



WATER AND POWER EMPLOYEES' RETIREMENT PLAN

Retirement Plan Office Lunch and Learn Additional Annuity versus Deferred Compensation

Date: February 8, 2024

We had an informative Lunch and Learn in January discussing the changes to the mortality table, which may affect some retirements in July. We learned that even if an employee is affected (where their July retirement is smaller than their June retirement), the employee only needs to wait a few months for the amount to be the same again. Once the monthly amount catches up to the June number, thereafter, the monthly amount will continue to grow, as we would expect for someone working longer. We also learned that you can use the Retirement Information System (RIS) to run the calculation for yourself. If you missed the meeting from January, please visit our website at <https://retirement.ladwp.com> and look for the information in the top banner. We have provided the slides from the meeting and an article explaining the change.

The next RPO Lunch and Learn will focus on saving for your retirement. No matter what retirement savings accounts you select, whether it's with the Water and Power Employees' Retirement Plan (WPERP), the City's Deferred Compensation Plan (DCP), or a completely separate entity outside of the City, you should consider saving for your retirement and you should do it as early as possible in your career. Depending on your lifestyle, experts estimate that you will need somewhere between 70% - 85% of your salary after retirement. If you're in Tier 2, to get 70% of your highest average salary, you need to work over 33 years and be at least 63 years old at retirement. To get 85%, you need to work over 40 years. If you don't want to work that long, you can supplement your retirement, by making the decision today to save for your retirement tomorrow.

The Lunch and Learn will provide a comparison between the WPERP's Additional Annuity, DCP's before-tax basis, and DCP's Roth after-tax basis. The different savings accounts have their pros and cons, or features for you to consider. A VOYA representative will join the discussion to help answer questions.

Our next Lunch and Learn is scheduled for February 21st at 11:30 a.m. The meeting will start promptly so please don't be late. If possible, please login via computer so that you can see the information that we are displaying on screen.

Link:

<https://ladwp.webex.com/ladwp/j.php?MTID=m2d175b8aaa37c1669b2a969cb359e46b>

IMPORTANT Note: The Retirement Plan Office staff cannot provide financial advice. The Lunch and Learn is only provided to give you information. You should consult with your financial advisor when making financial decisions.

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