



Arkansas Diamond Deferred Compensation Plan

April 20, 2022



Retirement Myths

I will live off my Social Security

- Average retiree receives \$19,000 annually from Social Security

BUSTED



Fact Sheet
SOCIAL SECURITY



Retirement Myths

I will work through retirement

- 72% of workers say they will work through retirement years
- Only 30% of workers say they've worked through retirement years

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Walmart 





Retirement Myths

It is too late for me to save for retirement

- 40 year old with \$0 annual salary
 - Save 15% per year = \$1.1 million at age 65
- 50 year old with \$20,000 Annual Salary
 - Save 25% per year = \$592,000 at age 67

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Retirement Savings

Financial Future

**Retirement -
ATRS, APERS**

Additional retirement?

**Social
Security**



Retirement Savings





Arkansas Diamond Plan

- **Deferred Compensation**
 - **Deferred compensation is a portion of an employee's compensation that is set aside to be paid at a later date. In most cases, taxes on this income are deferred until it is paid out. Forms of deferred compensation include retirement plans, pension plans, and stock-option plans.**
 - **Types of deferred compensation plans under federal law - 401k, 403b, and 457b**



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401k - for employees of private corporations

403b - for employees of non-profit corporations

457 - for employees of state or municipal governments

This is us!

Arkansas Diamond Plan



Joining the Arkansas Diamond Plan

- Automatically eligible as an employee of the State of Arkansas
- New state employees are auto-enrolled
 - Default contribution of 3%
 - Can opt out, but DON'T DO IT!
- If you do not currently participate, you can enroll:
 - Online at <https://myplan.voya.com>
 - Call the Plan Information Line at 800-905-1833
- Very important - designate a beneficiary



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Contributing to the Arkansas Diamond Plan

- Payroll Deduction
 - Pre-tax - you pay income tax upon withdrawal
 - After-tax (Roth) - pay income tax now, withdrawals are tax-free (including earnings)
 - Combination
- Limits on contributions
 - www.voya.com/IRSlimits
 - Some limits based on income
 - “Catch-up” contributions for age 50+



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Investment Options

- Fixed Rate
- Asset Allocation Lifestyle Models
 - Conservative, moderate, aggressive
- Retirement Target Date Funds
- Actively Managed Mutual Funds
 - Cash, Bonds, Equity Value, Equity Growth, Equity International
- Index Funds
 - Equity, Bond

You can pick one or any combination. You are in control!



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Other Benefits

- It's your money! If you leave state employment, you may
 - Leave your money in the plan
 - Roll over a partial amount or the full balance to another qualified plan or IRA
- Rolling your DROP balance into the Arkansas Diamond Plan(contact Plan Advisors)
- Hardship withdrawals



Theoretical Contribution Rates

**Financial Future
Target = 15%**

**Retirement -
ATRS, APERS
7% Employee
Contribution in FY 2023**

**AR Diamond Plan
8%**

**Social Security
?**

[Home \(artrs.gov\)](http://artrs.gov)

[Retirement Calculator |
RamseySolutions.com](http://RamseySolutions.com)

Arkansas Diamond Plan



Reflections and Questions