



# 401(a) Retirement Plan AND 457(b) Deferred Compensation Plan



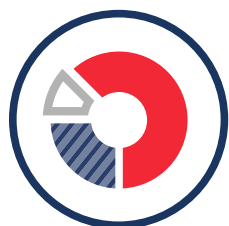
# Market Volatility and Investing for Retirement

Volatility is the quick and unpredicted price fluctuation of an investment or an entire market (e.g., bond market, stock market, etc.). Fluctuations can be both positive and negative and vary in frequency and severity. Here are a few considerations to keep in mind:



## Relax

Investing for retirement can be stressful if you are constantly worrying about daily market fluctuations. Know the performance of your investments, but do not pay too much attention to the day-to-day changes in the market. Keep in mind, market fluctuations are normal! Without them, progress cannot be made. The bottom line is that market downturns are inevitable, but they do not mean disaster if you invest wisely and stay the course for the long term.



## Diversify, Diversify, Diversify

Diversification simply means you do not put all your eggs (money) into one basket (investment). Diversification does not assure a profit, but spreading your money across a wide variety of investments is a good way to reduce risk during volatile times in the markets. Know your investment goals, risk tolerance, and time frame. Select funds that range from conservative to moderate to aggressive.

If you are not comfortable creating your own mix of investments, you can select a Target Date Fund, a diversified investment designed for retirement savings. A Target Date Fund matches the year you plan to retire or begin withdrawals from your account. For more information on the investment options available in the DC 401(a) Retirement Plan (“401(a) Plan”) or 457(b) Deferred Compensation Plan (“457(b) Plan”), visit [www.DCRetire.com](http://www.DCRetire.com) and look under the heading, “Investing.”



## Stick to the Plan

It is easy to lose sight of the end goal — a comfortable retirement — when things are not going as planned. How much time you have to invest will help you determine how much volatility you can endure. Having a goal in mind with a plan of action can help you stay focused on the end result while riding out the ups and downs of the market. As described in [this handout](#), it is time “in” the market vs. “timing” the market that can make a difference. If you need help developing a plan, schedule a meeting with one of your local ICMA-RC representatives. These experienced professionals do not earn a commission and are dedicated to helping you prepare for your future. To schedule a one-on-one appointment, go to [www.DCRetire.com](http://www.DCRetire.com) and register with one of the local offices at 1015 Half Street SE, 9th Floor or 777 North Capitol Street, 8th Floor.



# Spring Into Financial Wellness Investment Fair

RSVP FOR THE INVESTMENT FAIR

The D.C. Office of the Chief Financial Officer, the Office of Finance and Treasury, and the D.C. Department of Human Resources invite you to join us for an exciting event with local and national financial and investment experts. Please join us for the *Spring Into Financial Wellness* Investment Fair on Thursday, April 23, 2020, from 3:00 p.m. to 6:30 p.m. to learn about winning strategies for your finances and investing for your future.



We are honored to have John W. Rogers, Jr., as the keynote speaker for this special event. Mr. Rogers is the Chairman, Co-CEO and Chief Investment Officer of Ariel Investments, an award-winning investment firm whose fund is available in your District of Columbia (“DC”) 457(b) Deferred Compensation Plan (“457(b) Plan”) and 401(a) Retirement Plan (“401(a) Plan”).

This educational event also features break-out sessions focusing on financial topics for employees at all career stages and a social hour where you can talk directly with representatives from several of the investment funds that are available in the 457(b) Plan and 401(a) Plan. The theme is the District of Champions — and like the national success of our hockey, baseball, and women’s basketball teams in DC, you will learn a winning strategy for your finances and investing for the future.

**RSVP by March 31, 2020, at [www.DCRetire.com/Champions](http://www.DCRetire.com/Champions); or by contacting Alexis Kemp at [akemp@icmarc.org](mailto:akemp@icmarc.org) or (202) 682-6419. Seating is limited to the first 600 guests.**

## Location:

D.C. Department of Human Resources  
1015 Half Street, SE, 9th Floor  
Washington, DC 20003

## Agenda:

### 3:00 p.m. to 4:15 p.m. — Educational Sessions

Learn from financial experts who will focus on topics for employees at all career stages — new/early-career, mid-career, nearing or in retirement:

- ★ Budgeting
- ★ College Savings
- ★ Understanding Credit
- ★ Saving for Retirement
- ★ Investing in a Volatile Market
- ★ Social Security
- ★ Civil Service Retirement System
- ★ Financial Tools and Resources

**4:15 p.m. to 5:15 p.m. — Benefit Fair and Social Hour**

Enjoy refreshments and engage with investment experts available to you through your D.C. Retirement Plans.

**5:30 p.m. to 6:30 p.m. — Keynote Speaker John Rogers, Jr., Ariel Investments**

Get insights into investing successfully to reach your retirement goals.

Watch for more information in upcoming newsletters and at [www.DCRetire.com](http://www.DCRetire.com).

*Note: Employees will be allowed up to two hours paid time off to attend the Investment Fair with prior approval from their manager/supervisor. Attendance will be verified at the event. Also note that as a participant in the event, you may be recorded or photographed during the event and may also be invited to share your thoughts about the experience.*

# TAX TIME



## Smart Tax-Savings Tips You Can Apply Now

This is the perfect time of year to make some smart tax moves that can save you money — whether it is finding frequently overlooked tax breaks when you file your return this year or getting an extra refund if you missed some of these credits or deductions in the past. It is also a good time to check on the status of your refund and see if you can adjust your tax withholding and get more money in your paychecks.

See if you qualify for these often-overlooked tax credits and deductions that may help cut your tax liability by hundreds or even thousands of dollars.

- ★ **Get an extra tax credit for saving.** If you contributed to a retirement-savings plan in 2019 — such as your District of Columbia (“DC”) 457(b) Deferred Compensation Plan (“457(b) Plan”) or an IRA — then you may also be eligible for the Saver’s Credit, which can reduce your tax liability by \$200 to \$1,000 per person. The lower your income, the larger the credit. To qualify for 2019, your adjusted gross income must have been less than \$38,500 if married filing jointly, \$28,875 for head of household, or \$19,250 for single filers. You need to complete **IRS Form 8880**

when you file your income-tax return to claim the credit. See [IRS's Saver's Credit](#) page for more information.

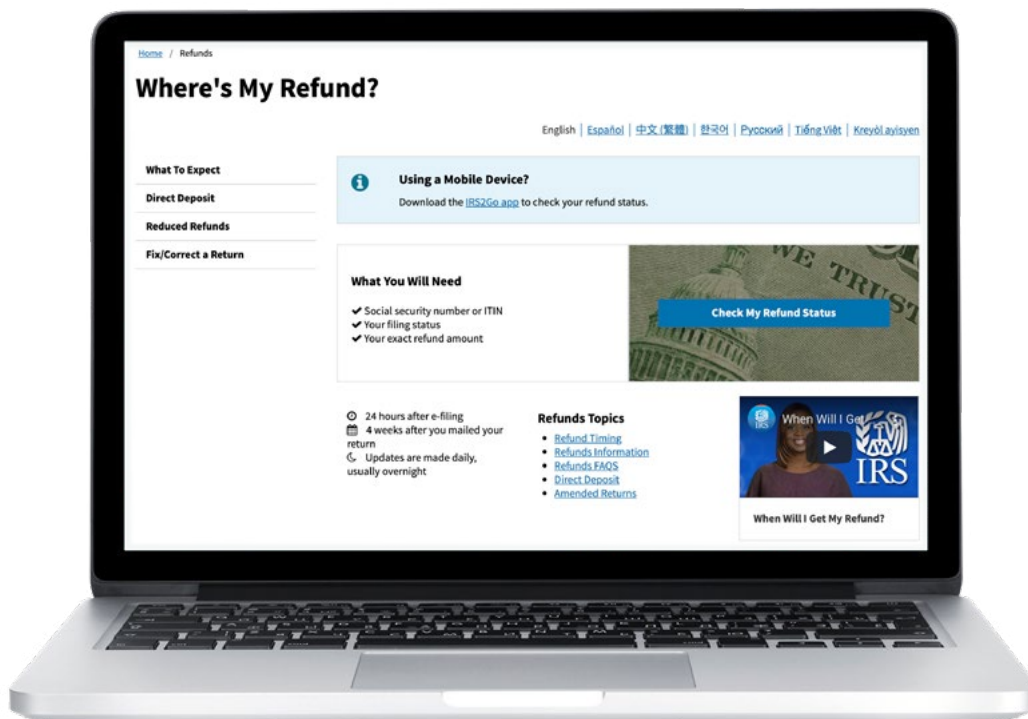


- ★ **Tax breaks for childcare — even summer camp.** If you have children under age 13 and pay for childcare while you and your spouse work (or if one of you work and the other spouse is a full-time student), you can claim the child-care tax credit, which can be worth from \$600 to \$1,050 if you have one child or \$1,200 to \$2,100 if you have two or more children. The size of the credit depends on your income. The cost of daycare, a nanny, preschool (before kindergarten), before- and after-school care programs, and even the cost of day camp in the summer and during school breaks can qualify (sleepaway camp does not count). To calculate and claim the credit, file [Form 2441 Child and Dependent Care Expenses](#) with your income-tax return.
- ★ **Tax credits for college and continuing education.** You may qualify for a tax break if you paid tuition for college, graduate school, or continuing education classes in 2019.
- ★ **The American Opportunity Credit** is worth up to \$2,500 per student for each of the first four years of college. The student must be enrolled at least half-time in a program leading to a degree, certificate or other recognized educational credential. Money spent on tuition, fees, and books count toward the credit (room and board does not). To claim the credit for 2019, your modified adjusted gross income must have been less than \$90,000 if single or filing as head of household, or \$180,000 if married filing jointly.
- ★ **The Lifetime Learning Credit** is worth up to \$2,000 per tax return if you paid for tuition, fees, and books for additional years of college or for graduate school or continuing education courses to improve job skills. There is no limit to the number of years you can claim this credit. The course must be offered by a college, university, vocational school or other postsecondary educational institution eligible to participate in a U.S. Department of Education student aid program. To qualify for 2019, your modified adjusted gross income

must have been less than \$68,000 if single or filing as head of household, or \$136,000 if married filing jointly.

See [IRS Publication 970 Tax Benefits for Education](#) for more information about both credits.

- ★ **Tax break for student loan interest.** You may be able to deduct up to \$2,500 in interest paid on a qualified student loan. To be eligible for the credit, you must be legally obligated to pay the interest on the loan and you (and your spouse, if filing jointly) cannot be claimed as dependents on someone else's tax return. Your modified adjusted gross income in 2019 must have been less than \$85,000 if single or head of household, or \$170,000 if married filing jointly. To calculate the deduction, see the worksheet in [IRS Publication 970](#).
- ★ **Did you miss any tax breaks in the past?** If you did not realize that you qualified for some of these or other tax breaks in the past few years, it may not be too late to benefit. You generally have up to three years after the tax-filing deadline to file an amended return and get an extra refund for missed tax breaks. File [IRS Form 1040X](#), enter the year of the return you are amending, fill in the new numbers, and attach any tax forms that are affected by the change. (You must file a paper amended return.)



- ★ **Where is your refund?** The timing of your refund depends on how and when you filed your tax return. The IRS usually issues refunds within 21 days after you e-file, or within six weeks if you mail your return. You will get your money the fastest if you e-filed and have the refund electronically deposited into your bank account. You can check on the status of your refund with the IRS's [Where's My Refund? Tool](#). To use the tool, you need to provide your Social Security number, your filing status, and the exact amount of your refund. You can check on the status 24

hours after the IRS acknowledges receipt of your e-filed return or four weeks after filing a paper return. (Refunds for amended returns take longer; you can use the [IRS Where's My Amended Return? Tool](#) for the status of that refund — it can take up to three weeks after you file an amended return for it to appear in the IRS's system and processing can take up to 16 weeks.)

- ★ **Get more money in each paycheck.** If it looks like you will be getting a big refund when you file your 2019 income-tax return, you may want to adjust the amount of taxes that your employer withholds from your pay and start to get more money in each paycheck instead. You can do this by filing form W-4 with your employer. The IRS recently updated the W-4 form to make it easier to adjust your withholding. See the [IRS's Paycheck Checkup and Tax Withholding Estimator](#) for more information.

*ICMA-RC does not offer specific tax or legal advice. Please consult with your personal advisor for additional assistance prior to implementing any new tax or legal strategy.*





# Access Your Resources



## Local Offices

### D.C. DEPARTMENT OF HUMAN RESOURCES

1015 Half Street, SE, 9th Floor  
Washington, DC 20003

**Monday – Friday**  
9:00 a.m. – 5:00 p.m.

(202) 442-9749 or (202) 442-9640

[SCHEDULE AN APPOINTMENT](#)

### ICMA-RC

777 North Capitol Street, NE, 8th Floor  
Washington, DC 20002

**Monday – Friday**  
9:00 a.m. – 4:30 p.m.

(202) 759-7190

[SCHEDULE AN APPOINTMENT](#)



## Call Center

(800) 669-7400



## TDD

(800) 669-7471



## Email

[service@DCRetire.com](mailto:service@DCRetire.com)



## Website

[www.DCRetire.com](http://www.DCRetire.com)