



Benefit Distribution Request





Instructions and Options

Introduction

This package is designed to help you understand your 457(b) Deferred Compensation Plan Distribution options so that you can make the most informed decision possible. You have worked hard to contribute for your retirement, and we want you to maximize the benefits resulting from your decision to save over the years. The information contained in this Benefit Distribution Request guide applies only to Participants who are eligible for benefit payments. Full Account Distribution may begin as early as 45 days after your last date of employment. Partial Distributions or Periodic Payments may begin when you turn age 59.5, if you are still working or immediately following verification of your separation from service. If you are no longer working, your employer must inform the Plan of your last date of employment.

Benefit Payment Options

There are numerous ways in which you may receive your benefit payments. If you have multiple money types invested in the Plan (457(b) Pre-Tax contributions, Roth contributions or Rollover funds), you have the option of designating which funds are withdrawn. If you do not specify, the 457(b) Pre-Tax funds will be withdrawn first. You may take a one-time Full Distribution of your Plan Account, a Partial Distribution of your Plan Account, establish a regular Periodic Payment of benefits or defer receiving your benefits. As long as there is a balance in your Account, you may change your payment option by contacting the HELPLINE at 1-800-422-8463 or an Account Executive at 1-844-867-8197. The following is a brief description of each type of benefit payment.

Full Distribution

This payment method provides for your Plan account to be distributed to you in one lump sum.

- **IF you are under 59.5 and no longer working**, the earliest date to receive this full distribution payment is 45 days, following your separation from service. **After the 45 days the full distribution will close the account and you will no longer be a participant in the Plan.**
 - If you want a distribution prior to this 45-day requirement, you may elect a partial distribution not to exceed 90% of your account balance.
- **IF you are age 59.5 or older** - You are eligible to withdraw funds regardless of your employment status. You do not have to wait 45 days to take your full account balance, but if you are still working and contributing, your account will remain open to accept additional deferrals.

Full Distribution with a Plan loan - Please see the Loan section for additional information related to this topic.



SDBA Disclosure

Did you know? Important: The Plan cannot process a full distribution if you currently have a balance in the Self-Directed Brokerage Account (SDBA) at Charles Schwab. Partial distributions may also be impacted depending on the amount requested. **If you utilize the SDBA, please facilitate a trade of the remaining assets there back into this Plan prior to sending in this form.**

Partial Distribution

This option provides for a partial Lump Sum payment of your Plan Account. The remainder may be paid out through regular Periodic Payments, or you may defer payment of the balance and take additional partial Lump Sum payments when you need additional funds. Up to 12 Partial Distributions may be taken each year, and each must be at least \$100.

Periodic Payments

This option allows you to establish a regular payment schedule of benefits of a Fixed Dollar amount or over a Fixed Period of years (but not to exceed your life expectancy, or, if your spouse is your beneficiary of record and is more than ten years younger than you, the joint life expectancy, of you and your spouse). Your regular payment schedule may be monthly, quarterly, semi-annually, or annually.

If you select a Periodic Payment option, you should be aware of the following:

- **A Fixed Dollar payment** involves the selection of a specific dollar amount to be received in a designated frequency. The minimum Fixed Dollar distribution is \$100 per payment. Payments continue in the same amount until the account balance is exhausted or the participant dies.
- **Required Minimum Distribution (RMD)** - If you are 73 or older and separated from service/retired, your periodic payments will go towards meeting your yearly RMD. Any RMD amount not satisfied will be sent as a supplemental check to you during the latter part of that calendar year. In addition, the amount of your periodic payment that goes towards satisfying your RMD may have a default of 10% Federal tax withholding unless otherwise specified. The option to evenly distribute the RMD over the course of the year is also available by completing the RMD form separately. You may find this form under the **Distribution** tab of the **Forms and Publications** section on www.nysdcp.com or by calling the HELPLINE.

Roth Source Type and RMD - SECURE Act 2.0 legislation that went into effect 1/1/2024 states that participants must **exclude** any Roth source type they may have when calculating their RMD. They also cannot withdraw their RMD from any Roth source type. (Alternate payee accounts set up via a court order (QDRO) are also subject to this rule).

Please note: Unlike regular participant and alternate payee accounts, beneficiary accounts **must** include their Roth Source as a part of their RMD calculation and RMD distribution.

- **For a Fixed Time Period payment**, you must select a single money type. You are not able to select multiple money types for this payment option. The amount of each benefit payment will be calculated by dividing your Account balance on the date of the distribution by the number of payments remaining. Depending on the change in the market value of your Account, the benefit payment amount may change with each distribution. Should the calculated benefit payment be less than \$100, a \$100 minimum payment will be made.
- If your Account has more than one fund, the Periodic distribution amount will normally be prorated among each of the funds in your Account. The period of years over which benefit payments may be made cannot exceed your life expectancy established in the Uniform Life, and Joint and Last Survivor Life Expectancy tables that are prepared by the United States Department of the Treasury. If you are age 73 or older, use the life expectancy provided on the appropriate table. If you are less than age 73, use the appropriate life expectancy for age 73, and add one year for each year you are less than age 73. For example, if you are 65 and are using the Uniform Life table, your life expectancy would be 32.6 years (25.6 at age 73 plus 7). Information regarding the life expectancy of a person of your age and situation can be obtained by calling the HELPLINE at 1-800-422-8463 and speaking to a HELPLINE Representative or Account Executive. You can also access the table on the Plan website at www.nysdcp.com.

Ability To Change Options

While you are a participant in the Plan, you may change your benefit payment schedule at any time. Benefits can be increased or decreased, and additional Partial Distributions may be taken in addition to your regular Periodic Payments at any time you need additional funds. Up to 12 additional Partial Distributions may be taken each year, and each must be at least \$100.

Deferring Benefits

You also have the option to defer receiving your benefits until a later date, but only until you reach age 73. If you choose this option, payments must begin no later than April 1 in the calendar year after you become age 73. Each of the benefit payment options previously discussed will be available to you should you choose to wait. However, if you defer payments to age 73, your total annual benefit payment must equal or exceed the Required Minimum Distribution (RMD) amount for that year. An additional benefit payment will be sent to you in December of any year in which your total Periodic Payments do not meet your RMD.

Rollover Of Plan Assets To Another Plan

You have the option to roll over your Plan assets to another deferred compensation plan, a 401(a), 401(k) or 403(b) plan, Keogh Plan, traditional IRA, Roth IRA or conduit IRA. The tax consequences, distribution options, investment options and participation costs in each may differ from the NYSDCP. You are encouraged to examine the requirements and limitations of any plan to which you may contemplate rolling over your Plan assets. Contact the HELPLINE at 1-800-422-8463 or an Account Executive at 1-844-867-8197 for a representative to review the Plan benefits with you prior to rolling your funds to another plan. If you ultimately decide to proceed with the rollover, a representative can assist you with the forms required to implement the rollover to another plan.

When To Begin Benefit Payments

Once you separate from service and the Plan's Administrative Service Agency is notified of your terminated status, or you attain the age of 59.5, you may choose how and when you would like your benefit payments to begin. The earliest permissible date to receive your initial benefit payment will depend upon your payment option and the notification from your employer. If you select a Full Distribution payment, your earliest permissible date is 45 days following your separation of service, or upon verification of your last day of service, whichever is later. If you select any other option, the earliest permissible date is based upon the receipt of your employer's notification of termination. **The Plan must verify this date prior to processing your distribution request.**

Benefit Start Date

Another important decision you must make on your Benefit Distribution form, is the date you would like your distribution to process. Generally the distribution will process within one to two business days of receipt of the form, as long as the form is in good order. If you are requesting a Periodic Payment, all future benefit distributions will process on the same date as the processing start date of the original distribution. However, if you would like to specifically choose the original distribution start date, please indicate the date on the form.

Tax Withholding

Both State and Federal Income Taxes withheld from your distributions are reported as ordinary income. These tax amounts are then reported on tax document 1099-R. The 1099-R will be issued by January 31 of the year following your payment.

Federal Income Tax Withholding (FIT)

The amount of Federal Income Tax that is withheld depends on which type of payment you select.

The following types of payments are subject to a standard, mandatory 20% Federal Income Tax (FIT):

- Full and Partial Lump Sum distributions.
- Periodic payments of less than 10 years, (except when this is a Required Minimum Distribution.)

Example: A **fixed time period** periodic payment of less than 10 years or a **fixed dollar amount** periodic payment for an amount that will deplete your account prior to it continuing for a full 10 years.

If you want more than the standard 20% FIT on these payments, you must indicate that higher FIT amount on the IRS Tax Withholding form **W-4R**, and submit that with this distribution form.

Please note, an amount less than 20% cannot be withheld on these benefit payments.

The following type of payment has a standard FIT withheld using the current standard IRS withholding rule of single and with zero allowances:

- **Periodic payment scheduled to change to occur for 10 years or more.** Example: Either a fixed time period distribution for 10 years or more, or a fixed dollar amount periodic payment for a dollar amount that your account balance can sustain for 10 years or more before depleting your account balance.
- **If you want more than the standard FIT on this payment, you must indicate a dollar amount on the IRS Form W-4P and submit that with this distribution form. You can elect zero withholding on this payment type by indicating it on this form. An additional form is not required for that.**

The following Type of Payment has a Standard FIT of 10%:

- **Required Minimum Distribution (RMD) (If you are age 73 or older and retired).**

If you want a different FIT than the standard, but more than zero on the RMD, indicate a percentage on form **W-4R** and submit with this form. **Zero withholding can be requested on this form for the RMD with no additional form needed.** There may be times that your distribution is more than the unsatisfied RMD. Please see the RMD information in the tax section of the form for more detail on how taxes are handled.

State Tax Withholding

The Plan does not withhold for state income tax purposes unless you request a withholding rate for your state of residence, or the state is one that mandates we withhold an amount at the time of processing. New York State residents who are at least age 59.5 may be entitled to a New York State income tax deduction of up to \$20,000 per year on any partial lump sum or periodic payment they receive from their Plan account.

Direct Deposit

You may have your payments automatically deposited in your checking, savings or credit union account, if your financial institution is a member of the Automatic Clearing House (ACH).

Generally speaking, a brokerage house or investment firm is not part of the ACH. However, they may have a relationship with a member of the ACH, and may be able to accept direct deposits. If you wish to use direct deposit for such an account, you must contact the institution and ensure you have all the necessary coding and documentation for an ACH transaction.

General time frames for ACH: If the distribution request is found to be in good order after initial review, it will be processed. Initial reviews can take up to 48 hours from the time the request is received. **You can generally expect to see your funds in your receiving bank account approximately 4 to 6 business days from the processing date (NOT from the date the request is received).** However, the Plan cannot guarantee when your bank will place the funds into your account. If you need your funds by a certain date, please submit your form far enough in advance that you receive your funds when expected. Incomplete or incorrect information on the form will delay processing.

Loans

Full Distribution and a loan: Canceling a loan is only available if you are separated from service/retired, and taking a full distribution. It is not available for in-service withdrawals at age 59.5 or older. When your loan is canceled, no loan repayments will be required in the future; however, the unpaid amount of the loan will be reported as ordinary income to the IRS. In addition, the amount representing 20% Federal tax on the unpaid loan balance, and the 20% Federal Tax on the account balance will be withheld from the gross distribution amount, thus reducing the net amount you receive. (In some cases, if the taxes on the unpaid loan balance and account balance are high enough, it could result in 100% of the account balance being released to the IRS as federal withholding with no funds being distributed to you).

Partial or periodic payouts with a loan. You must keep the loan active and make repayments, whether you are separated from service, or age 59.5 or older and still working. You can only cancel a loan if you are taking a full distribution, and are separated from service or retired.

Important Notes

- Deferrals to the Plan will continue to be taken through your final paycheck, unless you notify your employer to stop contributions.
- Tax reporting and tax withholding will be in accordance with your address of record. If you request a change of address to a new state mid-year, then you will receive two tax documents, each reporting the income earned in the respective states. Unfortunately, we are not able to accommodate temporary changes of address.

Please call the HELPLINE at 1-800-422-8463, and speak with a Representative if you have any questions or need assistance.

We thank you for your participation in the New York State Deferred Compensation Plan, and look forward to continuing to serve you during your benefit payment period.

Special Tax Notice for Participants Receiving Plan Benefit Payments

Enclosed with this packet is the IRS Tax Notice 402(f). The notice is provided to you when taking benefit payments from the Plan. Federal law requires the Plan to inform you that all or part of the payments that you receive may be eligible for rollover to a traditional IRA, Roth IRA or another eligible employer plan. Please read the document carefully. If you have questions regarding the document, please contact the HELPLINE at 1-800-422-8463. For tax and legal advice, please contact your accountant or attorney.



Did you know? You can easily submit your distribution request online and track the status of it! Log into your account at www.nysdcp.com and click "Manage Account," and "Withdraw Money" to start your online distribution request. Click "Track Withdrawal Status" to receive real-time updates on the status of your distribution.

Personal Information

REQUIRED Account Number **OR** Last 4 of SSN: _____ Name: _____

(If your identification information above is not provided, your request will be delayed.)

Email: _____ Primary Phone: _____
Phone Type: ☐ Home ☐ Work ☐ Cell

Optional – Send me alerts regarding this distribution via: ☐ Email ☐ SMS Text Message* to Cell number listed above.*
By selecting this option, you are opting into receiving text messages from the Plan Administrator. Message and data rates may apply.

How would you like to be contacted if additional information is required? ☐ Email ☐ Phone

Please Read Prior to Filling Out This Form - If you utilize the Self-Directed Brokerage Account (SDBA) at Charles Schwab, you may need to transfer all or a portion of your SDBA balance back into your NYSDCP Core account, in order to fund this distribution.

Distribution Details

Step 1

ELIGIBILITY (Choose **One** that best describes your status.)

☐ **Separation from Service/Retired*** ☐ **I am age 59.5 or older and still working** ☐ **I have an established Beneficiary Account**

*The Plan may have to obtain your separation from service/retirement date from your employer which may delay this request.

☐ **In-Service distribution of "Rollover" source funds** - Only select this option if the other eligibility reasons do **not** apply **and** you have "Rollover" source funds rolled into your account from another retirement plan. IRS Penalties may apply when reporting this income next year, and you may want to consult with a tax preparer for questions related to that. The Plan cannot provide tax advice. **When selecting "Source Type" later in the form, only "Rollover" source will apply.**

Step 2

DISTRIBUTION TYPE (Select **one option below**: Full, partial lump sum, or periodic payment.)

☐ **Full Distribution:** If you are under age 59.5 and separated from service, your request for your full account balance may be pended if it has not been 45 days since your separation from service date.

• If you **do not** have an active Plan loan, **proceed to the "Tax Withholding" section this form.**

Full Distribution and I have a Plan loan. If you have a Plan loan, make one selection below.

☐ **Stop my loan payments and report the unpaid portion of my loan as taxable income.** You must be separated from service or retired and taking a full distribution for this option. Default option if nothing is selected.

• I understand 20% Federal tax on both my account balance and unpaid loan balance will be withheld from my gross distribution, which may result in a net amount less than I expected.

☐ **Maximum available while keeping the loan active** - Please distribute the maximum available from my NYSDCP account, while still keeping my loan active so I can continue making payments. I understand if I am separated from service or retired, the amount that represents two of my loan payments will remain in my account to keep the loan active.

☐ **PARTIAL LUMP SUM PAYMENT.** Please withdraw the gross amount of \$_____.

☐ **PERIODIC PAYMENTS:** Select **one periodic payment option below.** Please select Frequency and Process Date.

☐ **Fixed Dollar Amount** \$_____ **OR** ☐ **Fixed Time Period** _____ year(s).

Frequency of payments (Select One) ☐ Monthly ☐ Quarterly ☐ Semi-Annual ☐ Annually

Periodic Process Date: _____ (mm/dd/yyyy). **Please Note: The process date is the date your periodic payment is withdrawn from your NYSDCP account. It is not the date you will receive the funds. If no date is provided, the default process date will be the day this form is reviewed and determined to be in good order.**

☐ **Cancel Current Periodic Payment** (Proceed to the Authorization section and sign and date this form.)

Required Minimum Distribution (RMD) -Did you know? If you are RMD eligible (Participant's age 73+ and no longer working, or a beneficiary in which RMD is required) your periodic distributions will go towards meeting your annual RMD amount. Please reference the RMD section of the initial disclosure area for additional details about this.

Distribution Details (continued)

Step 3

SOURCE TYPE AND INVESTMENT OPTIONS

RMD and Source Type - SECURE Act 2.0 legislation that went into effect 1/1/2024, has impacted regular participant accounts that are RMD eligible (73+ and no longer working). **Regular participant accounts and RMD** - If all or a portion of this distribution will go towards satisfying RMD:

- Roth sources will be **excluded** from Regular RMD calculation.
- **RMD cannot be distributed from Roth funds** (even if Roth source type or "All Sources" are selected.)

Please note: Beneficiary's RMDs are not impacted by this legislation. As a result, Roth source type must be included when calculating the beneficiary account RMDs, and the applicable portion of the RMD will be distributable from Roth.

Source Type - Select the source(s) that apply:

- ☐ **ALL Sources** - Prorated from all source types I have.
- ☐ **Pre-Tax** - (This is the default option if no source type selection is made).
- ☐ **Roth**
- ☐ **Rollover** - Represents funds rolled into your account from another plan. IRS Penalties may apply when reporting this income next year. You may want to consult with a tax preparer for questions related to this. The Plan cannot provide tax advice.

INVESTMENT OPTIONS - Select one ☐ **Prorated from ALL investments (default option)** ☐ **Stable Income Fund only**

(If the Stable Income Fund is selected but is unable to fully fund the request, the distribution will be prorated from all investments.)

Payment Method

- ☐ **Send a check** - Default option if no other selection is made.

Allow 7 to 12 business days from the process date to receive the check.

ONLY provide the following address information if: 1) You are Not selecting direct deposit.

And

2) You need to update the address on file.

Address _____ City _____ State _____ Zip _____

Direct Deposit ACH - A check will be issued if this ACH information cannot be validated or if the funds are returned. Allow 4 to 6 business days from the process date for receipt of funds in your bank account.

- ☐ **Direct Deposit ACH on file with the Plan** - Last 4 digits of Bank Account Number on file: _____

- ☐ **New Direct Deposit ACH** - Send funds to my bank account using the information provided below.

Account Type/Verification Needed (select one): ☐ Checking Account **OR** ☐ Savings Account

Verification: New Direct Deposit (ACH) information provided to the Plan may require an additional verification. If that verification is needed, a NYSDCP representative will contact you to resolve that on a recorded phone call.

Bank or Credit Union Name: _____

ABA/Routing Number (First nine digits only): _____

Bank Account Number: _____

Tax Withholding

Federal Income Tax Withholding Options - The Plan will default to the standard Federal Income Tax Withholding (FIT) indicated under the Type of Payment (shown below) unless otherwise directed.

IRS Forms W-4R and W-4P - Review your type of Payment below. When required, the W-4 forms can be obtained under the **Distribution** tab of the **Forms and Publications** section on www.nysdcp.com or by calling the HELPLINE.

PLEASE NOTE: Qualified Roth distributions are not subject to income tax. Unqualified Roth distributions will be taxed on the portion that represents earnings above the contributed amount. A qualified distribution is one that occurs when you are over 59.5 years of age and, the account has been established for more than 5 years.

Type of Payment	Standard Federal Income Tax (FIT)	If you want an amount <u>more</u> than standard.	Is a Federal Income Tax (FIT) amount less than 20% allowed?
Full Withdrawal	20% FIT	Indicate a percentage on Form W-4R	No
Partial Withdrawal	20% FIT	Indicate a percentage on Form W-4R	No
Periodic Payout lasting less than 10 years.	20% FIT	Indicate a percentage on Form W-4R	No

☐ Standard 20% FIT ☐ I elect more than standard FIT. I have indicated a % on IRS form W-4R.

Type of Payment	Standard Federal Income Tax (FIT)	If you want an amount <u>different than standard but more than zero.</u>	Is zero Federal Income Tax (FIT) allowed?
Periodic Payout lasting 10 years or more	FIT is withheld using the current standard IRS withholding rule of single with zero allowances.	Indicate a dollar amount on Form W-4P	Yes No additional form required. If you want zero FIT, check the 'Zero FIT' box below.

☐ Standard single and zero ☐ Zero FIT ☐ I elect a FIT different than the standard but more than zero.

I have indicated a dollar (\$) amount on IRS form W-4P.

Type of Payment	Standard Federal Income Tax (FIT)	If you want an amount <u>different than standard but more than zero.</u>	Is zero Federal Income Tax (FIT) allowed?
Required Minimum Distribution (RMD)	10% FIT	Indicate a percentage on Form W-4R.	Yes No additional form required. If you want zero FIT, check the 'Zero FIT' box below.

☐ **Standard 10% on RMD.** 10% Federal Income Tax (FIT) will be withheld on the RMD amount, but if a portion of this distribution is more than the RMD that needs to be satisfied, 20% FIT will be withheld on the overage.

☐ **Zero FIT on RMD.** Zero Federal Income Tax (FIT) will be withheld on the RMD amount, but if a portion of this distribution is more than the RMD that needs to be satisfied, 20% FIT will be withheld on the overage.

☐ **I elect a FIT different from the standard but more than zero.** The Federal Income Tax (FIT) indicated on form W-4R will be withheld on the amount that represents the RMD. **When an amount of 20% FIT or more is selected on Form W-4R,** the percentage on the W-4R will be taken on the entire distribution (the RMD and the amount over RMD.) **When a percentage more than zero but less than 20% is selected on Form W-4R.** The amount on the W-4R will be taken on the RMD only. The overage will still be taxed at the standard 20% FIT.

State Income Tax Withholding Options -State tax is reported to the state associated with your address of record at the time this request is processed.

Select only one option that applies. *New Jersey residents skip to the last item in this section which references New Jersey specifically.

Please note: With either option, where applicable, the amount you select will be superseded by any mandatory state withholding requirements.

☐ I request a withholding rate of \$_____ OR _____%
(Even dollar amounts or Whole percentage only)

☐ Please do not withhold state taxes

(Please note: If you are a resident in a state that mandates state tax withholding at the time of processing, that mandatory amount will be withheld even if you select this option.)

For New Jersey residents only

☐ I request a NJ state tax withholding of \$_____ (Required: Whole dollar amounts only.)

Authorization

I understand that I have a right to receive and review the **Special Tax Notice Regarding Plan Payments** no less than 30 days and no more than 180 days prior to this distribution. However, if I elect to receive this distribution before the end of the 30-day minimum notice period, this election shall constitute a waiver of my rights to the 30-day notice requirement.

I hereby authorize the Plan's trustee to initiate direct deposits from the Plan to the account referenced above with the financial institution named above. This authority will remain in effect until I have given the Plan written notice that I have terminated the above-referenced account, or until I have been notified that this deposit service has been terminated. I understand that I must give the Plan sufficient advance notice to allow for processing of these instructions. If an incorrect amount should be deposited into my account by the Plan, I authorize the Plan to direct my bank to make the appropriate credit or debit adjustment.

I have read the instructions and understand the requirements. Lastly, I understand that I may be subject to civil and criminal liability for any false statements on this form, or any papers attached to or related to this form or my claim under the Plan.

Signature: _____ Date: _____

Form Return

Mail: New York State Deferred Compensation Plan
Administrative Service Agency
PO Box 182797
Columbus, OH 43218-2797

Overnight Mail: New York State Deferred Compensation Plan
Administrative Service Agency, 1-LC-F2
1 Nationwide Plaza
Columbus, Ohio 43215-2239

Fax: 1-877-677-4329

When faxing paperwork, please allow two hours for your form to be received. If your fax is sent after 3:00 p.m. your paperwork will be filed on the next business day.

Make sure to remember to:



- ☐ Select a payment method, frequency, and receipt date if applicable
- ☐ Sign and date the form
- ☐ Include all pages in the return envelope
- ☐ Check your required personal data is complete