

## Select the Right Target Risk Fund for You

If you decide that a Target Risk Fund is right for you, the following chart may help you decide which of the four target risk funds offers the diversification you seek based on your investment horizon, investment objective, and financial situation. For more detailed information and investment performance, visit [www.dapretirement.com](http://www.dapretirement.com).

What Kind of Investor Are You?	How Many Years Until You Retire?	Suggested Fund
<p><b>LOW RISK</b></p> <p>Lower risk and reward</p> <p>Higher risk and reward</p> <ul style="list-style-type: none"> <li>You save as much as you can, don't take chances, and hope you'll have enough money for retirement.</li> <li><b>Example:</b> over age 60, with children grown and on their own trying to save as much for retirement as possible. You wish to avoid market losses and do not seek long-term growth of your investments as a primary objective.</li> </ul>	0 to 10 years to retirement	Income Fund
	11 to 30 years to retirement	Conservative Fund
<p><b>MODERATE RISK</b></p> <p>Lower risk and reward</p> <p>Higher risk and reward</p> <ul style="list-style-type: none"> <li>To earn returns that will keep you ahead of inflation, you live with moderate risk.</li> <li><b>Example:</b> age 40 to 60, saving for children's college and paying for your home. You are comfortable with temporary market losses, knowing that you still have time to make up for these with the improved potential for long-term growth.</li> </ul>	0 to 10 years to retirement	Conservative Fund
	11 to 30 years to retirement	Moderate Fund
<p><b>HIGH RISK</b></p> <p>Lower risk and reward</p> <p>Higher risk and reward</p> <ul style="list-style-type: none"> <li>For the sake of getting the best long-term growth, you accept the risk of the ups and downs of your investments</li> <li><b>Example:</b> age 20 to 40, just starting a career and family and saving for major purchases. You are comfortable with market losses, knowing that you have plenty of time to make up for these with better long-term growth potential.</li> </ul>	0 to 10 years to retirement	Moderate Fund
	11 to 30 years to retirement	Aggressive Fund

These Target Risk Funds present investment choices that are intended to satisfy the requirements of Section 404(c) of ERISA. Because you make the investment decisions about your account, the plan's sponsor, trustee and others associated with the investments may be relieved of liability for investment performance. Before enrolling or changing investments, you should read each fund's profile. For more information on these funds, go to <http://www.dapretirement.com/investment-overview/retirement/> and <http://www.dapretirement.com/resources-planning/tier-i-target-risk-funds/>

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## Your IRS Required Minimum Distribution (RMD) Checklist

Many retirees and former TWA Pilot beneficiaries must take a minimum distribution from their Directed Account Plan account to meet IRS requirements. There are close to 900 participants in the DAP who are currently taking the required minimum distribution (RMD).

This checklist provides some important points for consideration as you make your personal decision on how to manage your RMD in 2019 and going forward.

### Determine Your Required Begin Date (RBD)

The RBD is the date that determines the year when you start taking this distribution. The original account holder's age determines the required begin date (RBD) which is currently age 70.5. For this reason, if you have a beneficiary DAP account you most likely reached the RBD. The same holds true for QDRO or alternate payee accounts.

### Verify Your RMD Calculation

Even if you have not reached your RBD, it is a good idea to know how the RMD is calculated so you can plan ahead. Visit [www.irs.gov](http://www.irs.gov) and search "required minimum distribution" or talk to your tax advisor to learn how to calculate your RMD.

According to the IRS, although your 401(k) or IRA provider may calculate the RMD, you are ultimately responsible for your calculation. Therefore, check your company's calculation before December 1<sup>st</sup> to leave time for corrections.

### Review Your RMD Management Options

There are three ways that to manage your RMD:

#### 1) Partial Payments

You take control of your payments. There is no scheduled payment and you call when you need money. If you forget to take enough payments to meet your RMD, the DAP automatically distributes your RMD shortage in December using the current payment method on file.

#### 2) Periodic Payments (PPAY)

You establish a scheduled payment and are not worried about going over or under your RMD. You call to start your PPAY and can modify your PPAY at any time. You select the payment amount and timing - monthly, quarterly, semi-annual or annual payments. You also select your tax withholdings and payment method. You may call to take a partial payment while you have a PPAY should you need extra money. If your PPAY and other payments are not enough to meet your RMD, the DAP will automatically distribute your RMD shortage in December using your current payment method on file.

#### 3) Automated Minimum Distribution (Auto RMD)

You want to meet your RMD as a scheduled payment, no more and no less than what the IRS requires. You call to start your AUTO RMD and may modify your AUTO RMD at any time. You select the timing - monthly, quarterly, semi-annual or annual payments. You also select your tax withholdings and payment method. You will not have a shortage under this method. You may call to take a partial payment while you have an AUTO RMD in place should you need extra money.

### Go Online to Learn More About Your RMD

#### IRS Required Minimum Distribution FAQs

<https://www.irs.gov/retirement-plans/retirement-plans-faqs-regarding-required-minimum-distributions>

#### Vanguard Calculator to Estimate Your Required Minimum Distribution

<https://personal.vanguard.com/us/insights/retirement/estimate-your-rmd-tool>

#### Empower Calculators for Saving, Spending, Planning and Financial Wellness

[https://www.empower-retirement.com/me\\_and\\_my\\_money/calculators.shtml](https://www.empower-retirement.com/me_and_my_money/calculators.shtml)

We value your relationship and want to help you make thoughtful decisions with your retirement savings plan. Michelle Silberberg is available at (314) 739-7373 to answer your questions and to assist you with your RMD Management Options. She is available from 9:00 a.m. to 4:00 p.m. Central Time. For changes that affect your 2019 RMD, please call before December 1<sup>st</sup> to allow ample time to handle your request.

### Contact Information

The DAP's recordkeeper, Empower Retirement has a dedicated team of customer service representatives available to you at (844)-861-4327 Monday - Friday between 7 a.m. - 9 p.m. Central time, and Saturdays between 8 a.m. - 4:30 p.m. Central time. It is important to say "representative" clearly and slowly two times after you hear the DAP greeting. You will be transferred to a friendly person that can help you with your DAP account.

Directed Account Plan  
12400 Olive Blvd.  
Suite 204  
St. Louis, MO 63141  
(P) 314-739-7373  
(F) 314-739-7978

Personal Account Web Site:  
[www.dap401k.com](http://www.dap401k.com)

Informational Web Site:  
[www.dapretirement.com](http://www.dapretirement.com)

**The intent of this communication is to provide useful information, not investment advice. Each participant in the Directed Account Plan is ultimately responsible to make his or her own investment decisions.**

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