

# ARE YOU ON THE RIGHT INVESTMENT PATH FOR YOUR VEBA BENEFIT?



This message is being sent on behalf of the City of San Jose's VEBA Advisory Committee.

Dear VEBA Program participant:

With your VEBA Program at the City of San Jose, one significant plan feature is the plan's default investment which is the Voya Fixed Account (Default Investment). The idea around a default investment is for the Committee to establish an automatic initial investment election for participants until they can customize their VEBA account based on their specific investment objectives (risk tolerance, time horizon, etc.).

The VEBA Program Default Investment is a very conservative investment that is not subject to short-term volatility that some equity investments may experience. The primary goal of this investment is to preserve a participant's assets. In other words, the risk of losing money due to market risk or fluctuations in this fund is very low. Guarantees are based on the claims-paying ability of Voya Retirement Insurance and Annuity Company. Guarantees do not apply to the investment return or principal value of the separate account. The automatic initial investment is intended to protect your funds from market fluctuation while you assess your long-term investment goals. Accordingly, you should carefully review and assess your investment objective on a regular basis and make any corresponding investment changes.

You are receiving this letter because, based on our most recent records, your VEBA account balance is still invested in the Default Investment. You are free to re-allocate your accounts so that your investment options match your risk tolerance and time horizon. As you can see, the investment menu (on the next page) is varied and is designed so that you can customize—and diversify—your account based on your specific goals. Please keep in mind that investments are not guaranteed and 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, may be worth more or less than the original investment. Generally, the greater an investment's possible reward over time, the greater its level of price volatility, or risk.

As stated above, one feature of the Voya Fixed Account is the safety of principal (also known as preservation of capital). However, the trade-off is that the return potential over the years is also very low. In fact, when you look at the VEBA plan fees, participants may be better off with a more diverse portfolio.\* Let's take a hypothetical VEBA participant here at the City:

Account Balance		\$20,000	
Approximate Growth After One Year	+	\$230	Based on the current annual rate of the Voya Fixed Account of 1.15%
Per Participant Record Keeping Fee	-	\$24	Based on the TASC fee of \$24 annually
City of San Jose Administrative Fee	-	\$40	Based on an an administrative fee of 0.20% annually
Inflation	-	\$600	Based on the general price increase of 3% annually
<b>Total After One Year</b>	<b>=</b>	<b>\$19,566</b>	<b>Reflects purchasing power and not necessarily what is in your account</b>

\* The VEBA Advisory Committee is not making a personal recommendation. This letter and illustration are for informative purposes only. While using diversification and asset allocation as part of your investment strategy neither assures nor guarantees better performance and cannot protect against loss in declining markets, it is a well-recognized risk management strategy.

In terms of loss of purchasing power due to inflation, you should consider all investments, including investments with more short-term volatility but also with longer term return potential. It is also important to note that, as always, participants are free to make changes to their VEBA accounts at any time. Now may be a great time to make sure your account and portfolio match your personal objectives.



## To Select Investments Based on Your Specific Time Frame and Risk Tolerance:

Log in to your account online at <https://uba.tasconline.com/login> and make your investment allocation changes.

See the next page for easy to follow directions on how to make these investment changes online.

## How Do I Change My Future Contributions?

Click on your account from the left side of your screen. Then click on **Investment Balance**. You will get a warning stating that you are now leaving TASC and navigating to an external website. Click on **Continue** to proceed. Click on **Plan Services** along the top and then select **Investment Elections** from the dropdown menu and click **Change Elections**. Using the dropdown boxes, select a percentage for those investment elections that you would like your future contributions to be invested in. Please note, to successfully submit your **Investment Elections**, change the new percentages must equal 100%. Click on **Submit Investment Elections**.

## How Do I Change My Current Balance?

Although you have two options to change your current investment allocation (either realign your portfolio or transfer funds), the easiest is generally a realignment where you simply realign your entire balance to fit into percentages for each fund. To do this, under **Plan Services**, click **Realign Portfolio**. Since there is only one plan, click **Realign** under **ALL SOURCES**. Under **Current %**, you will see what percentage of your current balance is in each fund. Under **New %**, you will select the percentage of your current balance that you want in each fund.

## Here are Some Quick Instructions for Logging in:

- Go to <https://uba.tasconline.com/login>
- Click **Access Your Account**. (NOTE: Chrome is the preferred browser.)
- If this is the first time logging in, click **Sign up** to establish your account access (NOTE: the e-mail provided to City as "preferred" e-mail will be required to establish the account.)
- If you have questions, please contact Peter or Nancy (their contact information is to the right).

## Below is the Entire Investment Menu Within the City's VEBA Plan:

### Target Date Funds<sup>1</sup>

- Vanguard Target Retirement Income
- Vanguard Target Retirement 2015
- Vanguard Target Retirement 2020
- Vanguard Target Retirement 2025
- Vanguard Target Retirement 2030
- Vanguard Target Retirement 2035
- Vanguard Target Retirement 2040
- Vanguard Target Retirement 2045
- Vanguard Target Retirement 2050

- Vanguard Target Retirement 2055
- Vanguard Target Retirement 2060
- Vanguard Target Retirement 2065

### Core Funds

- Voya Fixed Account
- Voya Government Money Market<sup>2</sup>
- Loomis Sayles Core Plus Bond
- Fidelity® U.S. Bond Index
- Vanguard® FTSE Social Index
- Vanguard Equity-Income

- Vanguard Institutional Index
- T. Rowe Price Large-Cap Growth
- MFS® Mid Cap Value
- Vanguard Mid Cap Index
- Janus Henderson Enterprise
- Janus Henderson Small Cap Value
- Vanguard Small Cap Index
- Hood River Small-Cap Growth
- Vanguard Total Intl Stock Index
- American Funds EuroPacific Growth
- Vanguard® International Value

**Trouble Logging In or Accessing Your Account?** Toll-free: (800) 422-4661 | **Office Hours:** Monday – Friday, 5:30 a.m. – 4:00 p.m., PST

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

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

<sup>1</sup> 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.

<sup>2</sup> **You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.**

Group annuities are intended as long-term investments designed for retirement purposes. Money taken from the annuity will be taxed as ordinary income in the year the money is distributed. Account values fluctuate with market conditions, and when surrendered the principal may be worth more or less than its original amount invested. An annuity does not provide any additional tax deferral benefit, as tax deferral is provided by the plan. Annuities may be subject to additional fees and expenses to which other tax-qualified funding vehicles may not be subject. However, an annuity does provide other features and benefits, such as lifetime income payments and death benefits.

Insurance products, annuities and retirement plan funding issued by (third party administrative services may also be provided by) Voya Retirement Insurance and Annuity Company, One Orange Way, Windsor, CT 06095-4774. **Securities are distributed by Voya Financial Partners LLC (member SIPC). All companies are members of the Voya® family of companies. Securities may also be distributed through other broker-dealers with which Voya has selling agreements.** Insurance obligations are the responsibility of each individual company. Products and services may not be available in all states.

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## For Help Understanding or Changing Investments:

Your local Voya representatives are available to assist you and provide investment education so you can make the best choice that works for you and your individual situation.



*Please contact your local Voya representative\* to make an appointment:*

If you are an employee in the Airport, Police, Library, Parks, Recreation & Neighborhood Services, or Transportation, please contact: **Peter Ng** (408) 386-6061 [peter.ng@voya.com](mailto:peter.ng@voya.com)

For employees in all other departments, please contact: **Nancy Agaiby** (408) 892-0744 [nancy.agaiby@voya.com](mailto:nancy.agaiby@voya.com)