

Plan Highlights



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?

Maximum contributions for 2015:

- Regular contributions - \$18,000
- If age 50 or over - \$24,000
- Special Retirement Catch up - up to \$36,000

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 Assets rolled over from a qualified plan or individual retirement account may be subject to a 10% tax penalty if withdrawn prior to age 59½.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Contributions and any investment earnings accumulate on a tax-deferred basis until withdrawn.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

What are my investment options?

The plan offers three investment “tiers” to simplify your decision making. You may mix and match among the tiers if you choose.

Tier 1 T. Rowe Price Retirement Date Funds

This investment option is designed for participants who do not wish to create and monitor their own asset allocations. Participants may select a fund based on the date when they expect withdrawals would begin. These funds use a strategy that reallocates to a higher percentage of fixed investments over time to help control risk as you get closer to retirement. Like other funds, target date funds are subject to market risk and loss. Loss of principal can occur at any time, including before, at or after the target date. There is no guarantee that retirement date funds will provide enough income for retirement. Retirement date funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, an investor is indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.

Tier 2 Participants select from a menu of core investment options

The Plan offers a Stable Income Fund, an array of 21 mutual funds covering each major asset class, and two custom international equity funds.

Mutual fund families include:

Columbia	Hartford	Principal
Davis	Morgan Stanley	T. Rowe Price
Federated	Pax	Vanguard
Fidelity	Perkins (Janus)	Wells Fargo

Investors should carefully consider information contained in the prospectus, including investment objectives, risks, charges and expenses. The underlying fund prospectus contains this and other important information. Please read the prospectus carefully before investing. The Deferred Compensation Plan does not assess any front-end or back-end sales charges. Some mutual funds may impose a short-term trade fee. Some funds may be subject to a trade restriction policy.

For prospectuses of funds within your NYSDCP core account, please call the HELPLINE at 1-800-422-8463, or visit our web site at www.nysdcp.com.

Tier 3

This option is designed for participants whose accounts exceed \$10,000 that wish to explore options beyond the Plan’s core menu. Additional charges apply.

The Self Directed Investment Account option allows you to choose from Exchange Traded Funds (ETFs) and approximately 3200 mutual funds, for an additional fee. The Schwab Personal Choice Retirement Account® (PCRA), offered through Charles Schwab & Co., Inc. (Member SIPC). You can request a prospectus by calling Schwab’s dedicated PCRA Call Center at 1-888-393-PCRA (7272).

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 annual per-participant fee is \$20, levied in two installments of \$10 in April and October of each year. The annualized asset-based fee for the 2013-2014 Plan Year was 4.2 basis points (or \$0.42 for each \$1,000 in a Participant’s account) — levied in two installments of 2.10 basis points 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 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 nysdcp.com or call 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.