

# Plan Highlights



Mike Kochan will be available on 10/20 between 1-3:30pm. Cell 518-986-3342  
Link to make a phone appointment [https://mike\\_kochan.myretirementappt.com/](https://mike_kochan.myretirementappt.com/)

## Top Reasons to Participate in the Plan:

- Easy and convenient way to save for retirement
- Income tax benefits
- Diverse selection of investment options
- Flexible distribution options
- Low administrative and investment costs
- Dedicated participant services

## Easy and convenient way to save for retirement

### Who can participate?

All state employees and employees of localities and school districts that participate in the State Plan are eligible to participate.

### How do I contribute?

Contributions are deducted directly from your pay. Minimum contribution is 1% of compensation (but not less than \$10 per pay)

### How much can I contribute?

- Regular contributions - \$19,500
- If age 50 or over - \$26,000
- Special Retirement Catch up - up to \$39,000

If your deferrals in previous years were less than the amount allowed by law, you may be eligible to make Retirement Catch-Up deferrals. Retirement Catch-up cannot be used in the same year as Age 50 and Over Catch-up.

Deferral changes may be made at any time but, under federal law, will not be effective until the following month. There are no fees to change your deferral percentage.

### Can I rollover money from previous plans and IRAs?

Yes, you can roll over money from a 457(b), 401(k), 403(b) or traditional IRA into your Plan account. Assets rolled over from a qualified plan or individual retirement account may be subject to a 10% tax penalty if withdrawn prior to age 59½.

## Income Tax Benefits

### Do regular pre-tax deferral contributions reduce my taxable income?

Yes, for federal and New York State income tax purposes but not for FICA.

### Do I pay income taxes on any potential growth or income in the Plan?

Contributions and any investment earnings accumulate on a tax-deferred basis until withdrawn.

### Do distributions receive any income tax benefits?

The first \$20,000 in periodic benefit payments you receive each year may be exempt from New York State income tax if you are a New York State resident and at least age 59½. This includes payments from other retirement plans but not your State pension.

There is no premature distribution income tax penalty on the Deferred Compensation Plan benefit payments regardless of age.

### If I am also eligible to contribute to a 403(b), can I do both?

Yes. You can contribute the maximum amount to your Plan account and the maximum amount to your 403(b) plan at the same time.

### May I make Roth contributions to the Plan?

Yes, Roth contributions are also available. You may make any combination of regular and Roth contributions up to the contribution limits mentioned above. Roth contributions are made after-tax and do not reduce your taxable income in the year of the deferral. However, qualifying distributions and growth would not be subject to income taxes when withdrawn.

### Can I convert existing Plan balances to Roth?

Yes, but the Plan strongly suggests that you consult your tax advisor before doing so.



New York State  
Deferred Compensation Plan

*A Plan for Your Future*

## Types of investment options offered through the Plan

**Mutual Funds** are diversified portfolios of stocks, bonds and other investments chosen by a fund manager to achieve a stated objective. Each fund is assigned a five-letter ticker symbol that helps investors find information via financial Web sites and publications. In addition, each fund publishes a prospectus: a formal legal document filed with the SEC that provides details about its investment objective, fees, charges and expenses, and related information.

**Collective Investment Trusts (CITs)** are similar to mutual funds, offering many of the same diversification and management services as mutual funds but generally at a lower cost. Many CITs are designed specifically for retirement plan investors. Therefore, specific information about a CIT may be available solely through the Plan that offers it. Participants may request fact sheets about CITs offered through the Plan by calling the HELPLINE, or they may download them from [www.nysdcp.com](http://www.nysdcp.com).

**Custom Funds** are diversified investments created for the exclusive use of Plan participants. A custom fund may have several separate account investment management companies used together to create a fund for the Plan. Because of their custom nature, information about these funds is only available through the Plan. As with CITs, participants may request fact sheets about each of the Plan's custom funds from the HELPLINE or download them from [www.nysdcp.com](http://www.nysdcp.com).

## Three approaches to investing through the Plan

The Plan recognizes that your comfort with investing may not be the same as other participants. Therefore, we have created three approaches that are generally aligned with how comfortable or willing you are to manage how your retirement assets are invested through the Plan.



**Do It For Me:** An approach that uses target date CITs based on when you plan to retire or begin taking withdrawals



**Do It Yourself:** An approach to personally design and monitor your asset allocation and investment options



**Specialty Options:** Options that represent special interest such as environmental, social and governance factors or other specialty investment strategies

**Investing involves market risk, including possible loss of principal. No investment strategy—including asset allocation, diversification and dollar-cost averaging—can guarantee a profit or avoid loss. Actual results will vary depending on your investment and market experience.**

**Before you decide to direct investments under the Plan, carefully consider the fund's investment objectives, investment methods, risks, charges and expenses. This and other information is contained in the fund prospectus, which you should read carefully before investing. To get any prospectus, ask your Account Executive, call the HELPLINE at 1-800-422-8463 or access the Web site at [www.nysdcp.com](http://www.nysdcp.com).**

**There is no prospectus for CITs and Custom Funds because these options are not mutual funds. You may obtain a fact sheet on each of these options from the HELPLINE or our Web site.**

## Flexible Distribution Options

### When can I take distributions?

Distributions are available when you terminate service from your State or local government employer, if you are age 70 ½ or over or if absent due to qualifying military service. Distributions are not required until you reach age 70½ and may be delayed if still employed.

### Are there other instances where I can take distributions while employed?

Yes, if you qualify for an unforeseeable emergency withdrawal, have a small inactive account, or if you have rolled over assets from a 401(k), 403(b), or an IRA. Distribution of assets rolled into the Plan continue to be subject to the distribution rules of the former plan, which could include a 10% early withdrawal penalty if they are received before age 59½.

### How are they paid?

Benefit payments may be made in the form of a full withdrawal, partial withdrawals or periodic payments. Periodic payments may be received monthly, quarterly, semi-annually or annually. You may change your payment option at any time

### Can I take a loan against my Plan account?

Yes. The Plan permits loans to participants who are currently employed by the State or a participating employer or who are on an approved leave of absence. The loan cannot exceed the lesser of 50% of your Plan account balance or \$50,000.

### When must I take distributions?

Benefit payments must begin at age 70½ or upon termination of employment from the employer that participates in the Plan, whichever is later, under the Required Minimum Distribution (RMD) rules. Otherwise, you are welcome to keep your assets in the Plan.

## Low administrative and investment costs

Administrative services are supported by an annual per-participant fee and an asset-based fee. The annualized asset-based fee is set by the Board each Plan Year and levied in two installments in April and October. The asset-based fee is determined based on estimated expenses and is levied on accounts with balances exceeding \$20,000 and is capped at account balances of \$200,000.

## Dedicated Participant Services

**Web site and VRS** — You have access to your account 24 hours a day, seven days a week via [www.nysdcp.com](http://www.nysdcp.com) and the Voice Response System. On either system, you may: check your account balance, change the investment of your future deferrals, exchange funds between the Plan's investment options, change your deferral rate and explore many online education resources.

**Personal Assistance** — Personal assistance is available through the HELPLINE from 8 a.m. to 11 p.m. Monday through Friday and 9 a.m. to 6 p.m. Saturday (EST) at 1-800-422-8463. Local Account Executives are also located throughout the state for one-on-one meetings and workshops.

**Please visit [www.nysdcp.com](http://www.nysdcp.com) or call 1-800-422-8463 to learn more. Neither the Administrative Service Agency nor any of its representatives offer legal, investment or tax advice. For such guidance, you should consult your own legal or tax advisor.**

Account Executives are registered representatives of Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio.

This material is not a recommendation to buy, sell, hold or roll over any asset, adopt an investment strategy, retain a specific investment manager or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition or particular needs of any specific person. Investors should work with their financial professional to discuss their specific situation.