

VBCPS 403(b) Plan Newsletter

Quarter 3 | 2022



The retirement crunch

How some Americans are faced with health, financial and family caregiving challenges.

11 million Americans — 28% of all caregivers — are considered “*Sandwich Caregivers*” who provide unpaid care to an adult while also caring for children living in their home.¹

10.6 million Americans over age 65 are either still working or looking for work. That number represents a 57-year high.² While some of these folks are working later in life because they enjoy it, most of them are considered “*Career Extenders*” who are working longer because they didn’t have enough saved to retire when they planned to. This situation has been enhanced due to the pandemic, inflation and the potential for a recession.

Sandwich Caregivers and Career Extenders may experience health and financial crises during the next several decades. So now what? If you’re working later in life or if you’re caring for a minor, a person with disabilities or an aging parent, here are some considerations to include in your financial plans.

Health care: Include the potential future cost of health care and long-term care in your plans. Review coverage options and supplemental benefits provided by your employer and consider a Health Savings Account if you are in a high-deductible plan. Look into Medicare supplements or critical illness options for additional protection.

Housing: Make decisions about what housing may look like for you and your dependents. Will you need to modify your existing living space or move to a new home?

Financial: Build financial resources such as emergency and retirement savings to help meet your short and long-term goals. You can also save without jeopardizing government benefits eligibility by opening an ABLE account for qualified people with disabilities.



Be sure to maximize your Social Security and learn more about potential Social Security Disability Insurance (SSDI) options. A financial professional can also help you with care giving, legacy, and retirement plan.

October is National Retirement Security Month. Did you know that caregivers generally need more retirement savings, but the additional cost of providing care has limited their ability to save for the future? This month, take some time to learn about the ways you can help to maximize your saving and manage your spending. Visit [voya.com/voyalearn](https://www.voya.com/voyalearn) for education and support for the unique challenges that current Sandwich Caregivers and Career Extenders, and future Americans may face on the road to a financially secure retirement.

¹ “*Burning the Candle at Both Ends: Sandwich Generation Caregiving in the U.S.*,” *The National Alliance for Caregiving (NAC)*, November 2019.

² *According to the Census Bureau and Bureau of Labor Statistics (BLS), analyzed by investment and financial-planning firm United Income and reported in Business Insider, April 29, 2019: Loudenback, Tanza. “One-fifth of older Americans are working past ‘retirement age’; and it’s not because they can’t afford to retire.” <https://www.businessinsider.com/personal-finance/baby-boomers-working-past-retirement-age-healthier-2019-4>.*

Simplify your financial life

Consolidating your retirement savings into the VBCPS 403(b) Retirement Savings Plan could help simplify your financial life and give you a clearer picture on how much monthly income you may have in retirement.

Get started and make it easier to manage your retirement planning by contacting the Account Consolidation Team at **(866) 865-2660** today.

Keep your account S.A.F.E and secure

Keep your accounts safe by registering, then logging in regularly to review activity to ensure no unauthorized use occurred. You'll get further protection and account restoration with the *Voya S.A.F.E. (Secure Accounts for Everyone) Guarantee* program. To learn more visit voya.com/articles/safe-guarantee. Visit VBCPS403b.beready2retire.com, click *Login* and then *Register Now*.

Questions?

Voya Customer Service Associates are here to help. Call **(800) 584-6001**, Monday to Friday, from 8:00 a.m. to 9:00 p.m. ET., excluding stock market holidays.

Connect with your Virginia Beach Plan representatives

As an employee, you have ongoing access and support from your local dedicated Virginia Beach Plan representatives, who can help you with your retirement strategy. Building a healthier financial life can start with a conversation, so bring your questions and schedule time today.

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To schedule a virtual appointment with your dedicated Virginia Beach Plan representative that works best for you, scan the QR code to the right.

You can also visit VBCPS403b.beready2retire.com and go to **Message Center> Schedule an appointment or Contact Information>Contact Us**.

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For 403(b) fixed or variable annuities, employee deferrals (including earnings) may generally be distributed only upon your: attainment of age 59., severance from employment, death, disability, or hardship. Note: Hardship withdrawals are limited to employee deferrals made after 12/31/88. Exceptions to the distribution rules: No Internal Revenue Code withdrawal restrictions apply to '88 cash value (employee deferrals (including earnings) as of 12/31/88) and employer contributions (including earnings). However, employer contributions made to an annuity contract issued after December 31, 2008 may not be paid or made available before a distributable event occurs. Such amounts may be distributed to a participant or if applicable, the beneficiary: upon the participant's severance from employment or upon the occurrence of an event, such as after a fixed number of years, the attainment of a stated age, or disability. For 403(b) custodial accounts, employee deferrals and employer contributions (including earnings) may only be distributed upon your: attainment of age 59., severance from employment, death, disability, or hardship. Note: hardship withdrawals are limited to: employee deferrals and '88 cash value (earnings on employee deferrals and employer contributions (including earnings) as of 12/31/88). Insurance products, annuities and retirement plan funding issued by (third party administrative services may also be provided by) Voya Retirement Insurance and Annuity Company ("VRIAC"), Windsor, CT. VRIAC is solely responsible for its own financial condition and contractual obligations. Plan administrative services provided by VRIAC or Voya Institutional Plan Services LLC ("VIPS"). VIPS does not engage in the sale or solicitation of securities. All companies are members of the Voya® family of companies. **Securities distributed by Voya Financial Partners LLC (member SIPC) or third parties with which it has a selling agreement.** Custodial account agreements or trust agreements are provided by Voya Institutional Trust Company. All products and services may not be available in all states.

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Special needs planning checklist

Creating a lifetime of continuous care for a child or loved one with disabilities requires careful consideration and planning. The journey can seem confusing at first glance, but it's much easier when you're organized.

Some of the ways you can guide your efforts in planning and protecting the future of your loved one with special needs include:

- Creating a comprehensive Life Care Plan to ensure your loved one receives the long-term care they need.
- Creating a Letter of Intent or "letter of instruction" to communicate information about your loved one's needs and vision of the future.
- Having a family meeting to ensure all family members and interested parties are informed of, and know where to find, the Life Care Plan and Letter of Intent.
- Identifying all financial resources available to create the future you or your loved one envisions, including government benefits, insurance and personal assets.
- Exploring available resources for managing care, including online tools.
- Choosing a guardian (if needed), a trustee and successors to oversee your care or the care of your loved one when you're no longer able to.
- Using wills, trusts, durable powers of attorney, living wills/advanced directives and other legal instruments to craft a well-defined estate plan.
- Carefully reviewing all beneficiary designations and titling or ownership to ensure inheritances won't interrupt government benefits. The implications of naming an individual with a disability or a trust as your beneficiary of your retirement plan account should be assessed in light of the Internal Revenue Service's required minimum distribution payments to beneficiaries.
- Consulting with a specialist attorney to determine whether a first-party, third-party, or pooled special needs trust is a good fit for you or your loved one.

If you're a caregiver for a person with disabilities, providing the care and support they need is a lifelong commitment. That's why having a documented financial strategy makes sense. Voya has powerful resources available through the *Voya Cares®* program to learn how best to manage your finances while protecting the ones you love. There is a lot to understand. If you or someone you know is challenged with these roles, learn more by visiting [voya.com/voyacares.com](http://voya.com/voyacares) and download your own copy of the *Voya Cares Checklist for Individuals and Caregivers* by visiting voya.com/article/special-needs-planning-checklist.



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