April 2020
Quarterly
HELPLINE: 1-800-422-8463 TTY/TDD: 1-800-514-2447 WEB: nysdcp.com

New York State
Deferred Compensation Plan
A Plan for Your Future

In these unconventional times, know that NYSDCP remains active and available to participants.

Go to **nysdcp.com** for continued updates and information that will help you weather the storm, including how to schedule one-on-one phone appointments with Account Executives.

A MESSAGE FROM THE BOARD

Dear Participants,

"Ch-ch-ch-changes."

If you were listening to music in the early '70s, you would get the reference right away. For everyone else, let's just say that there are always some changes taking place that may affect your ways of saving for retirement.

This issue speaks to some of the changes brought about by the recently established SECURE Act of 2019. Some of the provisions went into effect on January 1, 2020, while others may not affect you until a few years from now. We will keep you updated on any Plan changes regarding the SECURE Act and other initiatives to benefit our participants.

Regardless of these and any future Plan changes, it is important to keep in mind that the reasons we need to save for our retirement security have not changed. The key ingredients to success are still deferring as much as you can reasonably afford and maintaining an asset allocation selected specifically for your retirement goals. The Plan's HELPLINE and Account Executives are ready to help you achieve those goals.

Speaking of changes, you may have noticed that this newsletter looks a little different from past issues. Expect more changes ahead as we strive to make our newsletter more engaging.

Diana Jones Ritter

Blake G. Washington

David J. Natoli

INSIDE THIS ISSUE

The SECURE Act: What it may mean for you

In December 2019, the Setting Every Community Up for Retirement Enhancement Act of 2019, better known as the SECURE Act, was enacted into law. The SECURE Act had been in the works for roughly three years and enjoyed bipartisan support.

RMDs

One of the benefits of the Act primarily affects recent and near-retirees. The age to begin taking required minimum distributions (RMDs) has been raised from 70½ to 72 for participants turning age 70½ after December 31, 2019. Participants who turn age 70½ prior to December 31, 2019, will continue to receive RMDs as before. This provision went into effect on January 1, 2020. If you were born on or after July 1, 1949, you may take advantage of the new RMD.

If you are affected by this change, you can rest assured that we have updated our system and will continue to provide RMD calculations and distributions in compliance with the law, IRS regulations and according to your direction. Please contact us if you have questions or concerns.

More to come

The SECURE Act is a complicated piece of legislation with many provisions that may not directly affect the Plan or you. We expect to offer more in-depth information about the SECURE Act in future issues of this newsletter, on our website and in other communications.

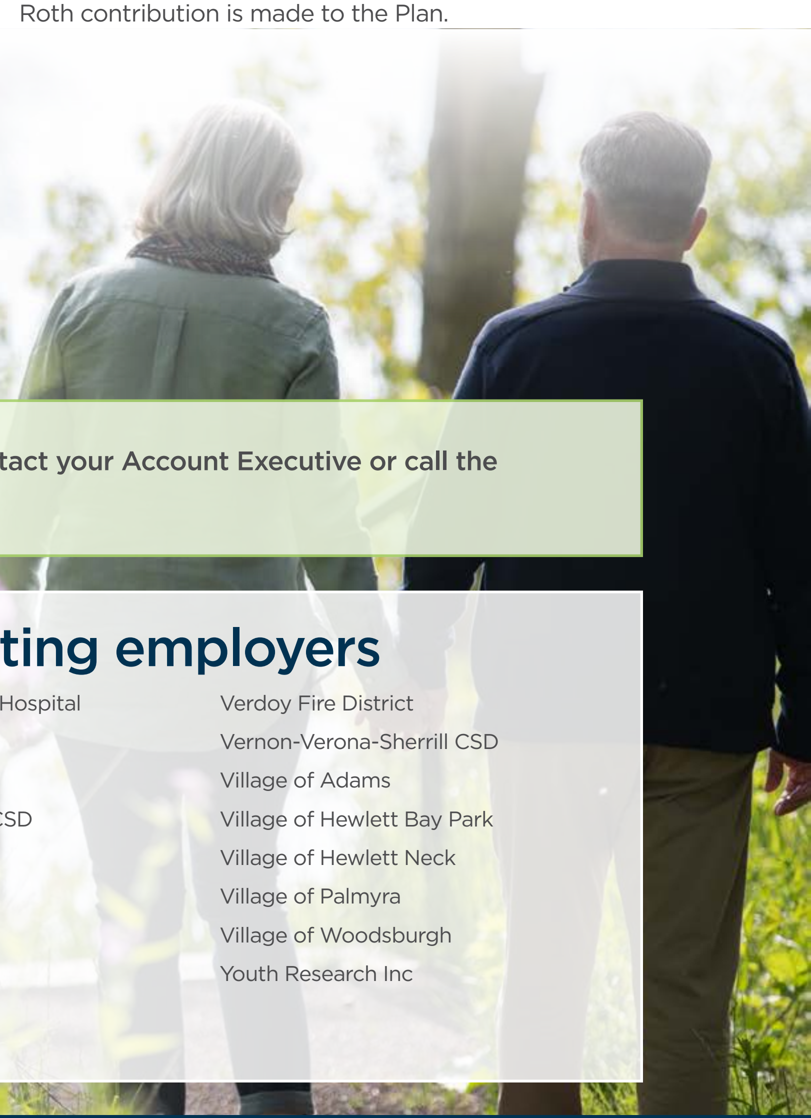
Act now to reduce your taxes

In 2020

Tax time is a great time to re-evaluate how you are participating in the Plan. When you increase pretax contributions to your Plan account, you decrease the amount of income that is subject to current taxation. Your exact tax savings will depend on your tax bracket. Those who are in higher tax brackets have the most to gain by maxing out their deferred compensation account plans. If you receive a salary increase, and can afford to do so, think about increasing your current contributions.

In retirement

When you add after-tax Roth contributions to your Plan account, you will be able to withdraw those contributions and their earnings tax free, as long as you're at least 59½ and do not take withdrawals from your Roth account for at least five years after your first Roth contribution is made to the Plan.



If you have questions or concerns, contact your Account Executive or call the HELPLINE at 1-800-422-8463.

Welcome new participating employers

Bethpage Water District
Boquet Valley CSD
County of Lewis
Eastport Fire District
Farmingdale UFSD
Frewsburg CSD
Hammond CSD
Inc Village of Upper Brookville
Ithaca City SD
Massena Electric Department
Massena Memorial Hospital
New Paltz CSD
Niskayuna CSD
Southern Cayuga CSD
Town of Deposit
Town of Fairfield
Town of Kingsbury
Town of Massena
Town of Villenova
Town of West Turin
Verdoy Fire District
Vernon-Verona-Sherrill CSD
Village of Adams
Village of Hewlett Bay Park
Village of Hewlett Neck
Village of Palmyra
Village of Woodsburgh
Youth Research Inc

Lower-fee share class helps you save more

T. Rowe Price Retirement Date Trusts switched to a lower-fee share class

Effective April 16, 2020, T. Rowe Price Retirement Date Trusts Class D shares with a cost of 0.36% will be exchanged to the Class E shares with a cost of 0.34%.

This reduction in fees is the result of Plan assets in those investments increasing. Because we are a very large plan, we are often eligible for reduced fees based on assets under management in the various funds offered in the Plan. Once certain thresholds are met, we can offer participants a lower-fee share class of the same investment option.

Participants will see an exchange with a new share number and "net asset value" equal to the value in the old share class. There are no costs associated with the exchange, and the fund management and portfolio construction will also remain unchanged.

If you have any questions, please feel free to contact the HELPLINE or your local Account Executive at 1-800-422-8463.

Before investing, you should carefully consider the option's investment objectives, risks, charges and expenses. This and other information is contained in mutual fund prospectuses and in CIT and custom-option fact sheets, which are available by calling 1-800-422-8463. Read carefully before you invest.

The principal value of the TRP Retirement Date Trusts is not guaranteed at any time, including at or after the target date, which is the approximate year an investor plans to retire (assumed to be age 65) and is likely to stop making new investments in the Trust. If an investor plans to retire significantly earlier or later than age 65, the Trusts may not be an appropriate investment even if the investor is retiring on or near the target date. The Trusts' allocations among a broad range of underlying stock and bond funds will change over time. The Trusts emphasize potential capital appreciation during the early phases of retirement asset accumulation, balance the need for appreciation with the need for income as retirement approaches, and focus on supporting an income stream over a long-term post-retirement withdrawal horizon. The Trusts are not designed for a lump-sum redemption at the target date and do not guarantee a particular level of income. They maintain a substantial allocation to equities both prior to and after the target date, which can result in greater volatility over shorter time horizons.

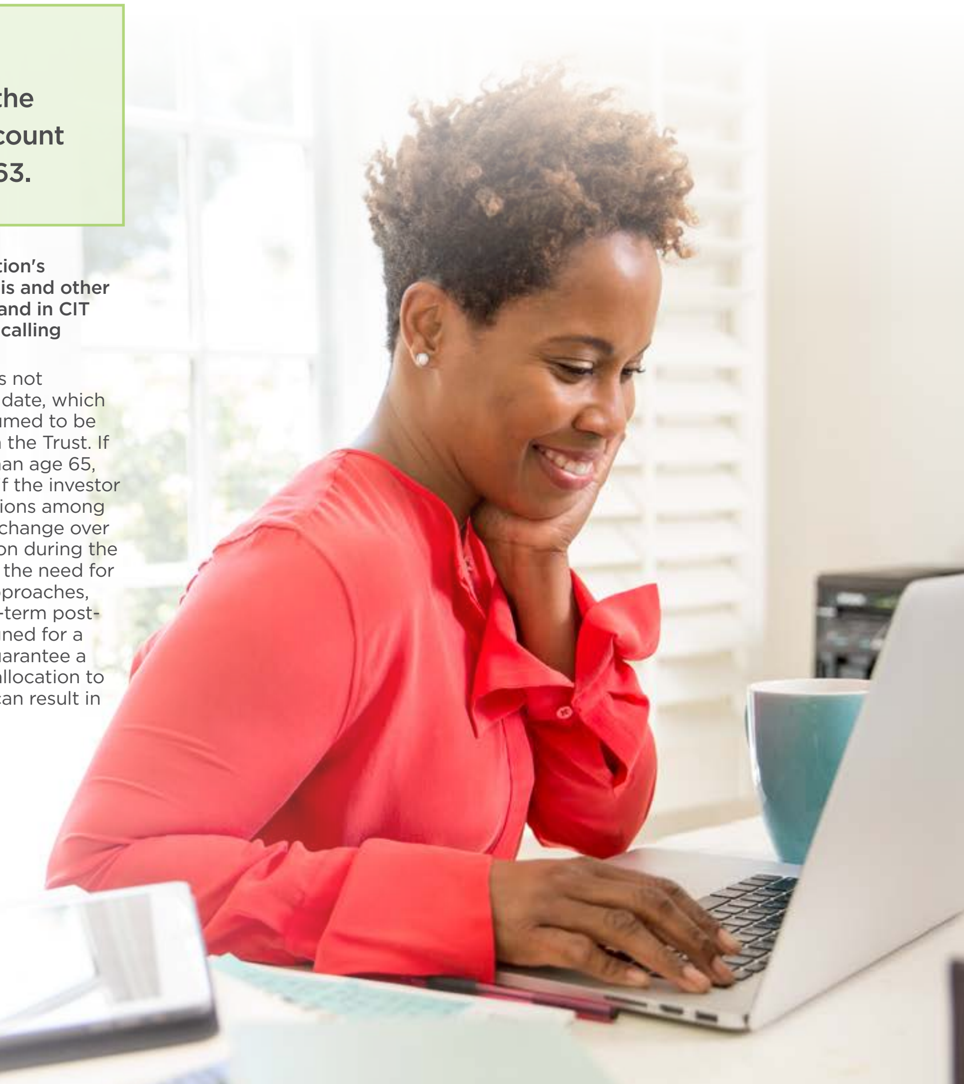
Get Account and Plan updates sooner with eDelivery

Are you among the more than 60,000 participants who have already enrolled in eDelivery? If not, you're missing out on getting Plan information almost as soon as it's available, days earlier than participants not enrolled in the service.

When you use our paperless eDelivery service, there's no waiting for the mail. No clutter to clean up. No filing to do. You get the same Plan information as always — it just gets to you faster.

But more than that, our eDelivery service is green. Together, we can help save one tree for every six reams of paper the Plan does not use to produce statements, transaction confirmations, newsletters and other routine communications.

With eDelivery, you — and the world — can breathe a little easier!



RETIREMENT SAVINGS EDUCATION

Easy ways to save more for retirement

Contribute a little more when you have a little more

Consider increasing your contributions when you have a little more money than you did yesterday. A good time to do so is when you get a raise or even a tax refund (see "Act Now to Reduce Your Taxes," Page 2). Your Account Executive can help you figure out the deferral increase you can afford.

Take advantage of Catch-Up opportunities

Age 50+ Catch-Up: If you are age 50 or older, you can contribute up to $6,500 in addition to the annual $19,500 contribution limit.

Three-Year Retirement Catch-Up: If you are within three years of your normal retirement age and have not contributed the maximum amount in past years, you might be able to defer up to two times the normal contribution limit, up to $39,000.

Act now. Take a minute to log in to your account at nysdcp.com.

While you're there, use **My Interactive Retirement Planner℠** to easily identify how a contribution increase could help you reach your goals.

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Lifestyle

Consider how you want to live in retirement. Whatever lifestyle you choose will have an impact on how much you need to invest now.

1955 to 2019

Inflation

SInce 1955, there have been only two years with negative inflation. Chances are good that things will cost more in the future.[1]

28%

Healthcare

Twenty-eight percent of all healthcare spending in the US comes from household budgets, making it one of the largest household expenses.[2]

100+

Longevity

Whether you're 20, 40 or 60 years old, living past 100 is becoming more and more common.

[1] "Historical Inflation Rate," Bureau of Labor Statistics, accessed Jan. 10, 2020.

[2] "National Health Expenditures 2017 Highlights," Centers for Medicare and Medicaid Services, US Department of Health and Human Services (April 2018).

PLAN EDUCATION

You lock it. We block it.

The Plan employs state-of-the-art technology, smart people and proven processes to catch and combat fraud, but you can play an important role, too.

Account Lock is an optional service designed to stop unauthorized distributions before they start. When you request this extra level of account security, your Plan account will not allow distributions unless and until you unlock it. You will receive a notification every time a distribution is requested so that you can alert other financial institutions that a threat has been detected.

Call the HELPLINE at 1-800-422-8463 to get started.

Participants in the New York State Deferred Compensation Plan will be charged administrative fees for the Plan Year beginning April 1, 2019, and ending March 31, 2020. 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 assessed in October 2019 was 0.015%. It is anticipated the semi-annual fee to be assessed in April 2020 will be 0.015%.

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.

New York State Deferred Compensation Plan
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