



# Benefit Distribution Request



## Instructions and Options

### Introduction

This package is designed to help you understand your 457 Deferred Compensation Plan Distribution options so that you can make the most informed decision possible. You have worked hard to save 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 immediately following verification of your separation from service. 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(457 Pre-Tax contributions, Roth contributions or Rollover funds), you have the option of designating which funds are withdrawn. If you do not specify, the 457 Pre-Tax funds will be withdrawn first.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 or an Account Executive at 1-800-422-8463. 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. Should you take a Full Distribution payment, you will no longer be a participant in the Plan. The earliest date to receive this payment is 45 days following your separation from service. If you want a distribution prior to this 45-day requirement, you may request a Partial Distribution of your balance, provided that \$500 remains in your account. This remaining balance may be distributed after the 45-day waiting period.



#### 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 payout 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.**
- For a Fixed 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 Web site at [www.nysdcp.com](http://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.

If you have questions regarding this option, please contact your Account Executive or a HELPLINE Representative at 1-800-422-8463.

## 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 or an Account Executive for 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 obtain the age of 59½, 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 running 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 run 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 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 59½ 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 you receive from your 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. They may, however, 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 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 until your final paycheck, unless you notify your employer to stop contributions.
- Depending on the amount of the payment and the withholding election made, taxes may not be withheld at the time the check is issued. (Withholding of taxes is not required for payments of less than \$200 annually.) Nevertheless, such payments are considered income and you will be responsible for all tax liabilities.
- 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](http://www.nysdcp.com) 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 Data**

Name (please print): \_\_\_\_\_ Email: \_\_\_\_\_

**REQUIRED** Account Number OR Last 4 of SSN: \_\_\_\_\_ DOB: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Primary Phone: \_\_\_\_\_ Primary Phone Type:  Cell  Work  Home

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

Alerts (Optional) - Please send me alerts regarding this distribution via:  Email OR  SMS to my cell number\*

\* By selecting this option, you are opting into receiving text messages from the Plan administrator. Message and data rates may apply.

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

**Distribution Details**

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

**ELIGIBILITY STATUS** (Please select one that best describes your status)

I am separated from service or retired. (Please note: If the Plan does not already have your separation of service date on file, the Plan will need to obtain that from your previous employer which may delay processing of this request)

I have attained age 59.5 or older. I am still working and may continue my deferrals.

As a **Beneficiary** of a Plan participant, my beneficiary account was previously set up using the Beneficiary Dist. Claim form.

I do not meet the other eligibility requirements stated above. **I am only eligible to distribute "Rollover" source assets which represent funds previously rolled into my NYSDCP account from another retirement plan (Qualified or IRA).** I have confirmed that I have "Rollover" source funds. (When selecting a source type below, only the "Rollover" source applies to this eligibility reason.)

**DISTRIBUTION TYPE** (Options available to you: Full, Partial or Periodic. Select **only one** that applies.)

**Full Distribution:** This request for the full balance will be pended if it has not been 45 days since your separation from service. **If you have an active loan select one option directly below.**

If you **do not** have an active loan, proceed to "Tax Withholding" area.

**Stop my loan payments and report the unpaid portion of my loan as taxable income. (Default option if no selection is made).** I understand 20% Federal tax on both my account balance and unpaid loan balance will be withheld from my gross distribution.

**I wish to continue to make payments on my loan.** The amount equaling two loan payments will remain in my account to keep my loan active.

**Partial Distribution:** Amount: \$ \_\_\_\_\_ Single lump sum payment.

**Periodic (Ongoing) Payments:** Please select **only one option** and then indicate the Frequency and Process Date.

**Fixed Dollar Amount:** \$ \_\_\_\_\_ OR  **Fixed Time Period of** \_\_\_\_\_ years (in whole years only)

**Frequency (select one):**  Monthly  Quarterly  Semi-Annually  Annually

**Process Date:** \_\_\_\_\_ (mm/dd/yyyy) Represents the date we withdraw the payment from your account and is not the date you receive it. If no selection is made the process date will be on the day the form is reviewed and determined to be in good order.

**Did you know? If you are age 73 or older and retired your periodic distributions will go towards meeting your annual RMD amount.** Please reference the RMD section of the initial disclosure area for additional detail about this.

**SOURCE TYPE AND INVESTMENT OPTIONS** (Required for Partial Distributions or Periodic Payments only)

**Source Type (select all that apply):**  Pre-Tax (default)  Roth  Rollover\*  Prorated across All source types

\* Rollover source (Assets you rolled into this Plan from another retirement account in the past.)

**Investment Option (select one):**  Prorated from All Investments (default)  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.)

## 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](http://www.nysdcp.com) or by calling the HELPLINE.

Type of Payment	Standard Federal Income Tax (FIT)	If you want an amount <u>more than standard</u> .	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 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). For those 73 or older and retired.	10% FIT	Indicate a percentage on 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 than 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 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 W-4R.** The amount on the W-4R will be taken on the RMD only. The overage still will be taxed at the standard 20% FIT.

## State Income Tax Withholding Options

**REQUIRED - You must select one option below or your request will not be processed. (Exception: New Jersey residents must skip these options and must indicate withholding below)**

If you are a resident in a state that mandates state income tax withholding be aware that any state tax amount you request below (including zero) will have the mandatory state taxes withheld in addition to your selection.

- I request a withholding rate of \$ \_\_\_\_\_ **OR** \_\_\_\_\_ % (whole dollar amount or percentage only)
- Please do not withhold state taxes (if there is a mandatory state tax withholding amount, it will still be withheld)

**\*\*REQUIRED FOR NEW JERSEY RESIDENTS ONLY\*\***

I request a New Jersey state tax withholding rate of \$ \_\_\_\_\_ (whole dollar amount only)



**Payment Method**

- Send a check** - Default option if no other selection is made.  
Allow 7 to 12 business days from the process date for receipt.

**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 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:**  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 line.

**Bank or Credit Union Name:** \_\_\_\_\_

**ABA/ Routing Number (First nine digits only):** \_\_\_\_\_

**Bank Account Number:** \_\_\_\_\_

**Authorization**

I understand 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 understand that mutual funds may impose a short-term trade fee and that I should read the underlying prospectuses carefully for more information.

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 3:00pm 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