



Benefit payment options

NYSDCP offers many ways for you to receive benefit payments

You are eligible to receive your Plan benefits when you retire or leave the employer through whom you make deferrals to your Plan account. However, you are not required to begin receiving benefits until you are age 73 — the Plan is here to serve you throughout your lifetime. You can change your benefit payment option at any time (as long as you receive your required minimum distribution if you are age 73).

As you're looking to make informed decisions about your retirement savings, we want you to know that the benefits you're potentially seeking — including investment options, ease of use, access to expertise and much more — are already right in front of you and available to you for the long term.

We welcome your continued participation in the Plan.

There are many good reasons to keep your assets with the Plan.

Visit the Plan website at nysdcp.com, or call AE Connect at **1-844-867-8197** to learn more about the New York State Deferred Compensation Plan.

TTY/TDD services are available toll-free anytime at **1-800-514-2447**.

The New York State Deferred Compensation Plan is a state-sponsored employee benefit for state employees and employees of participating employers.

Plan Mission Statement: The New York State Deferred Compensation Plan is a voluntary retirement savings plan that provides quality investment options, investment education programs and related services to help state and local public employees achieve their retirement savings goals.

Periodic payments

- The frequency of your benefit payment can be monthly, quarterly, semiannually or annually. You can also elect to receive your benefit payments over a fixed number of years, not to exceed your life expectancy, or as a fixed dollar amount. Payments received over a fixed number of years might vary based on the value of your Plan account at the time of each payment. Each payment must be at least \$100.
- Benefits paid as a fixed dollar amount will each be the same.
- If you are over age 73, an additional payment will be made to meet your required minimum distribution, if necessary.
- In the event of your death, your beneficiary will receive any remaining account balance.

Partial withdrawals

- You can receive benefit payments in the form of partial withdrawals.
- You can take up to 12 partial withdrawals annually. Each withdrawal must be at least \$100.
- You can postpone payment of the remainder of your Plan account balance until age 73, request additional partial withdrawals as needed or establish periodic payments.
- Partial withdrawals can be paid even if you are receiving payments.

Full withdrawal

- Your Plan account is paid out in one lump-sum payment.
- You will no longer be a participant in the Plan.

Rollovers

- Whether you are actively at work or separated from service, you can roll over the assets you have in another governmental deferred compensation plan, IRA or other eligible retirement plan into your Plan account to consolidate your retirement planning.
- When you are eligible to receive a benefit payment, you have the option to roll your Plan assets out of the Plan and into another governmental deferred compensation plan, an IRA or other eligible retirement plan.
- Tax consequences, distribution options, investment options and participation costs in other types of retirement plans may differ from the Plan. Contact the HELPLINE or a local Account Executive with any questions you may have.
- All benefit payments paid from pre-tax deferral accounts and the taxable portion of a nonqualified distribution from a Roth account will be subject to federal income taxes. State income tax liability will depend on the laws in your state of residence when benefits are received.



To initiate a distribution request, complete the **Benefit Distribution Request** form located in the **Forms and Publications** section of nysdcp.com, or log in to your account to initiate an online distribution request.

Answers to commonly asked questions about the New York State Deferred Compensation Plan

Who is eligible to participate?

All state employees and employees of localities and school districts that participate in the state Plan.

Are payroll deductions pre-tax?

Yes, regular deferrals are pre-tax for federal and New York State income tax purposes but not for FICA. Roth contributions are available and are made after-tax.

What is the minimum I can defer?

1% of compensation, but not less than \$10 per pay period.

What is the maximum I can defer?

Below are the annual maximum amounts that you can defer¹:

Annual Maximum	Age 50+ Catch-Up	Retirement Catch-Up Limit
\$22,500	\$30,000	\$45,000

Are there times when I can defer more?

Yes, if your deferrals in previous years were less than the amount allowed by law, you might be eligible to make Retirement Catch-Up deferrals. If you are age 50 or over, you can make Age 50 and Over Catch-Up deferrals. Important: Retirement Catch-Up cannot be used in the same year as Age 50 and Over Catch-Up.

How often can I change my deferral amount?

You can change your deferral amounts as often as you like. However, changes could take up to 2 payroll periods and will be effective in the calendar month following the request.

Am I able to contribute to a 403(b) plan also?

Yes. You can contribute the maximum amount to your Plan account and the maximum amount to your 403(b) plan at the same time.

Can I roll over money from other retirement accounts into my New York State Deferred Compensation Plan account?

Yes. You can roll over money from a 457(b), 401(k), 403(b) or traditional IRA into your NYSDCP account.

Can I take a loan against my Plan account balance?

Yes. The Plan permits loans to participants who are currently employed by or on an approved leave of absence from the state or a participating employer. The loan cannot exceed the lesser of 50% of your Plan account balance or \$50,000. The minimum loan amount allowed is \$1,000.

Can I withdraw money from my account while employed?

Yes, if you are 73 or older, qualify for an unforeseeable emergency withdrawal, have rolled over assets from a 401(k), 403(b) or an IRA, and other very limited circumstances. Distribution of assets rolled into the Plan continues to be subject to the distribution rules of the former plan, which could include an additional 10% early withdrawal tax if they are received before age 59½.

When can I begin benefit payments from my account without an additional 10% early withdrawal tax?

You can begin benefit payments when you leave employment without a 10% early withdrawal tax on the Deferred Compensation Plan benefit payments, regardless of age.

Can I change my benefit payment option, amount or frequency once I start my payout?

Yes. You have complete flexibility when choosing and changing your benefit payment options. Also, the first \$20,000 in partial or periodic benefit payments you receive each year could be exempt from New York State income tax if you are a New York State resident and at least age 59½.

Must I elect my benefit payments when I leave state employment?

No. Not only are your benefit payment options flexible, so is the commencement of your payout date. Benefit payments must begin at age 73 or upon termination of employment from the employer that participates in the Plan, whichever is later, under the required minimum distribution (RMD) provision.

When do I pay taxes on distributions?

Ordinary income taxes apply when the pre-tax portion of your Plan account is paid to you, usually at retirement. Distributions from your Roth account, if qualified, are received tax free. You choose the method and commencement date for your benefit payments.

What are the costs to participate?

The Plan has a semiannual administrative fee that is a combination of a fixed fee and an asset-based fee. The asset-based fee is not levied on accounts below \$20,000 or on account assets that exceed \$200,000 (the fee will be assessed only to the first \$200,000). Some of the mutual funds offered as investment options pay reimbursements that are credited to the accounts of participants who are invested in the mutual fund paying the reimbursement.

Do I incur any sales charges upon withdrawal?

No. The Deferred Compensation Plan does not assess any front-end or back-end sales charges, but some mutual funds may impose a short-term redemption fee.



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¹“401(k) limit increases to \$22,500,” IR-2022-188, Internal Revenue Service (Oct. 21, 2022).