

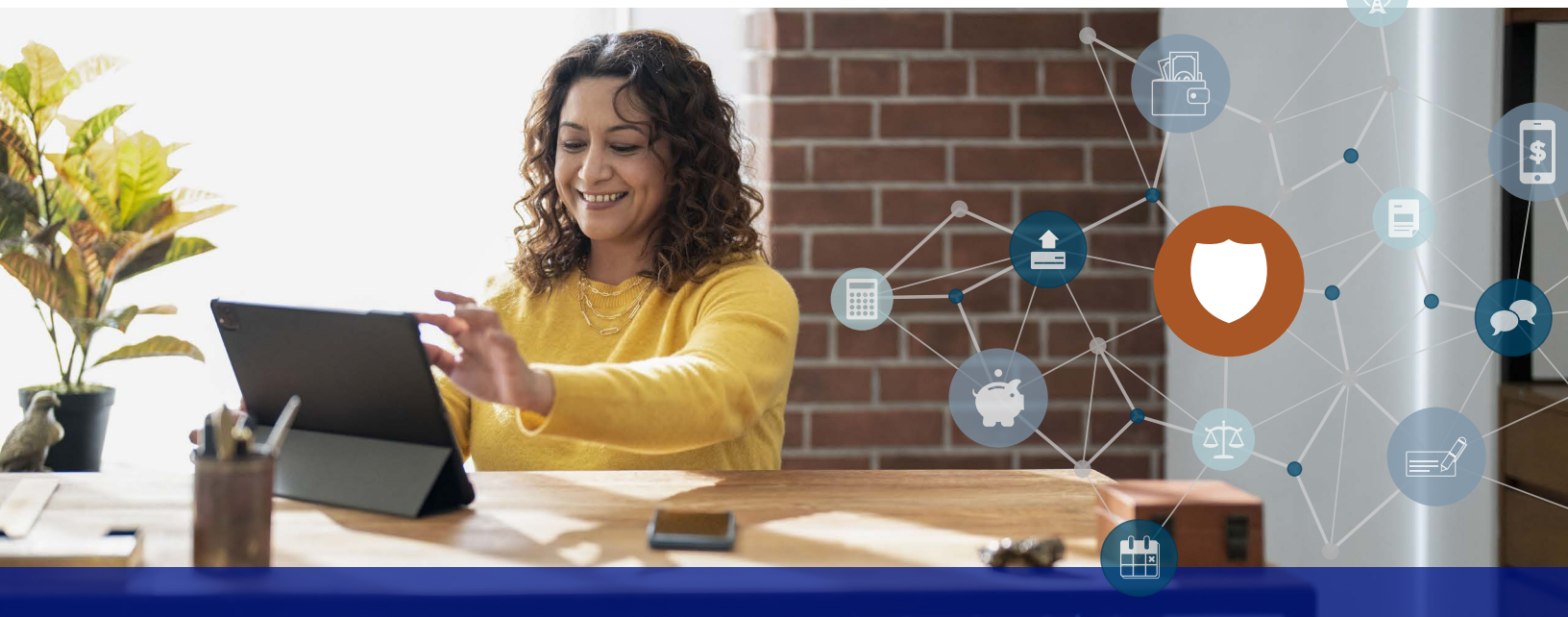
FUTUREfocus



New York State
Deferred Compensation Plan

A 457(b) Plan for Your Future

News and Strategies for Your Financial Success



Fees and your NYSDCP account

As you invest your hard-earned money in the NYSDCP, you may wonder how fees and expenses affect your investment. There are administrative fees for participating in the Plan and fund-based fees for each investment option, which are both described in this article. Here are some of NYSDCP's most frequently asked fee-related questions:

Why am I charged administrative fees?

NYSDCP was created as a public benefit for employees within the state of New York, not to make a profit. However, the Plan does have administrative expenses. These expenses are paid by those who use the Plan.

What do my administrative fees get me?

Your administrative fees cover all of the costs to manage the Plan, as well as providing you access to resources such as the NYSDCP website, live webinars, licensed and noncommissioned account executives, and the HELPLINE. Administrative expense fees do not cover fund-based fees for each investment option (see page 2).

How much are the administrative fees?

Administrative expense fees are divided into the annual administrative fee and the annual asset-based fee, described below. These fees are charged to your account semiannually in April and October.

Annual administrative charge

- \$20 per year
- All Plan participants pay this fee, regardless of account balance

Annual asset-based fee

- Calculated based on your account balance
- The current fee is 2.75 basis points¹, or 0.0275%, on assets between \$20,000 and \$200,000; if your balance is below \$20,000, you will not pay this fee until your balance reaches the \$20,000 threshold¹
- The maximum annual asset-based fee is \$55 if your balance is \$200,000 or greater

¹ One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.

What is a fund operating expense?

Each investment option has expenses required to run the fund. These pay for things such as the research on the investments inside the funds, trading, and the salaries of the people at the companies that manage each respective fund. Plus, there are reporting and regulatory requirements that vary depending on the investment type, which affects fund operating expenses. The fund operating expense is different for each investment option, and some investment options have higher expenses than others.

It's important to keep operating expenses in mind when selecting investment options, as fund operating expenses may affect your overall returns. Generally, NYSDCP can offer investments with lower operating expenses than many similar funds because of the assets that NYSDCP participants invest. The operating expense for each investment option is shown on the quarterly Investment Performance Report for the investment option and online as the expense ratio.

How do NYSDCP's fees compare with other retirement plans?

As indicated above, the amount of assets that Plan participants invest allows the operating expense of most funds to be lower than plans with fewer assets. Additionally, the administrative fees and the asset-based fee are driven down because of the number of accountholders. NYSDCP is one of the largest 457(b) plans in the country, so when the Plan's expenses are divided among the accountholders, the fees can be lower because more people are paying. Total fees for NYSDCP

as described in previous sections average out to around 4/10th of 1% of account assets. We encourage you to do your research and inquire with other retirement plans about fees and expenses. It's common for other retirement plans to charge fees known as 12b-1 fees or other expenses associated with account maintenance and management. Fees for these plans can exceed 2% of account assets. They can be more than five times as costly as NYSDCP.

Does the asset-based fee change?

Yes, the asset-based fee can change. It is evaluated semi-annually but has been 3.5 basis points or lower for the prior five years, which computes to less than \$100 annually to have an account regardless of how much your balance grows. Effective April 2024, the asset-based fee will be reduced from 3.25 basis points to 2.75 basis points. Accounts with balances less than \$20,000 don't pay the asset-based fee.

To learn more about Plan expenses, you can view the Plan's annual budget nysdcp.com/rsc-web-preauth/resource-center/articles/administrative-budget. For more questions, contact AE Connect at 1-844-867-8197.

Make financial literacy a family commitment

Learning about money is a lifelong journey, and it's never too early or too late to start. Whether you're a preschooler or a retiree, there are always ways to improve your financial literacy. Financial literacy is a skill that takes time and practice to develop. By taking small steps every day, you can improve your financial know-how and help your loved ones do the same.

Here are some steps you and your family can take to improve your financial know-how:

Preschoolers

- **Make basic money concepts fun.** Use play to start introducing younger children to basic money concepts with books, games and imaginative play.
- **Start a coin jar.** A coin jar can demonstrate how money accumulates. You can also use the coins to work on counting and to learn the difference between coin values.
- **Use errands as context.** Visits to the grocery store can be an opportunity to discuss how money is earned and used to purchase items that your family needs.

Elementary schoolers

- **Share your thought process for purchases.** This can be how you weigh the item's value against its price and other factors that influence your decision such as coupons or discounts.
- **Introduce simple banking concepts.** This can include the concept of making a deposit or withdrawal.
- **Start building budgeting skills.** If you choose to introduce a small allowance, this can also help them learn how to budget and make their own purchasing decisions.

Middle schoolers

- **Encourage stronger savings skills.** Introduce the concept of longer-term saving and budgeting, such as saving for a car or for college.
- **Build banking experience.** Help your child gain more experience with banks, including tools such as banking and budgeting apps. Setting up custodial accounts can allow them to learn while maintaining guardrails.
- **Consider allowing small loans.** This helps introduce the concept of debt, interest rates, how to use debt responsibly, the results of having debt, and how to get out of debt.

High schoolers

- **Discuss expectations for large purchases.** Discuss who will pay for items such as a car or college. You can also encourage them to research and apply for scholarships.
- **Help them navigate peer pressure.** While peer pressure can motivate purchases at this age, it's important for them to flex their budgeting skills and stay on track. Discipline and planning now can help them be better prepared for their long-term goals and interests, as well as set a good example for others.
- **Consider a part-time job.** Working part-time or during the summer can help them build their savings and gain valuable insights.

College students and early career

- **Continue to build budgeting skills.** With independence comes more expenses. Continue to build and refine your budgeting skills to ensure that you balance these expenses with your savings goals.
- **Build an emergency fund.** Experts recommend having an emergency fund that can cover 3 to 6 months of expenses.
- **Start thinking about saving for the future.** Starting to save for retirement early can help down the road, even if you start small. At this age, time and compounding interest can help you get a head start on your retirement goals, even if retirement feels far away. As you build your retirement savings, you can use our Peer Comparison tool to see how your progress compares with your peers' efforts. Access the tool by [logging in to your account](#) and navigating to Tools & Calculators from the menu.

Midcareer

- **Continue to flex your budgeting skills.** At this point in your career, your expenses could change. Take time to review and refine your budget to stay on track for your goals.
- **Stay on top of your savings options.** Over time, the saving and investment options that your employer offers can change. Continue to learn about the options available to you and evaluate whether they're appropriate for you.

- **Continue to evaluate and set financial goals.** Whether you're saving for retirement, building an emergency fund or saving for a purchase, it's important to track your progress and ensure that the goal still meets your needs. Use the [My Interactive Retirement PlannerSM tool](#) to track your goals and project how changes could affect your retirement income down the road.

Nearing retirement

- **Start planning your budget in**



retirement. In retirement, your income and expenses can change. Take time to begin planning your budget for life in retirement so there are no surprises. [My Interactive Retirement Planner's Detailed Income View](#) can also help you plan your [withdrawal strategy](#) based on the retirement benefits that will be available to you, including your pension, retirement savings and Social Security (if applicable).

- **Build an emergency savings fund for retirement.** Experts recommend that retirees have an emergency fund that can cover 1 to 2 years of expenses.
- **Work with an Account Executive.** Account Executives can help you plan for factors that will affect you in retirement. NYSDCP offers licensed and noncommissioned Account Executives at no cost.

Retirees

- **Maintain your budget.** Once you retire, take the time to adjust your budget based on your fixed income. Tweak your withdrawal strategy based on your financial needs. My Interactive Retirement Planner's Detailed Income View can help you project how factors such as delaying Social Security or increasing distributions could affect your retirement income down the road.
- **Continue learning about legislation**

Smart resources that everyone in the family can use and enjoy

This April, NYSDCP is celebrating National Financial Literacy Month by offering resources to help you and your family better understand how to manage a budget, make good spending and saving decisions, and grow wealth. For more resources, visit nysdcp.com/rsc-web-preauth/financial-literacy/index.html.

changes. In some cases, changing legislation can affect you even after you're retired. Stay informed by reading articles, attending webinars and working with a financial professional or [Account Executive](#).

- **Begin estate planning.** Getting ahead on estate planning can give you more control over the process and more peace of mind. Consider creating a plan so your assets can be distributed according to your wishes and your loved ones can be taken care of once you pass away. For more information, review our [article on estate planning](#).

A message for you from the Board

We hope that 2024 is treating you well. As we fall into our routines for the year, it's important to keep our retirement goals in sight.

With any investment option, it's important to understand the associated fees. This issue includes a refresher on the fees for your NYSDCP account. Future issues of the newsletter will include updates on any changes to the Plan's fees.

We also invite you and your family to join us in celebrating Financial Literacy Month in April. This is a national initiative to promote financial education and awareness among Americans of all ages. In April, we will offer tools and resources that the whole family can use to improve their financial literacy and skills.

The Plan is committed to helping you achieve your retirement goals and secure your financial future. We encourage you to invest in yourself by taking advantage of the resources and benefits that the Plan provides.



Diana Jones Ritter



Philip Fields



David J. Friedfel

Welcome ... and thank you!

Andrea Stewart-Cousins, the Temporary President of the Senate, has appointed David J. Friedfel as a new Board member effective January 5, 2024. Mr. Friedfel is the Secretary of the New York State Senate Finance Committee. He has both a Bachelor of Arts in Political Science and Public Policy and a Master of Arts in Public Policy from the Nelson A. Rockefeller College of Public Affairs and Policy at the University at Albany. He is a valuable addition to the Board. Welcome, David!

Mr. Friedfel is replacing David J. Natoli. Mr. Natoli served as an unpaid advisor to the Board from 1996 to 2009 and then as Board member from May 2016 to January 2024. Thank you, Dave, for your tremendous contribution to the Board and Plan!

You're invited to our Retiree Webinar Series!



Dive into topics that are top of mind for retirees and those preparing to retire, including Social Security, Tax-Efficient Retirement Income, Medicare, Long-Term Care, and Legacy Planning.

[Access the full list of webinars](#)



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 2024 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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