

# Helping employees during challenging times



**WE ARE GOING THROUGH CHALLENGING TIMES.** The current public health crisis has placed an enormous strain on our economic system causing the market to drop significantly in a short period of time. It can be a scary time when you're trying to plan for your future and save for retirement. At ADP, we are committed to supporting retirement plan participants and offer many resources to answer questions they may have about market volatility, managing risk and more.

Understanding risk tolerance and investing for the long-term are important concepts to participants to understand now more than ever. That's why we have created materials focusing on investing in an uncertain market and strategies to navigating a stock market downturn. We have a presentation on riding out the storm for our employee education team to use with participants. These materials are educational and informative, as well as designed to help participants understand the stock market's historic downturns and recovery periods.

RETIREMENT SERVICES

### Strategies for Managing Risk

Take steps toward achieving your future financial goals by understanding and managing risk

MANAGING RISK BROCHURE

RETIREMENT SERVICES

### IMPORTANT INFORMATION: Your retirement account and the C.A.R.E.S. Act

These are challenging times and uncertain times. We know millions of Americans have been impacted by the pandemic and have been asked to stay home and limit their daily activities. Recognizing this may also be a difficult time financially, the C.A.R.E.S. Act (Coronavirus Aid, Relief and Economic Security Act) was signed into law on March 27, 2020.

Planning for your retirement is a long-term commitment and the money you have saved should be considered "untouchable" and used only as income in retirement. In a time of important financial need, sometimes you need to change course and use all of your resources.

As part of the C.A.R.E.S. Act, you may be eligible ("qualified") to access the funds in your retirement account, if you:

- Are diagnosed with COVID-19
- Have a spouse or dependent that is diagnosed with COVID-19
- Experience difficult financial consequences as a result of
  - Being quarantined, furloughed, laid off, having hours reduced

Due to COVID-19



What Are You #WorkingFor?  
Riding out the storm – Investing in market uncertainty

April 2020

ADP Always Designing for People

MARKET UNCERTAINTY PRESENTATION

C.A.R.E.S. ACT FLYER

RETIREMENT SERVICES

## The stock market dropped... now what?

John,

It may seem scary to see the stock market dip and for that to reflect a loss in your retirement account balance. There is no need to panic or make rash decisions. The ups and downs of the stock market are very natural and can happen for a number of reasons (i.e. economic downturns, political upheaval, and even negative company or industry-specific news).

The chart below shows the periods of downturn and recovery time since 1980.

Downturn	% Loss	Recovery
20 months	-16.5	3 months
3 months	-29.6	18 months
5 months	-14.7	4 months
2 months	-15.4	3 months
25 months	-44.7	49 months
16 months	50.9	37 months

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### Four strategies to navigate a stock market downturn

- Stay focused** - take a deep breath and know that ups and downs are a natural part of investing. Remember as shown in the chart above, historically after periods of downturns, there will be a recovery.
- Stay invested** - as you see your investments decline, it's natural to want to cash out and "cut your losses." Panicking would lock in your investment loss. Investing for retirement is a long-term commitment. By maintaining your contribution to the Plan, you can benefit from lower investment prices as it allows you to buy more shares, in periods of downturn.
- Stay prepared** - Asset allocation is one of the most important decisions you can make in your retirement planning. It's important to review your investments to ensure they are in line with your risk tolerance.
- Stay diversified** - be sure to monitor your plan investments against your desired asset allocation. As a result of stock market changes, your investment holdings may increase or decrease at different rates, causing your original allocation to change over time. Remember, diversification among different kinds of investments can be one of your best defenses against market volatility. [Click here](#) to access and download a copy of the Strategies for Managing Risk brochure.

To assist you in keeping your asset allocation on track, your Plan offers an account rebalancing tool. To sign up, log into your account at [myplan.com](#), go to Investments > Automatically Rebalance My Account

### What are you #WorkingFor?

The ADP Participant Website makes it easy for you to learn, plan, and save for your future retirement.

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MARKET CORRECTION EMAIL

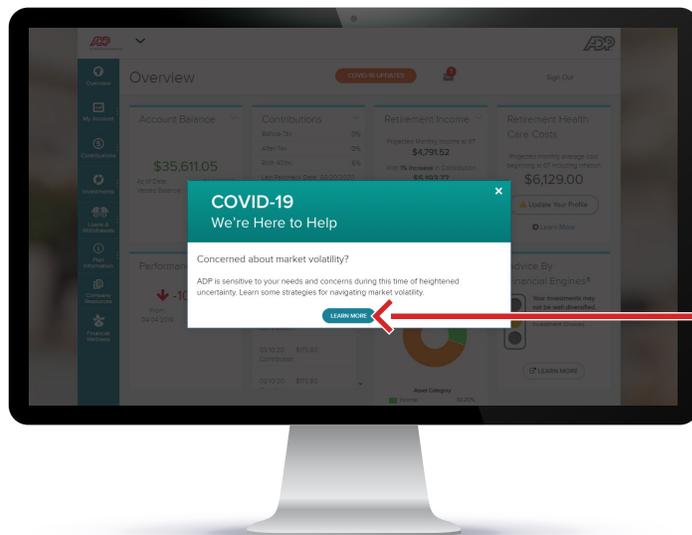
## Participant support

ADP's innovative tools and solutions leverage data and technology, making it easy for employees to get started saving, make educated financial decisions, stay on top of their progress, and get answers to help achieve retirement readiness. Here are a few technological resources available on mobile and desktop for participants:

**ADP Mobile App** – Participants can enroll in their retirement plan, make changes to their contribution rate or account allocation, view their investment performance and request loans or hardship withdrawals right from their smartphone!

**Financial Wellness program**<sup>1</sup> – A robust financial wellness program can be accessed through the participant website and offers education tools and content on a variety of topics.

**ADP Marketplace**<sup>2</sup> – Participants have access to a variety of apps that can help them improve their financial literacy, manage debt, save for retirement and more. Most of these offers are fully integrated with the ADP payroll and benefit programs they use every day.



**Participant website** – Our participant website uses a simple dashboard view that provides important information at-a-glance. Participants can conduct transactions and get account and plan information, make account changes, research plan investments and get prospectuses and access quarterly account statements.

- 1 The Financial Wellness program and its related materials are provided for educational purposes only, and are not intended to be, nor should they be deemed as, investment advice, financial planning, or tax assistance. Any projections and other output generated by any calculators or tools are hypothetical in nature, do not reflect actual investments or investment results and are not guarantees of future results. The calculators and tools simply apply user input and the assumptions selected to provide a rough assessment of the likelihood that hypothetical results may be achieved. Users should not rely on these materials or output as the primary basis for any investment, financial, or tax planning decisions. ADP cannot guarantee or assure a user's ability to meet any of his or her goals or that any hypothetical results actually will occur.
- 2 The ADP Marketplace is a platform offering a variety of Human Capital Management ("HCM") applications and services, including financial planning applications, many with pre-built integration to ADP offerings to clients of ADP, LLC. Third party applications, services and integrated solutions are not recommended or vetted by ADP Retirement Services and are not affiliated with ADP Retirement Services, ADP Broker-Dealer, Inc., ADP Strategic Plan Services, LLC.

## We're here to help.

For more information about ADP retirement plan solutions and how they can meet the needs of your workforce, please contact us today at (800)432-401k or visit [www.adp.com](http://www.adp.com).

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