



OHIO DEFERRED COMPENSATION

457 FOCUS

877-644-6457

Ohio457.org

Fourth Quarter 2020



Stay the course

Your continued contributions can help your overall financial wellness.

We're with you every step of the way.

Ensure you are on the path to financial wellness

Your path to retirement may not always be a direct one, but Ohio DC is here to help keep you on the right track to meet your retirement goals and help improve your overall financial wellness.

Stick with it

When financial ups and downs occur and retirement seems far away, it is natural to consider shorter goals, such as paying off loans or saving for education costs.

While those financial needs are important in the near term, saving for retirement shouldn't be forgotten or put off. When you delay saving for retirement, you are missing out on the benefits of compound interest. Even small amounts can add up when given the benefit of time.

You can also benefit your retirement savings by increasing your contributions each year. Even a small increase can help improve your overall financial wellness.

We are with you every step of the way

We want you to know that you're not alone in your journey to financial wellness in retirement.

Let us help you stay on track. Call our Service Center and speak with an Account Executive or schedule a virtual meeting with your local Account Executive by visiting our home page and clicking the calendar in the middle of the page.



Ohio457.org



Ohio457@Nationwide.com



877-644-6457

Account Executives are Registered Representatives of Nationwide Investment Services Corporation, member FINRA, Columbus, OH. Investing involves market risk, including possible loss of principal. No investment strategy or program can guarantee a profit or avoid loss. Actual results will vary depending on your investment and market experience.

A publication of the Ohio Deferred Compensation Board

Message from the Executive Director...

Ring in the New Year, especially after the year we had in 2020, brings extra cause for celebration. I realize many of the obstacles that existed in 2020 continue into 2021, but Ohio DC has learned and grown so much.

We have worked to update our processes to allow us to work remotely and still provide you with the customer service you have come to know. We have added online beneficiary updates and you can now manage your SMarT Plan online as well.

Our Service Center has been available to help you navigate these trying times. We are here to support your overall financial wellness. If possible, stay the course and continue your contributions to your account. Annual Statements will be mailed at the beginning of February. Take this opportunity to review your retirement income goals.

If 2020 threw you off, let us get back on track in 2021 and stay the course together as we look for new opportunities to thrive.

Thank you for choosing us as your supplemental retirement plan. It is an honor to serve you.

Christina Elliott
Executive Director

Roth 457 Option Is Available

Ohio DC participants can now choose to make payroll contributions to the Roth 457 option if their employer offers it. The Roth option lets you make contributions that are not tax deductible but provide tax-free distributions after certain conditions are met.

Does my employer allow Roth contributions?

Your employer must choose to offer the Roth 457 option for it to be available to you. Go to Ohio457.org to determine if your employer offers the Roth option.

Deciding whether to make Roth contributions depends on your individual financial circumstances, such as your current income and anticipated income in retirement and your current and future tax rates. To determine if Roth contributions may be right for you, use the Roth Analyzer Tool at Ohio457.org>[Calculators/Tools](https://Ohio457.org), but you should also consult with a tax advisor to assist you in making a decision.

Once you determine that your employer offers the Roth 457 option, you can enroll online or by requesting paperwork at 877-644-6457.

Existing participants who wish to enroll online will need to log in to their existing account and choose "Add New Account."

Roth 457



Annual Contribution Limits

The Internal Revenue Service recently announced that employee annual contribution limits for 2021 will remain the same as 2020.

Each year the IRS sets limits on the amount of wages that you can contribute. These limits are tied to inflation statistics and are recalculated each fall for the following calendar year.

2021 Annual Contribution Limits

Regular	\$19,500
Age 50+	\$26,000
Catch-up	\$39,000



Required Minimum Distribution

If in 2021 you are no longer working and will turn 72 or are already 72 or older, you will need to take a required minimum distribution (RMD) from your Ohio DC account. The RMD, mandated by the IRS, is determined at the beginning of the year and is required to be withdrawn by the end of the year.

Your 2021 RMD amount(s) will be provided in your fourth quarter 2020 statement and available after logging into your account. Visit Ohio457.org to view your account information and read your quarterly *Focus* newsletters for updates regarding 2021 RMDs.



Annual Statements

Your Annual Statement, mailed at the beginning of February, gives you an update on your progress toward meeting your retirement income goal. Review your Annual Statement and take action. You might increase your contributions, rebalance your investments, sign up for the SMarT Plan, update your beneficiaries, or change your contact information.



Partial Lump Sum Option Payment

The Partial Lump Sum Option Payment, or PLOP, is an option that allows you to receive a lump-sum benefit payment, along with a reduced monthly retirement allowance from your public pension plan. It is usually taxable unless it is rolled over into a qualified plan. You can deposit your PLOP into your Ohio DC account. Contact us for more information.



Saver's Tax Credit

Do you qualify for a Saver's Credit? You might be eligible for a federal tax credit just by deferring to your Ohio DC account.

The Saver's Tax Credit rewards low- and moderate-income taxpayers saving for retirement who meet certain qualifications. Learn more about the Saver's Credit at Ohio457.org>FAQ.



Tax Time

If you took a withdrawal or rollover from your account during 2020, you will receive a Form 1099-R from Ohio DC. These forms are scheduled to be mailed the last week of January.

You can also access your 1099-R by logging into your account. You will be notified by email when your 1099-R is posted to your online account.

Employers Recognized

The Ohio Deferred Compensation Board of Trustees formally recognized the following employers' achievements in improved retirement education, enrollment, and savings among their employees during 2020.



We appreciate everything these organizations do to make sure Ohio's public employees are ready for retirement!

- Circleville City Schools
- City of Coshocton
- City of Findlay
- City of Xenia
- Five Rivers MetroParks
- Lancaster City School District
- Morrow County
- Williams County
- Wood County
- Union County



The SMarT Plan is a simple and hands-off way to save more. When you enroll in the SMarT Plan your contribution amount will automatically increase each year by an amount you choose (not to exceed the annual limit allowed by law).

You can choose the month that you want your annual SMarT increase to occur. Most participants choose for their SMarT increase to occur at the same time as their annual pay raise.

Sign-up for SMarT today!

Visit Ohio457.org, log in to your account, and enroll from the Contributions tab. If you are already enrolled in the SMarT Plan, you can manage your SMarT increase amount from the Contributions tab.



Ohio Deferred Compensation Service Center
257 East Town Street, Suite 457
Columbus, Ohio 43215-4626



877-644-6457
8 a.m.-4 p.m., Monday-Friday



Ohio457@Nationwide.com



Ohio457.org



Ohio Deferred Compensation



Holiday Schedule

The Service Center and exchange processing follows the New York Stock Exchange holiday schedule.

Visit Ohio457.org>Contact Us for the 2021 holiday schedule.

The Ohio Deferred Compensation Program is a supplemental retirement benefit plan regulated by Section 457 of the Internal Revenue Code.

Ohio DC Board of Trustees

Elected

Julie Albers
County Employees

Randy Desposito
Non-teaching College/
University Employees

Christopher Mabe
State Employees

Cynthia Sledz
Miscellaneous Employees

Timothy Steitz, Vice Chair
Retired Group

Ken Thomas
Municipal Employees

Steve Toth, Chair
Retired Group

Christina Elliott
Executive Director

Statutory

Matthew M. Damschroder
Director, Department of
Administrative Services

Richard Brown
House of Representatives

Jay Hottinger
Senate

Appointed

Harold Charles Elliott
Investment Expert

Lance Osborne
Investment Expert

James Tilling
Investment Expert

This newsletter is printed on recycled paper.

Ohio Deferred Compensation

Investment Performance Report—As of December 31, 2020


The results shown represent past performance and should not be considered a representation of future performance or experience. Past performance cannot guarantee future results. Current investment results may be lower or higher than quoted in this report. The principal value and investment return of an investment will fluctuate so that an investor's units/shares, when redeemed, may be worth more or less than their original cost. Performance data current to the most recent month-end may be obtained by visiting Ohio457.org. Although data is gathered from investment providers, the Program cannot guarantee completeness and accuracy. Please see other important disclosures at the end of this report. **Consider the investment objectives, risks, charges, and expenses carefully before investing by consulting your prospectuses, which contain this and other information. Prospectuses are available by calling 877-644-6457 or visiting Ohio457.org. Read the prospectus carefully before investing.**


Fund Name (Manager or Ticker Symbol)	Inception Date	4th Quarter	Average Annual Returns				Expense Ratio ⁽¹⁾
			1 Year	3 Year	5 Year	10 Year	
Ohio DC LifePath Portfolios (BlackRock) ⁽²⁾							
LifePath Retirement ⁽³⁾	8/15/2017	6.78%	11.99%	7.74%	7.95%	6.32%	0.06%
LifePath 2025 ⁽³⁾	8/15/2017	8.39%	12.21%	8.19%	9.19%	7.44%	0.06%
LifePath 2030 ⁽³⁾	8/15/2017	10.09%	12.90%	8.76%	10.02%	8.01%	0.06%
LifePath 2035 ⁽³⁾	8/15/2017	11.74%	13.59%	9.29%	10.81%	8.54%	0.06%
LifePath 2040 ⁽³⁾	8/15/2017	13.26%	14.16%	9.73%	11.48%	8.99%	0.06%
LifePath 2045 ⁽³⁾	8/15/2017	14.45%	14.85%	10.10%	11.97%	9.35%	0.06%
LifePath 2050 ⁽³⁾	8/15/2017	15.06%	15.22%	10.28%	12.16%	9.56%	0.06%
LifePath 2055 ⁽³⁾	8/15/2017	15.14%	15.34%	10.32%	12.18%	9.70%	0.06%
LifePath 2060 ⁽³⁾	8/15/2017	15.14%	15.33%	10.31%	12.17%	9.43% ⁽⁴⁾	0.06%
International Stock Funds							
Ohio DC International Stock (Vanguard, Schroders, Arrowstreet) ⁽²⁾	9/11/2020	20.07%	19.59% ⁽⁴⁾	n/a	n/a	n/a	0.53%
Vanguard Total International Stock Index (VTPSX) ⁽⁵⁾	11/30/2010	16.90%	11.30%	5.02%	9.13%	5.17%	0.07%
Small-Cap Mid-Cap Stock Funds							
Ohio DC Small-Cap Growth (Westfield, Fiera) ⁽²⁾	6/2/2017	25.12%	41.72%	21.00%	20.84% ⁽⁴⁾	n/a	0.69%
Ohio DC Small-Cap Value (Westwood) ⁽²⁾	6/2/2017	26.90%	2.19%	3.89%	5.86% ⁽⁴⁾	n/a	0.71%
Vanguard Extended Market Index (VEMPX) ^{(5) (6)}	1/14/2011	27.44%	32.24%	15.37%	16.08%	12.95% ⁽⁴⁾	0.04%
Vanguard Capital Opportunity (VHCAX) ^{(5) (6)}	11/12/2001	17.06%	22.89%	14.63%	16.58%	15.36%	0.37%
Large-Cap Stock Funds							
Dodge & Cox Stock (DODGX) ⁽⁵⁾	1/4/1965	20.86%	7.16%	7.51%	12.27%	11.96%	0.52%
Fidelity Contrafund Commingled Pool ⁽²⁾	1/17/2014	7.94	31.44%	19.18%	18.46%	15.43% ⁽⁴⁾	0.35%
Fidelity Growth Company Commingled Pool ⁽²⁾	12/13/2013	14.96%	68.86%	31.11%	27.05%	23.01% ⁽⁴⁾	0.35%
Ohio DC Large-Cap Growth (T. Rowe Price) ⁽²⁾	8/1/2014	12.80%	39.52%	23.41%	21.68%	19.40% ⁽⁴⁾	0.34%
Vanguard Institutional Index (VIXIX) ⁽⁵⁾	7/7/1997	12.15%	18.42%	14.18%	15.21%	13.88%	0.02%
Bond Funds							
Ohio DC Intermediate Bond (TCW) ⁽²⁾	1/30/2015	1.30%	9.56%	6.23%	4.93%	3.83% ⁽⁴⁾	0.25%
Vanguard Total Bond Market Index (VBMPX) ⁽⁵⁾	2/5/2010	0.67%	7.73%	5.41%	4.48%	3.82%	0.03%
Stable Value							
Ohio DC Stable Value Option (Multiple Managers) ⁽²⁾	1/1/1994	0.52%	2.35%	2.43%	2.33%	2.43%	0.25%


Annualized Crediting Rates: 4th Quarter 2020—2.10% 1st Quarter 2021—1.95%


- ⁽¹⁾ Investment performance has been reduced for expense ratios. These expense ratios may vary from period to period. Expense ratios do not include administrative fees or rebates of fee reimbursements. See "Administrative Fees and Rebates" for more information.
- ⁽²⁾ These options are not publicly traded mutual funds and do not have a ticker symbol or prospectus. Additional information regarding the manager(s) and investment strategy can be found in the fund profile at Ohio457.org. The value of the securities held by the SVO will fluctuate. The SVO focuses on principal preservation and a stable rate of return.
- ⁽³⁾ Returns shown are of the respective LifePath Index N series. Returns for periods prior to the inception of the N series are those of the respective LifePath Index F series.
- ⁽⁴⁾ Average annual return since inception date.
- ⁽⁵⁾ These options are publicly traded mutual funds, and they have a ticker symbol and prospectus.
- ⁽⁶⁾ The asset class for the Vanguard Extended Market Index is small/mid-cap stocks. The asset class for the Vanguard Capital Opportunity is mid-cap stocks.


Investment Performance Report Notes


 **LifePath Portfolios**—Each LifePath Portfolio is based on a target year (when you expect to begin using your money). Portfolios are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. LifePath Portfolios are designed for people who plan to begin withdrawing funds during or near a specific year. Like other funds, LifePath Portfolios are subject to market risk and loss. Loss of principal can occur at any time, including before, at, or after the target year. There is no guarantee that LifePath Portfolios will provide enough income for retirement.


 **International Stock Funds**—International funds involve risks not associated with investing solely in the United States, such as currency fluctuation, differences in accounting standards, and the limited availability of information. Over the long term, an investor should be willing to accept a high level of risk resulting from potentially higher market volatility.

 **Small-Cap Stock Funds**—Small-cap funds contain stocks from companies with less than \$2 billion in capitalization, including many start-up companies. Small companies can grow much faster than big companies, but small company stocks tend to be more volatile than the stocks of larger companies. Over the long term, an investor should be willing to accept a high level of risk resulting from potentially higher market volatility.

 **Mid-Cap Stock Funds**—Mid-cap funds contain stocks from companies with market values between \$2 billion and \$10 billion, and often include companies that are well established and growing. Over the long term, an investor should be willing to accept a moderate to high level of risk resulting from potentially higher market volatility.

 **Large-Cap Stock Funds**—Large-cap funds contain stocks from companies with market values of more than \$10 billion, and they include blue-chip and Fortune 500 companies. They are typically more mature, diversified companies with many products and services. Over the long term, an investor should be willing to accept a moderate to high level of risk resulting from potentially higher market volatility.

 **Bond Funds**—Bonds are loans or debt instruments issued by governments or corporations that need to raise money. Bond funds have the same interest rate, inflation, and credit risks associated with the underlying bonds owned by the fund. Bonds are generally a more conservative form of investment than stocks, and usually provide a more steady flow of income. Typically, bonds have a lower long-term total return than stocks.

 **Stable Value**—These options own short to intermediate term, high-quality securities. Investors who seek safety of principal as well as a competitive rate of return compared to money market funds may invest in these options. The Ohio DC Stable Value Option returns are shown net of fees for investment management, custody, and principal protection. A fund profile can be obtained for the Ohio DC Stable Value Option by calling 877-644-6457 or at Ohio457.org.

Investment Performance

All reported returns assume reinvestment of capital gains and dividends and reflect the fund's expense ratio, but not the deduction of the administrative fee or reinvestment of rebates.

Administrative Fees and Rebates

Administrative Fees

An annual administrative fee of 0.0014 or 0.14% is charged to each participant. Administrative fees will be charged each quarter and are based on the total of a participant's account balance(s). Administrative fees will be waived if the total of a participant's account balance(s) is below \$5,000. Administrative fees will be capped at \$55 per quarter, per participant.

Rebates of Fee Reimbursements

The Dodge & Cox Stock fund has an annual administrative fee reimbursement of 0.10% included in its expense ratio. Ohio DC will rebate the fee reimbursement quarterly to the participant accounts invested in this option.

Investment decisions should not be made based on fee reimbursements. Before investing in a fund, carefully consider its objectives, risks, and charges and expenses. This information and other important facts can be found in the prospectus or fund profile at Ohio457.org. Read them carefully before investing.