

PATHWAYS

Your Journey to Retirement

WRS MEMBER NEWSLETTER WINTER 2025



Social Security Fairness Act

The Social Security Fairness Act, signed into law on January 5, 2025, ensures that public employees receive their full social security benefits, regardless of whether they also receive a government pension. This Act eliminates the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO).

Most Wyoming public employees are in Social Security, but many paid firefighters and some law enforcement personnel are not.

What does this mean for WRS Members?

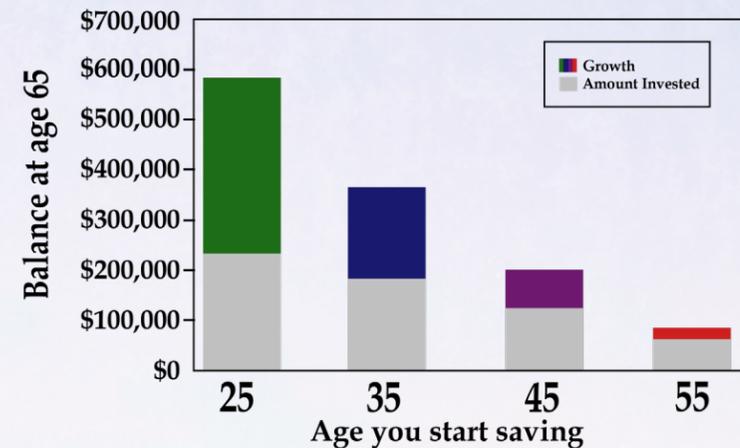
- This Act only affects Social Security benefits of a few Wyoming public employees (paid firefighters and a few law enforcement).
- This Act does **Not** impact WRS Pensions nor 457(b) Deferred Compensation Accounts.

Currently the Social Security Administration (SSA) is finalizing its plan to implement the Act. For questions and updated information about the Social Security Fairness Act, contact SSA directly to receive the most accurate information. Visit ssa.gov (specifically: ssa.gov/benefits/retirement/social-security-fairness-act.html) or call 1-800-772-1213.



Millennials and Gen Z: Think you're too young to worry about retirement? Think again!

A 2022 Urban Institute study projects that 38% of millennials born in the 1980s will face inadequate retirement income. While juggling rent, student loans, and everyday expenses makes saving seem daunting, starting early—even with small contributions—is crucial for long-term financial independence and security later in life. The sooner you start saving for retirement, the better prepared you'll be for your future.



Example assumes a retirement age of 65, investing \$6,000 per year, assuming 4% annualized nominal return. Chart is for illustrative purposes only - not intended to represent the performance of any specific investment. Actual returns will vary and principal value will fluctuate. Applicable taxes are due when money is withdrawn.

Start Saving For Retirement: Simple Steps

- * Create a savings-focused budget and allocate funds for savings each month.
- * If your employer offers the WRS 457(b) Deferred Compensation Plan, start contributing today! Even \$20/month, can begin building your retirement savings.
- * Ditch the daily lunch splurge and fancy coffee runs! Packing your lunch and brewing your own coffee are simple ways to free up cash for your retirement plan.

The Magic of Time and Compound Interest

Want your savings to grow faster? Let compound interest work its magic. Compound interest is interest earned on both your initial deposit and the interest it accumulates. The longer your money compounds, the more it grows. This creates a snowball effect, accelerating your savings growth over time.

sources: americantrustwealth.com/planning-for-retirement-a-millennial-perspective/, vectrabank.com/personal/community/two-cents-blog/Demystifying-Compound-Interest-How-It-Can-Grow-Your-Savings-Over-Time/, bogleheads.org/w/index.php?title=Importance_of_saving_early&mobileaction=toggle_view_desktop



Credential Stuffing: How Stolen Passwords Lead to Account Takeover

Cybersecurity professionals are raising alarms about a significant increase in credential stuffing attacks. This cyberattack involves using stolen login credentials from one source to attempt access to accounts on other websites. This method takes advantage of users who use the same passwords across multiple online services.

Credential stuffing is the leading attack against the Wyoming Retirement System.

Protect Yourself:

- Use strong, unique passwords for all online accounts.
- Enable two-factor authentication (2FA) for added security when possible. It requires a code from your phone or device, along with your password, to log in.

457 (b) Deferred Compensation Plan Quick Guide

The WRS 457(b) Plan is a powerful retirement savings tool. The State of Wyoming and some non-state employers automatically enroll new hires (with an opt-out period). If you work for a participating employer, you may enroll in the WRS 457 Plan as soon as you are hired.

If you're not auto enrolled, you can set up your account on-line. By selecting "Quick Enrollment", your contributions will be automatically invested in a Target Date Fund, a mix of investments appropriate for your age and assumed retirement year. BlackRock LifePath Index target-date funds are offered in five-year increments; the fund name reflects the target retirement year. The funds are rolled into the LifePath Index Retirement Fund a few months before their expiration date (e.g., the 2025 fund rolled over in November). Members can change the fund they are invested in at any time by logging into their online account.

Members also have the option to mix their own investments from those available in the WRS 457 plan. Go to retirement.wyo.gov's "Mix-Your-Own Investor Help" for more information.

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|----|----------------------------------|----|----------------------------|
| 01 | LifePath Index Retirement Fund 0 | 06 | LifePath Index 2050 Fund 0 |
| 02 | LifePath Index 2030 Fund 0 | 07 | LifePath Index 2055 Fund 0 |
| 03 | LifePath Index 2035 Fund 0 | 08 | LifePath Index 2060 Fund 0 |
| 04 | LifePath Index 2040 Fund 0 | 09 | LifePath Index 2065 Fund 0 |
| 05 | LifePath Index 2045 Fund 0 | | |

In 2025, a new higher catch-up limit is available specifically for the years you turn ages 60-63. Regular age 50+ catch-up limits resume the year you turn 64.

| Contribution Limits | Total Contribution Amounts for 2025 |
|--|-------------------------------------|
| Standard | \$23,500 |
| Age 50+ Catch-up (additional \$7,500) | \$31,000 |
| Age 60-63 Catch-up (additional \$11,250) | \$34,750 |



- Changing your name, address, or beneficiary? Don't forget to update both your WRS Pension and Empower 457 accounts. Each agency requires its own forms!
- Did you move and forget to tell Empower? You may receive a letter to confirm your new address. Even if they seem to have it, you must confirm it by calling Empower or by filling out an address change form. This is to ensure it's really you. Update your address - don't miss out on important mail, like unclaimed checks.

Access your Empower 457 Account: wrsdcp.empower-retirement.com/participant/#/login?accu=WyomingWR or scan QR code.



Access your WRS Pension Account: retirement.wyo.gov/contact/login-page/ or scan QR code.



Divorced? Things to Consider...

After your divorce is finalized, you'll need to designate a new beneficiary for your 457 Deferred Compensation Plan and Pension Plan if spouse was listed.

Although not required, Wyoming law (W.S. 9-3-426) does allow an ex-spouse to receive retirement benefits via a court-ordered Qualified Domestic Relations Order (QDRO). The QDRO specifies the percentage of the account they receive, based on a specific date, plus any subsequent investment gains or losses.





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Tom Chapman
WRS Board Chair

Get to know your WRS Board

Tom Chapman, WRS Board Chair, has served on the Wyoming Retirement Systems Board since 2011 and has been the Investment Committee chair for the last six years. He has also served on the Audit, Deferred Compensation, and Governance committees. Tom is an at-large board member and lives in Jackson, WY.

He's a principal with Teewinot Partners in Jackson, WY, and a founder/partner of Valparaiso Investment Fund in Singapore.

Tom also serves on the:

- WY State Treasurer's Office Investment Funds Committee
- JDRF Research Committee
- Francis Parker School Endowment Investment Committee
- Board observer with ViaCyte Inc.
- Institute for Arts and Humanities (UNC) Board
- Teton County Search and Rescue Board

A graduate of UNC (BA) and Columbia (MBA), Chapman's engagement spans the worlds of finance, philanthropy, and public service.

Thinking of retiring soon? Get advice from a WRS retiree.

Terry Barbre, a music educator with LCSD #1 and former Band Master of the Wyoming National Guard's 67th Army Band, retired May of 2018 one month past his 59th birthday.

What's your advice for workers nearing retirement? *Retire as soon as it's financially possible, but not before. Pensions are incredibly valuable and increasingly rare. Don't underestimate their worth when considering a job change, even for a slightly higher salary. Save as much as possible in tax-advantaged accounts and make sure those accounts are highly diversified.*

* For informational purposes only. Not financial advice.

