



DAP

A lifelong retirement plan

Heads Up

Directed Account Plan 401(k) Quarterly Newsletter

October 2021

Cybersecurity Awareness



Empower Retirement is the recordkeeper for your DAP Account. Empower has taken steps to safeguard your retirement plan account information.

- **Confirmation of account change** - If you change any personal information in your DAP account, you will receive a confirmation. This means you will be alerted if this information has been changed without your knowledge.
- **Multifactor authentication** - When you log in with your current username and password, follow the instructions provided to receive a verification code via an email or text. This extra step is taken to protect your privacy and website login security.

Empower Retirement Security Guarantee - Empower is committed to maintaining the highest level of online security and the protection of personal information and accounts. Their security efforts cross networks, applications, data and users. They have invested in systems and staff a team with experienced security professionals, and employ multilayer processes to protect your information and accounts. They also continually evaluate, increase and update security measures to protect you. Empower stands behind its online security with the **Empower Retirement Security Guarantee**. **This guarantee states that Empower will restore losses from your account that occur as a result of unauthorized transactions through no fault of your own.**

Recommended tips for protecting your DAP Account

Register your DAP account online - It is a good security measure to register your DAP account at www.dap401k.com because it reduces the risk of hackers falsely registering your account. Once you're in the site, simply click **Register** to establish a unique username and password and security questions and answers.

Use strong passwords and PINS - Use strong passwords that contain both numbers, letters and symbols. Do not share this information with others, and do not store them on your computer. You should change your passwords and PINS regularly and use a different password for each of your accounts.

Maintain your computer security - Personal firewalls and security software packages (with anti-virus, anti-spam, and spyware detection features) are a must if you engage in online financial transactions. For laptops, use encryption software.

Log out completely - Always click the "log-out" button to terminate your access to any website where your personal information is accessible, such as your online banking site or that of any financial institution. Access may not be terminated if you simply close your browser or type a new web address when you are done using your online account.

Be prudent when using wireless connections - Unsecured Wi-Fi connections do not provide as much security as wired internet connections, encrypted wireless networks or your mobile carrier's cellular data connections. Many hotspots - wireless networks in public areas like airports, hotels and restaurants - reduce their security setting, so it is easier for individuals to access and use these wireless networks which increases the risk to your personal accounts.

Don't respond to emails requesting personal information - Legitimate companies will not ask you to provide or verify sensitive information through email. If your financial institution actually needs personal information from you, call the company yourself - using the number in your files or on your statement, not the one the email provides!

Safeguard your Social Security Number - Do not use your Social Security number as a username, password or PIN, and make sure it does not appear on your printed checks. You should also be sure to safeguard the Social Security numbers of any dependents.

Do a periodic identity theft check - Reviewing your credit report may alert you to unauthorized activity. You can obtain a free credit report every 12 months from three different credit bureaus by contacting the Annual Credit Report Service at annualcreditreport.com



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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 by December 31st each year. One-third of the DAP participants 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. Please call the DAP Plan Office with questions.

Determine Your Required Begin Date (RBD)

The RBD is the date that determines the year when you start taking this distribution. The RBD for an original account holder is age 70.5 in 2021 and is changing to 72 next year. The RBD for an account holder other than the original account holder varies depending on a number of factors. The SECURE Act changed the RBD for new beneficiaries who inherit an account after January 1, 2020.

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 may plan ahead. Visit the websites below and meet with your tax advisor to learn how to calculate your RMD. The DAP calculates the RMD based on the information that is on file with the Plan.

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 1st to leave time for corrections.

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 RMD

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

Empower Financial Wellness Calculators - RMD Calculator under the spending calculators section

https://www.empower-retirement.com/me_and_my_money/calculators.shtml

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 direct payment 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 may start or modify your PPAY at any time. Select the payment amount and timing - monthly, quarterly, semi-annual or annual payments. Select your tax withholdings and payment method. You may even take a partial payment while you have a PPAY in place should you need extra money. The DAP will automatically distribute an RMD shortage in December using your current payment method on file if your total distributions are under your RMD.

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 may start or modify your AUTO RMD at any time. You select the timing - monthly, quarterly, semi-annual or annual payments. Select your tax withholdings and payment method. You will not have a shortage under this method. You may take a partial payment while you have an AUTO RMD in place should you need extra money.

Plan Office Contact Information

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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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Informational Web Site:
dapretirement.com

Personal Account Access Web Site:
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