



New York State  
Deferred Compensation Plan

*A Plan for Your Future*

# **BENEFIT DISTRIBUTION REQUEST**





# 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 or Periodic Distributions 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(457 Pre-Tax contributions, Roth contributions or Rollover funds), you have the option of designating which funds are withdrawn. If you do not specify, the 457 Pre-Tax funds will be withdrawn first.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.

#### 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.
- Participants who are age 70½ or older must take an annual Required Minimum Distribution (RMD). If you are 70½ or older, and are taking Periodic Payments of a Fixed Dollar amount, but the total for the year does not reach the required amount for your RMD, an additional annual payment will be distributed. The option to evenly distribute this RMD over the course of the year is also available.

- 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 70 or older, use the life expectancy provided on the appropriate table. If you are less than age 70, use the appropriate life expectancy for age 70 and add one year for each year you are less than age 70. For example, if you are 65 and are using the Uniform Life table, your life expectancy would be 32.4 years (27.4 at age 70 plus 5). 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 70½. If you choose this option, payments must begin no later than April 1 in the calendar year after you become age 70½. 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 70½, 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 70½, 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

The amount of federal income tax that is withheld depends on which benefit payment option you select.

The following distribution options are subject to a mandatory 20% federal income tax withholding:

- Full and Partial Lump Sum distributions
- Periodic Payments of less than ten years (except when this is a Required Minimum Distribution)

The following distribution options are subject to a 10% federal income tax withholding:

- Periodic Payments scheduled to continue for ten years or more
- Required Minimum Distributions

However, this 10% federal income tax withholding is **not a mandatory** amount and can be adjusted to a higher amount or to 0%. After the close of the year, a Form 1099-R will be sent to you for tax reporting purposes.

If you need more information concerning federal income tax withholding, please review the enclosed Special Tax Notice Regarding Plan Payments.

The Plan does not withhold for state income tax purposes unless you request a withholding rate for your state of residence.

New York State residents who are at least age 59½ are entitled to a New York State income tax deduction of up to \$20,000 per year on Periodic Payments you receive from your Plan Account.

## DIRECT DEPOSIT

If you elect to receive regular Periodic Payments or a Partial Lump Sum Distribution, 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.

## 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.
- If you have an active loan balance on your Plan account and you request a full distribution an additional amount will be withheld for Federal Income Tax. The amount is calculated as 20% of the active loan balance and will be deducted from your overall gross distribution request; as the initial loan funds were issued without taxes withheld. This will close your active loan and will be reflected on your 1099-R.

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.

## BENEFIT DISTRIBUTION REQUEST

### PERSONAL DATA

Name (Please Print) \_\_\_\_\_

Account Number (Preferred)  
OR Last 4 of SSN \_\_\_\_\_

Primary Address \_\_\_\_\_

Date of Birth \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip \_\_\_\_\_

Primary Telephone Number \_\_\_\_\_

Primary Email \_\_\_\_\_

**This is a change to my home address of record. Please update my account accordingly.**

Plan participants are eligible to begin receiving Partial or Periodic Distributions following the verification of separation of service. The earliest date for receipt of a Full Distribution is the 45<sup>th</sup> day from the last date of employment or, if past the 45 days, the earliest date is dependent upon verification of separation from service.

### DISTRIBUTION METHOD

**Please Cancel Current Periodic Payment**

#### Distribution Setup

**Full Distribution:** A Full Distribution will deplete your Plan account in one Lump Sum. The earliest this can be received is 45 days after your separation from service date. It will be sent as a check and is not eligible for direct deposit.

*Please proceed to the Tax Withholding section.*

**Partial Distribution:** Amount \$ \_\_\_\_\_ Effective upon receipt. This can be done in combination with Periodic Payments.

**Periodic Payments:** Please select one option only.

- Fixed Dollar Amount of \$ \_\_\_\_\_ **OR** Fixed Time Period of \_\_\_\_\_ years
- Frequency:  Monthly  Quarterly  Semi-annually  Annually
- Process Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/yyyy) *If a start date is not provided, the distribution start date will be the date your request is processed and therefore all subsequent distributions will process on the same date.*

Note: If you are age 70½ or older, you may be required to receive a Required Minimum Distribution (RMD). If you selected Periodic Payments and you do not meet your RMD, an additional check will be sent to you to meet your RMD during the calendar year.

**For Partial, Periodic, or Life Expectancy Distributions, please complete the items below:**

**Source Type:**  Pre-Tax (default),  Roth,  Rollover\*,  Prorated across All source types.

\*Denotes assets rolled into the Plan from another retirement plan.

**Investment Option:**  Prorated from All Investments (default),  Stable Income Fund *only*,

**Please note:** 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.** Allow 5 to 10 business days from process date for delivery. (Default option, if no other option is selected)

**Direct Deposit ACH-** *(Not available for a full account balance distribution)*

**Direct Deposit ACH Instructions on File** – Send funds to my **bank account** that the Plan has on file and ends in \_\_\_\_\_. *(If the last four digits of the bank account are not provided your funds will be sent out as a check).*

**New Direct Deposit ACH** – *(Complete the information below)*

**Account Type: (Select only one option)**  Checking Account  Savings Account

**Account Verification- Checking Accounts:** Please provide a voided check. **Savings Accounts:** Please provide a letter from the bank, signed by a bank representative, which indicates the ABA routing number, bank account number and the account holder's name. **We cannot accept** a deposit slip or starter check.

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

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

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

**NOTE:** Direct Deposit is only offered through members of the Automatic Clearing House (ACH).

Is this account associated with a brokerage firm or other investment firm?  Yes  No

If yes, have you confirmed that the ABA and account numbers are correct?  Yes  No

## TAX WITHHOLDING

### Please indicate your choice of Federal or State Income Tax Withholding

#### Federal Withholding:

For amounts that are a Full Distribution, Partial Distribution, or Periodic Payments of less than 10 years. The IRS requires the Plan to withhold 20% of the distribution. If you want the Plan to withhold an amount other than the required 20% please indicate below:

\_\_\_\_\_% Other (More than 20%)

For Periodic Payments of 10 years or longer, or amounts that will satisfy a Required Minimum Distribution.

The IRS **does not** require a specific withholding rate. Please indicate your tax withholding request below:

Default withholding 10%

\_\_\_\_\_% Other (any whole percentage, can be 0%)

Please do not withhold taxes

**State Withholding:** State taxes will be automatically withheld *if* you are a resident in a state that mandates state income tax withholding. If you want a portion of your distribution withheld for state income taxes, please complete the following:

I request a withholding rate of \$\_\_\_\_\_ OR \_\_\_\_\_%

**Please Note:** The amount provided *may* need to be converted from \$ or % to comply with your State's requirements

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.

## AUTHORIZATION

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. 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.

Participant Signature \_\_\_\_\_

Date \_\_\_\_\_

Return to: New York State Deferred Compensation Plan  
Administrative Service Agency  
P.O. Box 182797  
Columbus, OH 43218-2797  
OR  
Fax to: 1-877-677-4329

Overnight Address: New York State Deferred Compensation Plan  
Administrative Service Agency, DSPF-F2  
3400 Southpark Place, Suite A  
Grove City, OH 43123-4856

*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.*

#### Did you remember to:

- Check the box if you have an address change?
- Select a payment method, frequency, and receipt date?
- Include a voided check, if you are requesting direct deposit?
- Sign and date the form?
- Include all pages in the return envelope?