

PlanNews

Changes are coming to your Plan



The City of Portland's Deferred Compensation Committee (the "Committee") has worked to renegotiate its contract with Voya Financial and provide participants with an overall cost reduction.

The Committee looked within the marketplace to help ensure all renegotiated fees were competitive with the sole purpose of providing consistent high-quality services at a lower price.

This newsletter outlines the changes as well as what action, if any, you need to take.

Understand what's changing, why and when it's happening.



What's changing?

Reduction in fees and enhanced credited rate.

While the basic investment options within the City's deferred compensation plan will not change, the fees paid for both Voya's services and the City's administrative services will be lower.

Questions?

Call Voya Financial® Customer Service for assistance at (800) 584-6001, Monday through Friday, during the hours of 5:00 a.m. to 6:00 p.m. (Pacific Time).

If you would like to speak with one of our local representatives* or schedule an appointment, please call (503) 937-0378 or toll free (800) 238-6281. The office can also be reached via email at deferredcomp@lewis-stefani.com.

As a result of our new agreement, participants will see a 54% reduction in overall fees from 0.13% to 0.06%. These reductions will allow more of your contributions to remain in your account working for you. Fund management fees and other fund operating expenses will still apply. Those fees depend on the investment option chosen by each participant. Please refer to the individual Fund prospectuses for fund fee information.

Secondly, Voya will also provide set credited rates for the Voya Fixed Plus III Account 457/401 as follows:

- 2.75% from September 1, 2018 through December 31, 2018;
- 2.50% from January 1, 2019 through December 31, 2020;
- 2.25% from January 1, 2021 through December 31, 2021; and
- 2.00% from January 1, 2022 through September 1, 2023.

These guarantees are based on the claims-paying ability of Voya Retirement Insurance and Annuity Company and do not apply to the investment return or principal value of the mutual funds under a custodial or trust agreement.



When will the changes occur?

The reduction of both Voya's and the City's fees will take place toward the end of the first quarter of 2018 and will be reflected in your first quarterly statement.



What do I need to do?

Nothing! These changes will take place automatically. The way fees for both Voya and the City are paid will not change. Also, if you have money in the Voya Fixed Plus III Account 457/401 any changes in the guaranteed rates will happen on the dates provided on the 1st page of this document.

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*Investment adviser representatives and registered representatives of, and securities and investment advisory services offered through, Voya Financial Advisors, Inc. (member SIPC).

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You should consider the investment objectives, risks, and charges and expenses of the mutual funds offered through a retirement plan, carefully before investing. The fund prospectuses and information booklets contain this and other information, which can be obtained by contacting your local representative. Please read the information carefully before investing.

Mutual funds under a custodial or trust account agreement are intended as long-term investments designed for retirement purposes. Account values fluctuate with market conditions, and when surrendered, the principal may be worth more or less than the original amount invested. A group fixed annuity is an insurance contract designed for investing for retirement purposes. The guarantee of the fixed account is based on the claims-paying ability of the issuing insurance company. Although it is possible to have guaranteed income for life with a fixed annuity, there is no assurance that this income will keep up with inflation. Money taken from the plan will be taxed as ordinary income in the year the money is distributed. An annuity does not provide any additional tax benefit, as tax deferral is provided by the Plan. Annuities may be subject to additional fees and expenses, to which other tax-deferred funding vehicles may not be subject. However, an annuity does offer other features and benefits, such as lifetime income payments and death benefits, which may be valuable to you.

Insurance products, annuities and retirement plan funding issued by (third party administrative services may also be provided by) Voya Retirement Insurance and Annuity Company, One Orange Way, Windsor, CT 06095-4774. **Securities are distributed by Voya Financial Partners LLC (member SIPC).** Custodial account agreements or trust agreements are provided by Voya Institutional Trust Company. All companies are members of the Voya® family of companies. **Securities may also be distributed through other broker-dealers with which Voya has selling agreements.** Insurance obligations are the responsibility of each individual company. Products and services may not be available in all states.

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