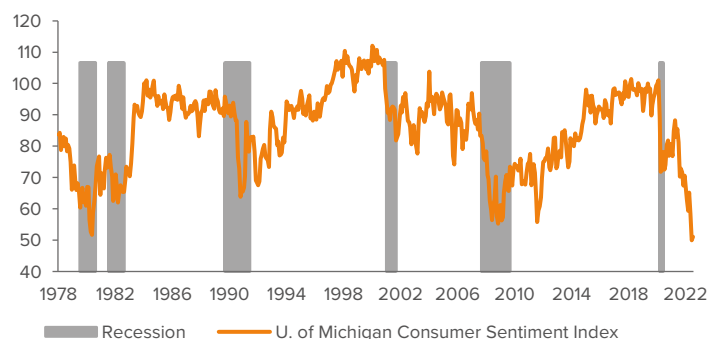
Stock valuations will be hard-pressed to expand while central banks are hiking interest rates. Japanese stock valuations have been cross-sectionally cheap for years and, given the country’s lack of inflation, we think earnings and valuations could grow faster than in other regions.



### Sentiment (neutral)

Market sentiment is mixed but generally bearish. Consumer sentiment is highly negative.

**Figure 1. By some measures, consumer confidence is nearing all-time lows**



Source: Bloomberg, as of 7/18/22.

\* The National Bureau of Economic Research maintains an official chronology of U.S. business cycles. Its decisions are not formulaic but emphasize that a recession involves a significant decline in economic activity that is spread across the economy and lasts more than a few months.

**Figure 2. Equity markets have repriced; forward price earnings (PE) multiples have dropped by nearly 40%**

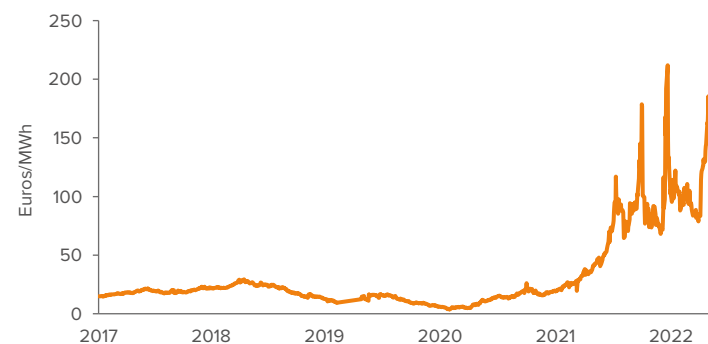
### S&P 500 index, 12-month forward PE



Source: Bloomberg, as of 7/18/22.

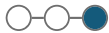
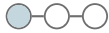





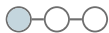

**Figure 3. Natural gas prices have skyrocketed in Europe**


### Netherlands Title Transfer Facility: natural gas one-month forward price in euros per megawatt hour



Source: Bloomberg, as of 7/18/22.

## Portfolio positioning

Equities	Neutral	
U.S. Large Cap		Larger companies are better situated to absorb high wages, pass inflation through to consumers, and maintain margins in an environment where multiples are likely to be pressured.
U.S. Small Cap		Valuation spreads to small caps are wide, which may present opportunities, but we prefer larger U.S. companies for their greater pricing power.
International		Europe is likely to enter recession as it contends with energy supply issues and heightened geopolitical risks. We are optimistic on Japanese stocks given weakness in the yen, which should boost exports and earnings. Also, the Bank of Japan is not raising rates because the country doesn't have domestic inflation issues.
Emerging Markets		The outlook varies by region. Covid-driven lockdowns across China have disrupted economic activity. China and EM Europe are adversely exposed to the Russia–Ukraine conflict.
REITs		The rising-rate environment is likely to be a headwind for REITs.
Fixed Income	Neutral	
U.S. Core		We favor high-quality assets such as U.S. Treasuries, which should be a durable hedge against equity risk if the economy dips into recession. Yields appear to be cresting, which contributes to our neutral outlook.
Inflation (TIPS)		Breakevens look expensive; inflation has marked 40-year highs and we believe core inflation is peaking.
Non-Investment Grade		Tight high yield spreads imply limited room for compression, especially considering our less sanguine view of the macro environment. We believe our risk budget is better deployed through equities.
International		Low relative yields and scope for a stronger U.S. dollar keep us favoring U.S. bonds.

Underweight  Neutral  Overweight 

## Investment outlook

Direct fallout from the pandemic — infections, hospitalizations and deaths — has faded, but collateral damage continues to be inflicted through other means. With intractable inflation holding well above the comfort zone, central banks will resume withdrawing liquidity and further the global growth slowdown, which we expect will extend well into 2023. Higher prices, tightening money supplies and geopolitical tensions have cooled the economic climate everywhere, and these interrelated headwinds are unlikely to dissipate soon. In the United States, massive shortages of goods, a production ramp-up and a consumer spending shift toward services have left aggregate inventories well stocked, which doesn't bode well for new orders of durable goods.

After a torrid runup, housing looks shaky, as home affordability has plummeted due to the sharp rise in rates and still-low supply. Consumer spending also is decelerating, and some measures of confidence are near all-time lows (Figure 1). Consumers' personal balance sheets and incomes are strong, however; the U.S. labor market remains a bright spot, adding 372,000 jobs in June and holding the unemployment rate near a half-century low of 3.6%. This strength should give the Fed confidence to move forward with its next 75-basis-point (bp) rate increase at the end of July, putting the fed funds rate on track to reach 3% by year-end.

On the one hand, it's encouraging that people are not only holding onto their jobs, but payrolls are increasing. On the other hand, financial markets may view this good news as bad news, because it increases the probability and magnitude of additional rate increases, leading to higher costs of capital and tighter financial conditions. The pessimists posit that this will build up and break the back of an already feeble economy running on fumes, cascading into a crisis. Although our outlook is not that dour, we acknowledge these risks and realize that the Fed needs to thread an increasingly narrow needle. As a result, we've lightened positioning within equities and taken down risk within the fixed income segment of our portfolios.

<sup>1</sup> Source: [The Global Energy Crisis Just Got Even Worse. Here's Why - Bloomberg, July 5, 2022.](#)

While the downdraft has been painful, it's somewhat encouraging that expectations and prices have become better aligned to the less rosy environment. Earnings revisions have come down meaningfully as analysts have recalibrated their models, and equity markets have repriced, with the 12-month forward PE on the S&P 500 dropping from over 26x at the start of 2021 to 16.6x today (Figure 2). In our view, earnings probably have more corrections to come, and multiples won't rise until inflation decidedly trends down. We still think the U.S. will retain a stability premium relative to the rest of the world, and we believe larger firms at home will maintain better margins than most as S&P 500 companies continue to more effectively pass through higher costs.

In Europe, the situation is similar but mostly worse: growth is also slowing, but the inflation bite is more severe. They don't have the same wage pressures, but energy prices have skyrocketed, with natural gas up 700% (Figure 3) since the start of last year.<sup>1</sup> Yet the European Central Bank and fiscal policymakers are constrained by the weakest links in the Eurozone periphery, and this limits their ability to manage the demand side of the economy. Japanese stocks, however, look more attractive given yen weakness, which should boost exports and earnings. Because Japan doesn't have domestic inflation issues, the BoJ is not raising rates or taxes, potentially creating further benefits for stocks.

Reducing low-quality credit exposure within fixed income has been helpful, as spreads have widened meaningfully. Early in the equity market selloff, high yield held up well, but these cross-asset betas have readjusted closer to historical norms given continued weakening in macro fundamentals. Because we don't see a near-term reversal in these trends, we maintain our underweight position.



**Paul Zemsky, CFA**  
Chief Investment Officer,  
Multi-Asset Strategies



**Barbara Reinhard, CFA**  
Head of Asset Allocation,  
Multi-Asset Strategies

## Multi-Asset Strategies and Solutions Team

Voya Investment Management's Multi-Asset Strategies and Solutions (MASS) team, led by Chief Investment Officer Paul Zemsky, manages the firm's suite of multi-asset solutions designed to help investors achieve their long-term objectives. The team consists of 25 investment professionals who have deep expertise in asset allocation, manager selection and research, quantitative research, portfolio implementation and actuarial sciences. Within MASS, the asset allocation team, led by Barbara Reinhard, is responsible for constructing strategic asset allocations based on its long-term views. The team also employs a tactical asset allocation approach, driven by market fundamentals, valuation and sentiment, which is designed to capture market anomalies and/or reduce portfolio risk.

### Past performance does not guarantee future results.

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# Mid-Year Outlook: Market Resilience



**Douglas Coté, CFA**  
Head of  
Global Perspectives

## Executive Summary

- The party had to stop sometime; central banks are now “taking the punch bowl away” with higher interest rates.
- With inflation still high and rising and the economic growth slowing, stagflation has emerged as the base case.
- A severe energy crisis and concomitant high energy prices, primarily in Europe, have been exacerbated by Russian hegemony over natural gas supplies.
- Despite the burgeoning risks businesses do not get a pass on meeting their profit goals, and this necessity tends to make them resilient in any environment. This time will be no different.

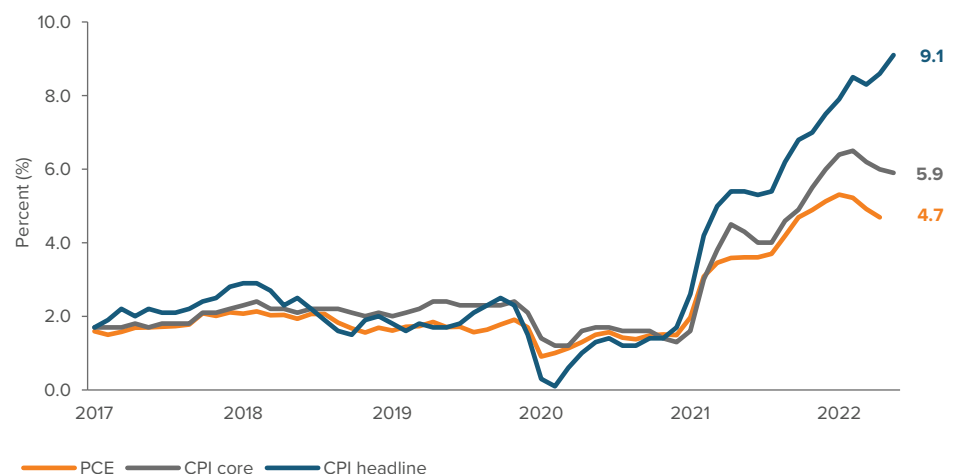
## Stagflation becomes more likely

In the 4Q21 issue of Global Perspectives, I noted that stagflation risks were rising due to cost-push inflation sparked by global supply chain shortages and surging energy prices: “At this point in time, stagflation is a long, left-tailed risk, i.e., a low probability, but it is nonetheless a genuine concern given that the magnitude of its impact is like a meteor hitting earth. There is little policymakers can do with the cost-push inflation in the system, but the demand-push inflation induced by the U.S. Federal Reserve’s artificial manipulation of the money supply is leading to a boom-bust business cycle.”

Low probability notwithstanding, stagflation — slow economic growth paired with high inflation — has now emerged as a salient risk (Figure 1). Nearly 70% of GDP comes from consumer spending; the Fed’s policy to rein in consumer demand is working, maybe too fast, and raising recession fears.

**Figure 1. Declining spending and rising inflation increase stagflation risk**

U.S. personal consumption expenditures and inflation, year over year percent change



Source: CPI Home: U.S. Bureau of Labor Statistics.

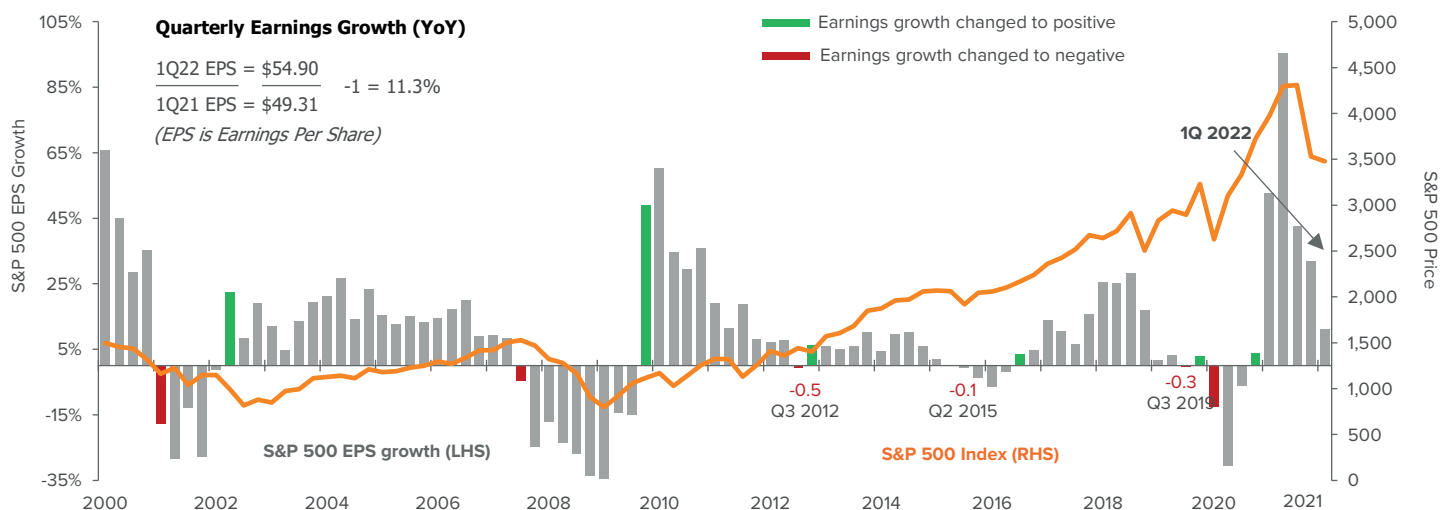
Certainly, slowing consumer demand will help to lower inflation, but not when both oil prices and home prices (rents) are at risk of going even higher. The last time U.S. energy supplies surged, oil prices subsequently collapsed; so even with today's high prices, drilling and supply have languished — “once bitten, twice shy”, that is energy companies don't want to be “left holding the bag” — again. Higher mortgage rates have put a house out of reach for many potential buyers, creating more demand and higher prices for rentals. The Fed does not have all the answers, but its efforts to lower inflation may be sowing the seeds of a recession.

This raises the risks of stagflation, though there are optimistic counterpoints. In my view, market fundamentals are the major counterpoint offsetting the negative news. And despite great adversity, businesses big and small always seem to find a way to grow and prosper.

## Advancing corporate earnings

The most recently reported, actual quarterly results for the S&P 500 index were for the first quarter of 2022 (Figure 2). Index earnings per share (EPS) grew 11.4%, with topline revenue growth of 14.0%, led by the energy sector with growth of 269.5%. Wall Street analysts underestimated these results by nearly half, forecasting as of April 1, 2022 — one day after the end of the first quarter — that S&P 500 earnings would grow only 6.4%. While those early estimates were subject to revision, profits continued to grow despite a market that wandered in and out of bear territory.

Figure 2. Fundamentals drive markets with good 1Q22 EPS growth



Source: Refinitiv – Thomson Reuters and FactSet, Voya Investment Management. Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. The S&P 500 index is a gauge of the U.S. stock market that includes 500 leading companies in major industries of the U.S. economy. **Past performance is no guarantee of future results. Indexes are unmanaged and not available for direct investment.**

First-quarter GDP growth declined by 1.6% in its final reading, certainly an ominous sign. Consumption, the largest component of GDP, grew by a paltry 1.8% versus 3.2% forecast in the preliminary estimate. Nondurable purchases fell 3.7% and services rose only by 3.0% — both lower than expected. Second-quarter GDP growth is expected to increase by 1.4% and show consumption still growing, though again at a paltry 1.9% rate. We do not expect a recession in 2022 but slowing consumer spending makes our 4.6% forecast seem too optimistic, due largely to the Fed's aggressive interest rate hikes and quantitative tightening (QT) policies, which are withdrawing liquidity from the economy and markets.



## Broadening manufacturing

### United States

The good news is that U.S. industrial production growth looks poised to exceed GDP growth in 2022. Industrial production grew 5.1% in 1Q22 and is expected to grow 9.2% in 2Q22. The bad news is that the ISM manufacturing index fell 3.1 points to 53.0 in June, a two-year low. The subcomponents painted an even worse picture, with new orders and employment in contraction and supplier deliveries plummeting from 65.7 to 57.3. On the other hand, the 53.0 reading still points to expansion of the manufacturing sector, which is expected to continue through year-end.

### Europe

Eurozone S&P Global Composite PMI was revised up to 52.0 in the final reading for June, from 51.9 in the preliminary report. Even with the upward revision, the headline was at a 26-month low, as manufacturing sentiment continued to deteriorate. Recession risks are mounting as European economies struggle with the sharp rise in energy prices and the wider fallout from Russia's war in Ukraine. The energy crisis might be the worst ever, according to recent headlines from Bloomberg:

- “Worst of Global Energy Crisis May Still Be Ahead, IEA says” – July 11, 2022
- “European Heatwave Risks Curbing French Nuclear Power Production” – July 12, 2022
- “German Power Prices Jump on Little Wind and Less Russian Gas” – July 11, 2022
- “London Hit with Dangerous Heat Wave That Could Get Worse” – July 11, 2022
- “Texas Power Grid Withstands Strain of Blistering Heat Wave” – July 11, 2022
- “California Warns of Possible Summer Blackouts as Power Runs Low” – May 6, 2022

This global energy crisis has left no nation unscathed, but is especially bad in Europe due to the Russia–Ukraine fighting. This may mark a turning point in the renewables versus fossil fuels debate, where pragmatic plans for the two co-existing might make more sense. One unarguable point is that the “ESG – the Next Generation” will be living it; companies are already developing ways to integrate less stable renewable energy with highly stable fossil fuels via high tech data centers, to create uninterrupted power supplies.

### China lockdowns and slowing growth

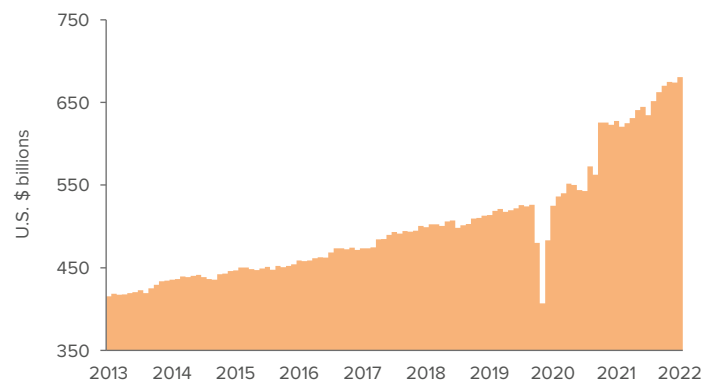
Lockdowns in Shanghai, a city of about 26 million people that contributes nearly 4% of China's total GDP, are worrisome. Shanghai, the biggest container port in the world, is operating at a fraction of its capacity. Like it or not, China is critical for the growth of the global economy and is still the epicenter for shipping and global trade. An upturn in the outlook for China, if it can move beyond its draconian Covid policy, could turn a dire forecast into a better if not rosy one.

## Consumer as gamechanger

As always in my view, the consumer is the gamechanger. The question now is, Will consumers' impact be negative or positive? U.S. retail and food service sales for June 2022 totaled \$680.6 billion (Figure 3), an increase of 1.0% from May and a y/y increase of 8.4%. (Sales are stated in nominal dollars and are not inflation adjusted.) Consumer confidence in March 2022 fell to 106.4 compared to 128.9 in June 2021 and a six-year low of 85.7 in April 2020.

**Figure 3. U.S. retail sales beat expectations**

Monthly sales, U.S. \$ billions



Source: FactSet, data as of 6/30/22.

Consumer spending is predicated on job growth; the June nonfarm payrolls report showed the U.S. economy added 372,000 jobs, pushing the unemployment rate down to 3.6%. On the other hand, U.S. household wealth fell for the first time in two years as stocks lost \$3 trillion. Real estate values climbed \$1.7 trillion in the quarter and now stand at \$149.8 trillion.

Rising inflation is cutting into consumers' discretionary spending, which likely will fall further in subsequent quarters. For example, in the first half of the year the consumer discretionary sector was the worst performer in the S&P 500, with a stunning 26.2% loss. Consumers are likely to feel more as inflation proves more intractable than anticipated and Fed policy becomes increasingly draconian.

### Housing market

This isn't 2008, when speculation was rampant and the biggest speculators were people who had no net wealth. For many years, banks have enforced strict lending standards: buyers must be adequately capitalized and able to put at least 20% down for home purchases. There almost certainly is speculation in the housing market, and the speculators likely will face detrimental financial consequences, but the damage is not likely to spread to the banks. Higher housing costs may prompt consumers to curtail other spending. Those companies that depend on consumer spending will feel pain as their profits diminish — but again, this isn't 2008.

## Market review first half 2022

The second quarter prolonged the woes of the first quarter, with worse results for both stocks and bonds. On Thursday, June 30, 2022, stocks closed out their worst first half-year since 1970, as inflation concerns, Fed rate hikes and slowing economic growth weighed on markets. The S&P 500 posted a loss of nearly 20%, while the S&P MidCap 400 and S&P SmallCap 600 performed slightly better (Figure 4).

Figure 4. Second-quarter market performance prolonged the year to date downturn

Index	2022	YTD 2022
<b>Equity</b>		
S&P 500	-16.10	-19.96
S&P mid cap	-15.42	-19.54
S&P small cap	-14.11	-18.94
Global REITs	-17.23	-20.35
MSCI EAFE	-14.29	-19.25
MSCI emerging markets	-11.34	-17.47
Equity average*	-14.75	-19.25
<b>Fixed income</b>		
U.S. investment grade corporates	-7.26	-14.39
U.S. Treasury 20+ year	-12.67	-22.29
Global aggregate	-8.26	-13.91
High yield	-9.83	-14.19
FI average*	-9.50	-16.19
<b>Overall average*</b>	<b>-12.65</b>	<b>-18.03</b>

Source: FactSet, data as of June 30, 2022.

\* Simple averages of all the indexes included in each group: all equity indexes, all fixed income indexes and a combination of all equity and all fixed income indexes. Please see disclosures at the end of this commentary for index definitions. **Past performance is no guarantee of future results. Investors cannot invest directly in an index.**

The S&P 500 Value index (-11.27%) outperformed the S&P 500 Growth index (-20.81%). Consumer staples, a defensive sector (-4.62%), outperformed its growth counterpart, consumer discretionary (-26.16%). Market volatility, as measured by the CBOE Volatility index, ended at 28.71%. Commodities, as measured by the S&P GCSI index, returned 2.01% for the quarter.

## Conclusion

The fire hose of bad news has been spraying from geopolitics, inflation and the markets all year long, wreaking havoc on investors' ability to make coherent decisions. This is because it is so much more than an inflation problem and can't be resolved by raising the fed funds rate. Europe is in a full-blown energy crisis brought on by its own botched planning and an unforeseen but not unforeseeable dependence on Russian gas. As if that isn't enough stress, the changing climate brings on a global heatwave. The markets seem to believe that the Fed is omnipotent and able to solve all these problems – it is not.

The good news is that while the macro environment may drive markets in the short term, as it is doing now, fundamentals ultimately drive markets over the long term. The fundamentals are the ABCs of investing, and as we have discussed in this commentary, they are positive, working together to overcome obstacles. Advancing corporate earnings, the A, are especially important; companies continue to be resilient because they have to find a way to achieve their goals despite the macro environment.

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## Communication & Education

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# 2022 Cost of Living Adjustments Announced

On November 4, 2021, the Internal Revenue Service issued Notice 2021-61, providing for the following 2022 cost of living dollar limits:

<u>LIMIT</u>	<u>2022</u>	<u>2021</u>
<b>Defined Benefit Plans</b> The lesser of the maximum dollar limitation for annual benefits under defined benefit plans under Internal Revenue Code (IRC) Section 415(b)(1)(A) or 100% of the participant's average compensation for his high 3 years.	\$245,000	\$230,000
<b>Defined Contribution Plan 415 dollar limit</b> The lesser of the dollar limitation for annual additions under defined contribution plans under IRC Section 415(c)(1)(A) or 100% of compensation.	\$61,000	\$58,000
<b>401(k)/403(b)/Existing SARSEP Elective deferral limit</b> All elective deferrals (including designated Roth contributions) in a tax year made by a participant to a 401(k), 403(b) tax deferred annuity, simplified employee pension, and SIMPLE retirement plan are aggregated under IRC Section 402(g).	\$20,500	\$19,500
<b>457 Deferral Limits</b> The lesser of the limitation on vested contributions to 457 plans under IRC Section 457(e)(15) or 100% of includible compensation.	\$20,500	\$19,500
<b>403(b) Catch-up limit</b> The maximum available 402(g) elective deferral limit plus the special catch-up election for employees participating in a 403(b) tax deferred annuity who have had at least 15 years of service with an educational organization, hospital, home health agency, health and welfare service agency, church or convention or association of churches. <i>Note: The additional 403(b) special catch-up of up to \$3,000 per year cannot exceed cumulatively \$15,000 over the lifetime of the 403(b) participant.</i>	\$23,500	\$22,500

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## LIMIT

## 2022

## 2021

### **457 Catch-up limit**

The special catch-up election for employees participating in an eligible 457 deferred compensation who have elected the special catch-up available in the three years prior to the year of normal retirement age.

\$41,000

\$39,000

*Note: The participant in a governmental 457(b) plan may make catch-up contributions in a year equal to the greater of (a) the amount permitted under the age 50+ catch-up, or (b) the amount permitted under the 457 catch-up.*

### **Age 50+ Catch-up Limits**

The special catch-up available under IRC Section 414(v) for individuals at least 50 years old in 2022 and make eligible pre-tax contributions to 401(k), 403(b), and governmental 457 plans.

\$6,500

\$6,500

The special catch-up is available for individuals who are at least 50 years old in 2022 and make eligible pre-tax contributions to a SIMPLE plan.

\$3,000

\$3,000

### **Definition of Key Employee**

The compensation threshold used for determining key employees under IRC Section 416(i)(1)(A)(i).

\$200,000

\$185,000

### **Definition of Highly Compensated Employees**

The compensation threshold used for determining highly compensated employees under IRC Section 414(q)(1)(B).

\$135,000

\$130,000

### **Compensation Limit**

The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17).

\$305,000

\$290,000

The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17) (certain governmental plan participants who first became participants in that governmental plan before the 1996 plan year).

\$450,000

\$430,000

### **Adjusted Gross Income Limit for Saver's Credit**

The highest adjusted gross income (based on federal income tax filing status) taken into account for eligibility for the Saver's Credit under IRC Section 25B.

\$68,000 (joint)

\$66,000 (joint)

\$34,000 (single)

\$33,000 (single)

\$51,000 (head of household)

\$49,500 (head of household)

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## LIMIT

2022

2021

### **SIMPLE Retirement Accounts**

Compensation taken into account that an employee may elect to defer under a SIMPLE retirement plan described in IRC Section 408(p)(2).

\$14,000

\$13,500

### **Compensation for SEPs**

Compensation taken into account to determine eligibility for simplified employee pensions (SEPs).

\$650

\$650

On October 13, 2021, the Social Security Administration released its cost of living information for 2022:

### **Taxable Wage Base**

2022

2021

Maximum amount of earnings subject to payroll tax.

\$147,000

\$142,800

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