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Saving During Market Turbulence

Source: Empower Retirement

When a drop in the stock market occurs, it's easy to become discouraged or even nervous about your retirement savings funds.

But don't overreact.

Market volatility is a normal and inevitable part of the stock market cycle and should be factored into your long-term investment strategy. It's like experiencing a cramp while running a marathon; you may feel uncomfortable in the moment and begin to lose sight of the end goal, but staying the course could be the best way to cross the finish line.

Similarly, understanding your investment strategy and maintaining that focus through a volatile period may help you reach your retirement goals.

Familiarizing yourself with the history of the stock market may give you peace of mind if you are concerned about market volatility.

Social Security Benefits to Increase January 2023

Approximately 70 million Americans will see an 8.7% increase in their Social Security benefits and Supplemental Security Income (SSI) payments in 2023. According to the Social Security Administration, beneficiaries will see an increase of more than \$140 per month starting in January 2023.

This change means prices for goods and services, on average, are higher. The cost-of-living adjustment (COLA) helps to offset these costs. This will be the highest benefit increase in more than 40 years.

Historically, stock market drops have been followed by an eventual bounce and market growth.

A few reminders:

- Consider staying invested instead of trying to time the market.
- Keeping portfolios diversified can help soften negative impacts.
- Before making investment changes, consider your risk tolerance and how long before you retire and need access to the funds.



Most WRS members contribute to Social Security, the WRS Pension, and personal retirement savings such as the WRS 457(b) Deferred Compensation Plan. A secure retirement is ideally composed of these three elements.



WRS Benefits Make Economic Impact

Annually, WRS pays more than \$730 million in regular benefits and another \$22 million in refunds and death benefits. About 78% of these payments remain in Wyoming. These payments help to stimulate and stabilize both the state and local economies.

\$739 Million paid annually by WRS

\$578 Million paid to pensioners living in Wyoming

Only 30% of the benefits paid come from employee or employer contributions, while 70% comes from investment earnings.

Retirement Review

Across

- 1. An inevitable part of the stock market cycle
- 5. An authentication method that requires users to enter a code to access an online resource
- 6. The largest WRS member group is from this field
- 7. A lifetime benefit that arrives monthly
- 8. The number of pension plans administered by WRS

Down

- 2. Cost of living \_\_\_\_\_ (COLAs)
- 3. National Retirement Security month
- 4. 70% of a pension benefit is paid through investment





## Multi-Factor Authentication Coming Soon to Member Portal

Multi-factor authentication (MFA) compliments your passwords by adding a level of security to your online accounts. When MFA is enabled, users are prompted to enter a code, often sent via text message, to gain access. On October 12, MFA became mandatory for WRS employers. It will soon be required for member portal access as well.

### Two factors are better than one

Using only one factor —something you know, like a password — to log in to your account is like having one lock on your front door. And not a very secure one.

Using two-factor authentication is like using two locks on your door and is much more secure. Even if a hacker knows your username and password, they can't log in to your account without the second credential or authentication factor.

### Why a password alone isn't enough

Like most people, you probably use a strong password to protect your accounts. But hackers use different tactics to steal or guess your passwords.

Hackers use phishing attacks to trick you into giving up your login credentials.

Scammers buy credentials stolen in data breaches, using your username and your password to log in to the account where the breach happened.



That's why it's important to change your password right away if you find out that your information may have been exposed in a breach.

information may have been exposed in a breach.

Taking steps to keep your password secure is an important first line of defense against hackers. But the best way to protect your accounts is to use multi-factor authentication.

Source: FTC

### Retirees: What to Expect in 2023

The Wyoming Retirement System's payment processor, Northern Trust, will mail 1099-Rs to members between January 10-20 to meet the federal mail requirement. (You will also be able to access a copy of the form in your Online Pension Account.)

**Important:** If your address is incorrect, your 1099s will be returned to Northern Trust, not forwarded to you.

You can update your address in your Online Pension Account, by emailing [retirementchange@wyo.gov](mailto:retirementchange@wyo.gov), or by calling 307-777-1988.

**Reminder:** New tax tables for 2023 can result in a net amount change beginning with your January or February payment. You can update your tax withholding amount at any time during the year.

## WRS Members

WRS membership includes active members, retirees, their surviving pensioners, and terminated members who have left their contributions on deposit.

The State of Wyoming is the single largest employer, with about 21% of the active membership across all plans. However, 79% of WRS active members work for local governments. Pre-K-12 education is the single largest membership category; their 17,806 active members are more than twice the number of state employees. 🐾

## Public Employee Pension Plan Retirement Benefits

The average WRS Public Employee Plan Pension benefit paid to retirees in 2021 was \$21,852 annually or \$1,821 a month. The average service at retirement is 20.1 years. When combined with Social Security, the benefits of the Public Employee Pension Plan allow career members (assumed to be those with 30 years of service) to maintain their pre-retirement standard of living at the time of retirement.

Average Annual Payment  
**\$21,852**

Average Service at Retirement  
**20.1 Years**

Average Age of Pensioners  
**73**

## WRS Board advocates for Pension Cost-of-Living Adjustment (COLA)

The WRS Board and Executive Director know that rising prices and inflation are major difficulties for long-time retirees on a fixed income.

In 2012, the State Legislature passed a law returning the authority to grant pension cost of living adjustments (COLAs) to the Legislature and also requiring 100% funding of the plan before a COLA could be awarded from WRS funds.

The Public Employee Pension Plan is moving toward 100% funding through investment earnings and contribution increases. However, it will be many years before the plan meets the requirements to grant a COLA from WRS funds.

While COLA suspension was necessary in the wake of the financial crisis, the ongoing lack of a COLA imposes hardship on many retirees.

The Board continues to work with constituents to find potential options for the Legislature to consider.

### New Trustees



Jeremy Smith



Jim Ruby

Gov. Mark Gordon recently appointed Sheridan County School District #1 Business Manager Jeremy Smith and Wyoming Environmental Quality Council Executive Officer Jim Ruby to the WRS Board.

### Did you know...

The largest member group in the Wyoming Retirement System is from the education field.

## Board of Directors

### Representing the Community at Large

Tom Chapman, *Chair*  
Robert Leibrich  
John Lummis  
Tim Sullivan  
Paul O'Brien

### Representing Public Employees

Eric Nelson, *Vice Chair*  
Jim Ruby

### Representing Higher Education Employees

Dr. Lesley Travers

### Representing School District Employees

Jeremy Smith

### Representing Retirees

Vicci Colgan

### Wyoming State Treasurer

The Honorable Curt Meier

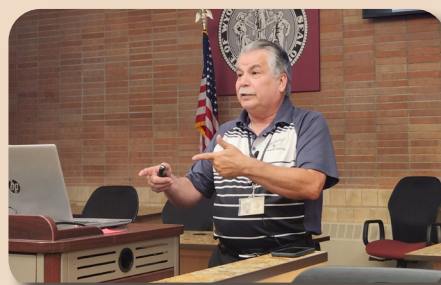
## National Retirement Security Week 2023

During the week of October 16-22, WRS educators hosted in-person and virtual seminars as part of National Retirement Security Week (NRSW). The week-long observance raises awareness about the importance of saving for retirement.

The educational materials promoted during the week are available at [retirement.wyo.gov](http://retirement.wyo.gov), and all are encouraged to use them!

### Did you know...

National Retirement Security Month is held every year in October. Whether you are new to the workforce or just thinking about retirement, the earlier you start saving, the better!



WRS Educator George Eason answers questions from members during a National Retirement Security Week seminar in Cheyenne on Oct. 18, 2022.

