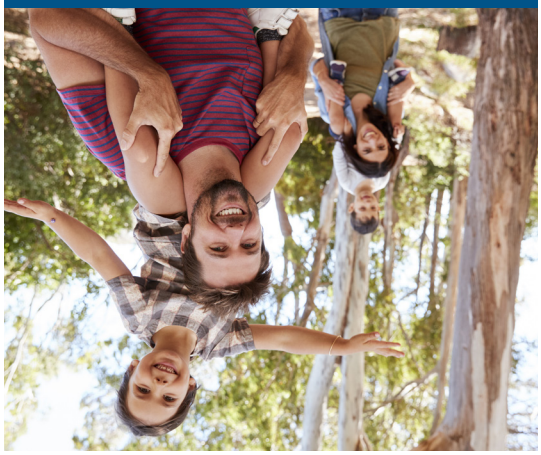
Get ahead in Small Steps

MICHIGAN OFFICE OF RETIREMENT SERVICES
Big Plans. Small Steps.



A more secure retirement, one Small Step at a time

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Firstname Lastname
0000 Blank Street
City, State 00000-0000

800-748-6128 statepfmi.voya.com /MichiganORS

As of October 12, you are saving [current rate] percent of your gross compensation to your account(s) in the State of Michigan 401(k) and 457 Plans.

Under the Small Steps program, you will continue to save 1 percent more each year until you reach the target savings rate. Each annual increase will be invested according to your elections on file.

Starting with the first available payroll period in January 2019, the target savings rate will change from 10 percent to 15 percent. Once you are saving 15 percent, the Small Steps 1 percent increases will stop, and your savings rate will hold steady at 15 percent.

This change has been made because many experts say the typical household needs savings equal to about 15 percent of earnings to maintain their standard of living for a retirement lasting 30 years or longer.*

Of course, you can save 15 percent or more sooner if you wish. Log into your account to change your savings rate any time.

If you prefer to opt out of the Small Steps 1 percent increase for 2019, you have from October 29–December 16, 2018 to put off the increase for a year.

> To opt out, log in to **smallstepstobiggersavings.com**
>
> Enter this username and authentication code:
>
> Username: **[last name]**
>
> Authentication code**: [TBD]**

Once you hit the target

Even when you reach the Small Steps target savings rate, you may need to keep saving more to have enough income for a retirement that lasts for decades. To adjust your savings rate any time, log into your account at **stateofmi.voya.com** or call **800-748-6128**.

The more you save today, the more you could have in retirement

This comparison of two target savings rates shows how a small step up could position you for a more secure retirement. These amounts don't include employer matching contributions, if applicable, which could result in even higher account values and more potential income at retirement.

	Contribution per pay period	Account value at retirement**	Potential monthly retirement income
15 percent	$288.46	$859,626.00	$1,920.00
10 percent	$192.31	$572,084.00	$1,280.00
Difference	**$96.15**	**$286,542.00**	**$640.00**

** Ultimate guide to retirement, money.cnn.com, August 20, 2018.*

*** This is a hypothetical example for illustrative purposes only and does not represent the performance of an actual investment. It assumes an annual salary of $50,000, pre-tax contributions, contributing regularly at age 30 until retiring at age 65, 26 pay periods per year, a 6 percent annual rate of return and reinvestment of earnings. Investments are subject to investment risk including the possible loss of principal. The investment return and principal value of the security will fluctuate so that when redeemed, it may be worth more or less than the original investment. In addition, these figures do not reflect any adjustment for pay raises, inflation, taxes or any fees, expenses or charges of any investment product. Taxes are generally due upon withdrawal of tax-deferred assets.*

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State of Michigan 401(k) and 457 Plans
P.O. Box 55497
Boston, MA 02205-5497