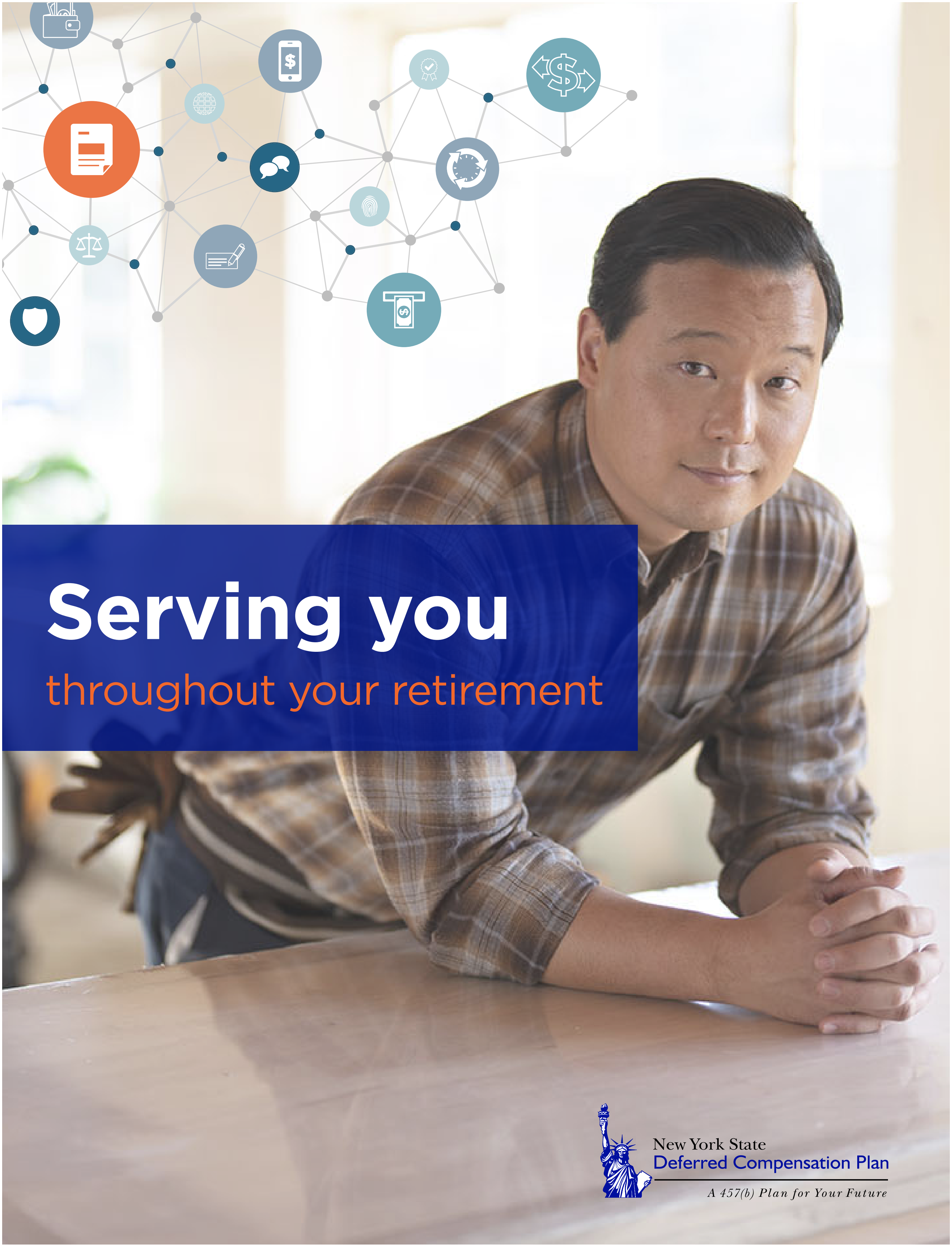

Serving you

throughout your retirement

New York State
Deferred Compensation Plan

A 457(b) Plan for Your Future

Want a plan that follows you from start to finish? We have just the thing.

Many retirement plans assume — and sometimes even prefer — that you take your money with you when you leave service or retire. That's not so with the State of New York Deferred Compensation Plan (NYSDCP).

Other organizations' representatives outside of our Plan might try to encourage you to transfer Plan assets to investment products they offer. But before you do so, it's important to consider all of your options.

Qualified retirement plans, deferred compensation plans and individual retirement accounts are all different, including fees and when you can access funds. Assets rolled over from your account(s) may be subject to surrender charges, other fees and/or a 10% tax penalty if withdrawn before age 59½.

We want you to know that the benefits you're potentially seeking, such as investment options, ease of use or access to expertise, are available to you in the Plan.

We welcome you to continue to participate, no matter what the size of your account is. This allows your account the opportunity to continue to grow until you need to take a distribution from it.

By staying in the Plan, you'll continue to benefit from:

- Quarterly statements showing all assets and investment activity
- Numerous investment options provided at lower costs that what you can secure on the open market, plus you can access other mutual funds through our Charles Schwab Personal Retirement Choice Account (PCRA®) investing option
- Opportunity for account and any earnings to continue to grow tax deferred
- Flexible distributions with no early withdrawal penalties regardless of age
- Online account access and resources, education and individual attention to help you manage your investment strategy in retirement

We can help you make informed decisions about your savings options

You've made a disciplined choice to contribute to your NYSDCP account. We've enjoyed the privilege of helping you save, and we appreciate the opportunity to continue helping you as you approach retirement, even after you retire or leave public service.

The Plan is designed to be more than a benefit while you are employed. We can help you create an investment strategy now and throughout your retirement.

The information we provide is to help you understand what to expect when you leave service as it pertains to your Plan account. If you have any questions about how we can help you, please call the **HELPLINE (1-800-422-8463)** or your Account Executive, or visit us online **nysdcp.com.**

The Plan is designed to be a retirement plan.

The Plan was created to serve participating employees and their families up to and through retirement.

You get flexibility at retirement.

You've worked hard to accumulate money. You deserve flexible options and help to make informed choices about your account once you're in retirement.

Pause to think through your options

Know the facts

Call for help

Answering your questions

We encourage you to call AE Connect or your Account Executive to discuss your specific situation in more detail. They can help answer questions about your Plan account when you retire or leave service. As you read this brochure and consider the information discussed, bear in mind that while Plan Representatives cannot give tax or legal advice, they can help you understand the options and advantages of staying in the Plan through retirement.

What if I need some of my money now?

The Plan's distribution options are numerous and flexible. The two ways to receive distributions are periodic payments and lump-sum payments.

Periodic payments

You may receive your benefits as periodic payments either as a fixed amount or over a specified number of years. Periodic payments:

- May be taken monthly, quarterly, semiannually or annually
- Must be at least $100 per payment
- May be deposited directly into your bank account
- May be changed at any time

Lump-sum payments

After you leave government employment, you may receive some or all of your Plan account balance any time you want it. However, you have options to consider. You may:

- Take your entire account at once
- Receive up to 12 partial lump-sum payments of at least $100 each per year, even if you are receiving periodic payments
- Roll some or all of your account into another qualified plan or IRA
- Begin taking distributions as soon as you leave employment, as long as a balance of $500 remains in the account for 45 days after a severance from employment

If you take a single lump-sum withdrawal, remember that it may push you into a higher income tax bracket. That's why it might be better to receive periodic or partial lump-sum payments instead of withdrawing your entire account balance all at once. We can help as you consider the right distribution option for your situation.

If I'm changing jobs, shouldn't I just move my money to the new plan?

Sometimes, but you don't have to decide now. Before moving your money, consider the following:

- Will you have access to your balance at any time without early withdrawal penalties?
- What are the fees of the new plan?
- What are the income tax considerations?
- What investment choices does the new plan offer and how are they monitored?
- Will you have access to individual attention and financial tools?

How long can I leave my money in the Plan?

You can remain in the Plan as long as you like and enjoy the benefits of continued tax-deferred growth. However, after you turn age 73, the IRS requires a minimum distribution from your Plan account each year. You'll never have to worry about calculating the amount the IRS requires you to take, as we'll take care of that for you — another benefit of remaining in the Plan.

What are the Plan fees?

The Plan has a semiannual administrative fee that combines a fixed fee and an asset-based fee.

- The asset-based fee is calculated on a percentage of the participant's account balance, which includes:
  - Outstanding loan balances
  - Assets invested through the self-directed investment account
- The asset-based fee is capped on accounts that exceed $200,000
- Plan fees are deducted from accounts in April and October
- Plan fees are prorated from each of the participant's investment options

The Board has and will continue to control Plan expenses and maximize value to participants.

Each of the investment options offered by the Plan has a fund operating expense that is deducted directly from the fund's daily price. Some of the options pay reimbursements that are credited to participants' accounts with assets invested in the fund paying the reimbursement.

It's important to understand all costs related to any alternative investments that may be presented to you. Excess fees may erode your retirement assets over time. The HELPLINE or your Account Executive can help you estimate Plan fees and reimbursements.

Who helps me with my Plan account if I've left service or retired?

You deserve real people who help participating employees plan for a secure retirement. Our Account Executives and HELPLINE representatives are salaried, not on commission, and you have direct access to talk with them about your needs in retirement.

What are my investment options?

The Plan continues to give you the same investment options to choose from. No matter what kind of investor you are in retirement, you can create a mix of investments that may be appropriate for your specific goals.

Are there tax benefits to keeping my money with the Plan?

Once you retire or leave service, there is no federal 10% tax penalty on withdrawals of tax-deferred assets — even if you are not age 59½ yet. You are assessed ordinary income taxation only on what you withdraw, in the tax year you withdraw it.

To enjoy tax-free withdrawals of Roth 457(b) assets, the withdrawal must be made 5 years or more after the January 1 of the first year a Roth contribution was made, and the withdrawal must be made on account of death, disability or attainment of age 59½.

Also, New York State residents may be eligible for a state income tax exemption of up to $20,000 each calendar year on withdrawals from the Plan.

Let us help.

Although you'll no longer be contributing, it's important to check in regularly with your Account Executive or call the AE Connect phone line to review your account. You've spent a lifetime building your retirement account. We can you help find the options that will help you enjoy it throughout your retirement.

AE Connect 1-844-867-8197

nysdcp.com

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