Your Florida Deferred Compensation Plan is designed to assist you in reaching your financial goals and achieving retirement security. Through advisory services, low-cost investment products, and excellent customer service, you receive access to many benefits to help you meet your long-term financial goals. Keeping your assets in the Plan will offer you the opportunity to enjoy additional income for your lifetime.

Inside this issue

1. Increase your contributions!
2. Advisory services
3. New year, new max!
4. Target date funds
5. Consolidate your retirement savings!
6. Preparing to finish drop?
7. Leaving state employment?
8. Keep your assets in the Plan!
9. Over 4.2 billion invested!
10. Would you like to add an investment provider?
11. Stash your cash
12. Live chat with us
13. Stay up-to-date with your plan account
14. Update your beneficiaries
15. Lower fees for Charles Schwab accounts
Increase Your Contributions!

Visit MyFloridaDeferredComp.com and click “Increase Contributions” to increase your contributions and/or join the Automatic Increase Club.

Advisory Services

As an investor, the uncertainties involved in managing personal investments in a volatile and fluctuating marketplace can be stressful. Through investment guidance and education offered by the Deferred Compensation Plan’s five Investment Providers, you will be able to reach your financial goals and achieve retirement security. All five Investment Providers have financial advisors that will help you customize your investment portfolio based on your long-term financial goals. Contact the Investment Providers listed on page 6 for more information.

New Year, New Max!

Below are the new 2018 IRS maximum contribution limits for Deferred Compensation:

<table>
<thead>
<tr>
<th>Maximum Contribution Amount</th>
<th>Biweekly</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal Limit</td>
<td>$18,500.00</td>
<td>$711.53</td>
</tr>
<tr>
<td>Age 50+ Catch-Up</td>
<td>$24,500.00</td>
<td>$942.30</td>
</tr>
<tr>
<td>Standard Catch-Up</td>
<td>$37,000.00</td>
<td>$1,423.07</td>
</tr>
</tbody>
</table>
Target Date Funds: How Will They Get Me to Where I Want to Be?

Target Date Funds provide a diverse mix of investments like stocks, bonds and cash equivalents that periodically and automatically adjust over time to grow more conservative as you near your target retirement date. Refer to the chart below for an illustration of how a typical Target Date Fund invests your assets over the course of a career.

As you can see, Target Date Funds automatically adjust your investments for you. Early in your career you are primarily allocated in growth-based investments. Over time, you are primarily allocated in more stable investments as you gradually near retirement.

Consolidate Your Retirement Savings!

As a Plan participant, you can consolidate other pre-tax retirement accounts into your Deferred Compensation Plan account and benefit from one easy-to-manage account. Common examples of other pre-tax retirement accounts that you may consolidate into the Plan are 401k, 403b, and Traditional IRA. Contact your Investment Provider(s) to consolidate other retirement accounts into the Deferred Compensation Plan.

Preparing to Finish DROP?

One of the most important decisions to make as you prepare to finish DROP is what to do with your DROP assets. If you are considering a lump-sum payout, be aware there is a mandatory 20% income tax withholding and other potential tax implications. Unless you have an immediate financial need, consider investing your DROP assets in the Deferred Compensation Plan. Contact the Bureau of Deferred Compensation or your Investment Provider(s) for more information and assistance with this transaction.
Leaving State Employment?

As you are preparing to separate from State employment, you are eligible to contribute your annual and sick leave balances into the Plan. This transaction is known as a Deferral for Special Supplemental Pay. Contact your Investment Providers to contribute your leave balances into your Plan account.

Keep Your Assets in the Plan!

Did you know that you can keep your assets invested in the Deferred Compensation Plan upon separation from State employment? While you will no longer be making payroll contributions, you will continue to benefit from all other features the Plan has to offer including:

- No administrative, maintenance, or commissions costs
- Excellent, low-cost investment products, including over 80 mutual funds
- Fully liquid investment products guaranteeing principal and interest that offer annual interest rates up to a 3.5% return with no penalty or charge for withdrawal
- Tax deferred growth
- Continued oversight from the Bureau of Deferred Compensation and your Investment Providers

Over $4.2 Billion Invested!

The Deferred Compensation Plan has reached over $4 billion in assets! Congratulations on making an excellent financial decision to save for retirement with the Deferred Compensation Plan. Focusing on retirement gives you a brighter future. Keep up the good work!

Would You Like to Add an Investment Provider to Your Plan Account?

The Deferred Compensation Plan website has added a new feature that offers you the opportunity to add an Investment Provider to your Plan account. To take advantage of this feature, visit www.MyFloridaDeferredComp.com and click “Enroll Now”. Then, enroll with the additional company with which you wish to enroll.
Stash Your Cash

You may want to contribute an inheritance or extra non-payroll cash into your Deferred Compensation Plan account. However, due to federal regulations contributions can only be made through pre-tax payroll deductions.

There still is a way to invest the amount of your extra cash into your Deferred Compensation Plan account!

Simply increase your Deferred Compensation payroll contributions long enough to off-set the amount of your extra cash. Use your extra cash to pay for your normal expenses that would usually be paid for using money from your payroll. After you have depleted your extra cash for your normal expenses, simply decrease your contributions to an amount your budget can manage.

Live Chat With Us today at www.MyFloridaDeferredComp.com

Need immediate assistance? Visit the Plan website at www.MyFloridaDeferredComp.com and live chat with a Deferred Compensation representative Monday – Friday; 8am – 5pm. Our representatives will assist you with all inquiries regarding the Plan and your individual Plan account(s) including enrollment, contribution changes, contact information changes, investment options, Plan documents, and general Plan information.

Stay Up-to-Date With Your Plan Account

Staying up-to-date with your Deferred Compensation Plan account is crucial to your financial well-being. Through periodically visiting and logging into www.MyFloridaDeferredComp.com, you are able to:

- Check your Plan balance
- Stay informed regarding Plan news and announcements
- Enroll with an additional Investment Provider
- Increase your Plan contributions
- Update your contact information including mailing address, phone number, and e-mail address
- Gain important insight using various retirement calculators and interactive tools

New to www.MyFloridaDeferredComp.com? Log in as a first time user by entering your nine digit Social Security number as your user name and six digit date of birth as your password. Also, you may contact the Plan at 877-299-8002 for assistance.

Update Your Beneficiaries

Since you enrolled in the Plan, your beneficiary and account information may have changed. It is highly important that you periodically update the information reflected in your Deferred Compensation Plan account, especially your beneficiary information. Contact your Investment Provider(s) to ensure that your beneficiary information is up-to-date and accurate.

Lower Fees For Charles Schwab Accounts

Are you enrolled in the Deferred Compensation Plan’s Charles Schwab Self-Directed Brokerage Window? If so, you will be pleased to know that Charles Schwab has lowered the cost of investing! Prices for online equity, ETF, and Options Trade commissions are now just $4.95 per trade and $0.65 per options contract!
The Department of Financial Services and the Bureau of Deferred Compensation does not sell or otherwise provide any private information about your Deferred Compensation accounts or participation in the Deferred Compensation Plan to any unrelated third parties. You should be aware that certain employee information, including your State of Florida email address, are matters of public record subject to disclosure as mandated by Chapter 119, Florida Statutes. Unrelated third parties have used this information to target employees to solicit financial product sales or investment advice. You are under no obligation to respond to any third party communication, and doing so is not recommended by the Department of Financial Services or the Bureau of Deferred Compensation. As a participant, you should understand that the Department of Financial Services and the Bureau of Deferred Compensation cannot prevent communication from any unrelated third party to your State of Florida email address, and you should report unsolicited emails as spam to the appropriate person(s) within your agency.

Taxpayer funds were not used to produce or mail these materials.