

Plan News

Changes are coming to the City's VEBA Plans effective June 10, 2021

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



As part of its continuing commitment to provide participants with a high quality deferred compensation plan, the City of San José VEBA Advisory Committee (VAC) and the Plans' independent Investment Consultant regularly reviews the investment options offered in the Plans. Due to a change at Vanguard, the target date funds now qualify for a new share class with lower expenses.

The VAC also voted to begin charging a small fee to all accounts to pay for the ongoing expenses to administer the VEBA plans. As a result, all accounts will be charged an annual 0.20% asset-based fee beginning July 1, 2021. As an example, on an account with \$10,000, this fee would equal \$20 per year. The application of the administrative fee ensures that all accountholders share in the costs to support the plans going forward. Fund management fees and other fund operating expenses will apply. Fees depend on the investment option chosen. Please refer to the underlying fund prospectus for individual fund fee information.

What's changing?

In reality, not much. Although the investment costs will decrease, the new funds will have the same managers, the same structure and glidepath, and the same underlying investments as the current funds. If you have an existing balance in the discontinued fund below, your existing balance and any future contributions will be automatically redirected to the designated replacement fund as follows:

Discontinued Fund	Expense Ratio	Maps to	Replacement Fund	Expense Ratio*
Vanguard® Target Retirement 2015 Fund Investor Shares (Fund #791)	0.13%	→	Vanguard® Institutional Target Retirement 2015 Fund – Institutional Shares (Fund# 4701)	0.09%
Vanguard® Target Retirement 2020 Fund Investor Shares (Fund #1296)	0.13%	→	Vanguard® Institutional Target Retirement 2020 Fund - Institutional Shares (Fund# 4702)	0.09%
Vanguard® Target Retirement 2025 Fund Investor Shares (Fund #926)	0.13%	→	Vanguard® Institutional Target Retirement 2025 Fund - Institutional Shares (Fund# 4703)	0.09%
Vanguard® Target Retirement 2030 Fund Investor Shares (Fund #1297)	0.14%	→	Vanguard® Institutional Target Retirement 2030 Fund - Institutional Shares (Fund# 4704)	0.09%
Vanguard® Target Retirement 2035 Fund Investor Shares (Fund #793)	0.14%	→	Vanguard® Institutional Target Retirement 2035 Fund - Institutional Shares (Fund# 4705)	0.09%
Vanguard® Target Retirement 2040 Fund Investor Shares (Fund #1298)	0.14%	→	Vanguard® Institutional Target Retirement 2040 Fund - Institutional Shares (Fund# 4706)	0.09%

Vanguard® Target Retirement 2045 Fund Investor Shares (Fund #794)	0.15%	→	Vanguard® Institutional Target Retirement 2045 Fund - Institutional Shares (Fund# 4707)	0.09%
Vanguard® Target Retirement 2050 Fund Investor Shares (Fund #1299)	0.15%	→	Vanguard® Institutional Target Retirement 2050 Fund - Institutional Shares (Fund# 4708)	0.09%
Vanguard® Target Retirement 2055 Fund Investor Shares (Fund #2473)	0.15%	→	Vanguard® Institutional Target Retirement 2055 Fund - Institutional Shares (Fund# 4709)	0.09%
Vanguard® Target Retirement 2060 Fund Investor Shares (Fund #3447)	0.15%	→	Vanguard® Institutional Target Retirement 2060 Fund - Institutional Shares (Fund# 4710)	0.09%
Vanguard® Target Retirement 2065 Fund Investor Shares (Fund #8995)	0.15%	→	Vanguard® Institutional Target Retirement 2065 Fund - Institutional Shares (Fund# 8985)	0.09%
Vanguard® Target Retirement Income Fund Investor Shares (Fund #795)	0.12%	→	Vanguard® Institutional Target Retirement Income Fund - Institutional Shares (Fund# 4711)	0.09%

*Expense ratios are as of 03/31/2021.

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the Fund name refers to the approximate year (the target date) when an investor in the Fund would retire and leave the work force. The Fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date.

When will the changes occur?

The changes will take place on **Thursday, June 10, 2021**, at the close of the New York Stock Exchange (generally 1:00 p.m. Pacific Standard Time).

What do I need to do?

Nothing! Your existing balance and any future contributions will be automatically redirected from the discontinued fund to the designated replacement fund as noted in the table above. However, we would encourage you to take this opportunity to review your account and confirm your portfolio continues to reflect your overall objectives.

If you prefer to be invested in other available funds, you must transfer your balance and/or change your allocation elections for future contributions before 1:00 p.m. PST on **Monday, June 7, 2021**. *The ability to make any fund changes within your account will not be possible between the close of the market on Monday, June 7, 2021 and opening of the market on Friday, June 11, 2021 to facilitate these fund changes.* Changes to your account can be made online after logging into your account at <https://uba.tasconline.com/login>.

The administrative fee of 0.20% annually will begin in the new fiscal year on July 1, 2021.

Questions?

For questions related to logging in or accessing your account, contact TASC at (800) 422-4661, Monday through Friday, 5:00 a.m. – 5:00 p.m. PST.

If you'd like to speak with one of our local representatives¹ or schedule an appointment, please call (877) 464-4748 or book a phone meeting via the online appointment tool at <https://csj.timetap.com>.

¹Investment adviser representatives and registered representatives of, and securities and investment advisory services offered through, Voya Financial Advisors, Inc. (member SIPC).

You should consider the investment objectives, risks, charges and expenses of the variable product and its underlying fund options offered through a Health Reserve Account carefully before investing. The information booklets and underlying fund prospectuses containing this and other information can be obtained by contacting your local representative. Please read the information carefully before investing.

Funding Agreements under a Health Reimbursement Arrangement are long-term investment vehicles which allow you to allocate employer contributions among variable investment options that have the potential to grow tax free. Account values fluctuate with market conditions; when withdrawn the principal may be worth more or less than original amount invested.

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