

FUTUREfocus



New York State
Deferred Compensation Plan

A 457(b) Plan for Your Future

News and Strategies for Your Financial Success



What you should know about Form 1099-R

Form 1099-R is an IRS tax document that the Plan must distribute when there is a **taxable** event on a participant's account. The form provides you and the federal government with information on benefits paid and amounts withheld for federal income tax. For taxable events occurring in 2023, the Form 1099-R will be provided early in 2024. This Form 1099-R should be used for reporting 2023 taxes.

What qualifies as a taxable event?

A taxable event is any action or transaction that may result in taxes owed to the federal government. You will receive Form 1099-R related to the following taxable events:

- Distribution from your account (partial, full, periodic or unforeseeable emergency)
- Small inactive account withdrawals
- Plan loan defaults
- A rollover or conversion. However, while all rollovers are considered reportable, not all are considered taxable. For more information on rollovers, scan the QR code and review the FAQ labeled "Can I expect to receive a 1099-R if I completed a rollover, conversion or transfer?"



Most participants who are still working for the public employer that sponsors the Plan will not receive a Form 1099-R.



For more information on Form 1099-R, scan the QR code.

What you should know about Form 1099-R (continued)

What does not qualify as a taxable event?

You will not receive Form 1099-R for the following, which are not taxable events:

- Deferred contributions from your paycheck
 - These are detailed in your employer-distributed Form W-2
- A Plan loan that has not defaulted
- Internal Plan to Plan transfers in which “transfer” (not “rollover”) was selected on the Internal Plan to Plan transfer form at the time of processing

Can I get my Form 1099-R from the Plan website?

No. The form is not available via the Plan website (nysdcp.com). However, HELPLINE representatives can send you reprints as needed.

Why don't I have my Form 1099-R yet?

Per IRS regulations, tax documents (including 1099-Rs) must be mailed by January 31, 2024. We recommend that participants wait at least 10 business days after January 31 before requesting a reprint.

I received more than one Form 1099-R. Is that correct?

You will receive a Form 1099-R for each taxable event. For example, if you had a loan default and took a distribution in the same tax year, you will receive more than one 1099-R and each will be mailed separately. Therefore, be sure you have received all Form 1099-Rs related to 2023 before you report your 2023 taxes.

Public safety officer insurance payments and tax reporting

Retired public safety officers may be eligible for a tax exemption on distributions sent as direct payments to their health insurance provider.

- Taxes are not withheld on these payments; however, they are reportable as a taxable event
- To get the tax benefit, these payments must be reported as a tax exemption on your income tax return; consult a tax preparer to learn how to report it

To learn more, scan the QR code on page 1 and review the FAQ labeled “Public safety officer insurance payments and tax reporting.”





RETIREE CORNER

How will SECURE 2.0 affect you in 2024?

SECURE 2.0 of 2022 builds on earlier legislation that removed obstacles to help you save for retirement and stretch your savings. While some SECURE 2.0 provisions will come into effect over the next decade, here are two provisions that could affect you in 2024:

- The age requirement to begin taking required minimum distributions (RMDs) increased from age 72 to 73
- If you have money invested as Roth assets, you are no longer required to take RMDs on that portion of your Plan account

If you have questions or concerns, call AE Connect at 1-844-867-8197.

Increased contribution limits offer opportunity to save more in 2024



The IRS has increased the amount that employees can contribute to tax-qualified retirement plans such as NYSDCP in 2024. Scan the QR code to learn more about IRS contribution limits. To increase your contributions, log in to your account at nysdcp.com.



Want to see how an increase could affect your retirement readiness? Scan the QR code to access **My Interactive Retirement PlannerSM** to project how an increase could affect your income in retirement.



If you are currently participating in the 3-year retirement catch-up, please contact AE Connect at **1-844-867-8197** to ensure that you are deferring the most you can due to this increase. Your allowable limit will not automatically change without your consent.

Contribution limits for 2024 ¹	
Regular deferral	Up to \$23,000
Age 50-plus deferral	Up to \$30,500
3-year 457(b) retirement catch-up	Up to \$46,000

¹IRS.gov.



A message for you from the Board

Happy New Year!

Not only is this the beginning of a new year, but the end of 2023. That means tax time is right around the corner. Included in this issue of Future Focus is a refresher on IRS Form 1099-R — what it is as well as if and when you can expect to receive one. We hope you find it helpful.

At the beginning of a new year, we often reflect on the previous year and make resolutions for the coming year. And while we don't always achieve everything on our lists, we frequently do accomplish a few goals — some personal and some financial.

As you set your goals for 2024, we encourage you to reflect on the future as well. What do you want to get out of your retirement? Whether retirement is still decades away or already here, NYSDCP is here to help you prepare.

We wish everyone a happy and prosperous new year.

Diana Jones Ritter

David J. Natoli

Philip Fields

Welcome ... and Thank you!

Carl Heastie, Speaker of the New York State Assembly, has appointed Philip Fields as a new Board member effective October 11, 2023. Mr. Fields is the secretary to the Ways and Means Committee and has worked in New York State government for over 30 years. He has both Bachelor of Science and Master of Arts degrees in economics. He is a valuable addition to the Board. Welcome, Philip!

Mr. Fields replaced Blake G. Washington, who served on the Board for 9 years. A big thank-you to Blake for his dedicated service and leadership.



This newsletter provides information that is intended to help participants understand what investment alternatives are available to them under the Plan.

If you need investment, tax or legal advice, please ask your accountant or lawyer. While we are pleased to help keep you up to date on your retirement savings, nothing in this newsletter can change the terms of the Plan or any investment contract.

Participants in the New York State Deferred Compensation Plan will be charged administrative fees for the Plan Year beginning April 1, 2023, and ending March 31, 2024. Each participant account is charged a \$20 annual fee, assessed in two \$10 semiannual installments in April and October. In addition, an asset-based fee determined by the Board will be assessed to participants with a balance greater than \$20,000. The asset-based fee will not be assessed on assets in excess of \$200,000. The semiannual asset-based fee to be assessed in April 2023 is .016250%.

Each of the mutual funds offered by the Plan has fund expenses that are netted directly from the mutual fund's daily price. These will vary based upon the investment fund selected.

Information provided by Account Executives is for educational purposes only and is not intended as investment advice. Neither the Administrative Service Agency nor any of its representatives offer investment, legal or tax advice. For such guidance, you should consult your own investment, legal or tax advisor.

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