



## A MESSAGE FROM THE BOARD

### Dear participants,

In this unprecedented time of change, we want you to know that we stand ready at the NYS Deferred Compensation Plan to assist you with your needs, including addressing your questions and concerns. We are proud that while we have had to do business differently, we have found alternative ways to provide continuity of service throughout these difficult times. Our HELPLINE, website and webinars are providing value every day to our members. Please take advantage of these services, as needed.

Our thoughts remain with all the people on the front lines who are responding to the widespread impact of this pandemic. Many of these first responders and those who provide essential services at all levels are members of our NYS Plan. We also wish to express our condolences to those who have lost loved ones due to COVID-19 and to all who have been impacted, directly or indirectly, by this virus.

Please know that we acted quickly as a Board in implementing several of the provisions of the CARES Act that will provide greater flexibility to members facing challenging financial situations due to COVID-19. This newsletter has a special section that provides you more detailed information on these provisions. We have also taken advantage of virtual technology and enhancements to our online tools to serve you better.

While none of us has a “crystal ball” to see exactly what will happen to investment markets, we know things will evolve and change over time. Along with our outstanding Plan staff, expert financial business partners and our Plan Sponsor, we are conducting nonstop due diligence in our fiduciary responsibilities to move the Fund and its services forward within this environment. Our Plan is built for our members on the foundation of the benefits of long-term investments, diversification and choice to contribute to financial security in retirement. We have seen that those who stay the course can, in time, look forward to recovery from unprecedented financial events, over time.

Please stay connected with us on our website, through participating in our webinars and staying alert for other communications we may be sending your way. Of course, our HELPLINE, is ready and available weekdays 8 a.m. – 11 p.m. ET, and Saturday 9 a.m. – 6 p.m. ET to provide your assistance.

Please be well and stay safe,

Diana Jones Ritter

Blake G. Washington

David J. Natoli

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# What the CARES Act may mean for you

On March 27, 2020, the Federal government signed into law The Coronavirus Aid, Relief and Economic Security (CARES) Act, a \$2 trillion stimulus bill aimed at helping the people, states and businesses devastated by the COVID-19 pandemic.

## QUALIFIED INDIVIDUALS

COVID distributions and the loan provision are available only to qualified individuals, as defined in the CARES Act. For the purposes of NYSDCP, a qualified individual is a participant:

- who has been diagnosed with COVID-19;
- whose spouse or dependent was diagnosed with COVID-19; or
- who experiences adverse financial consequences as a result of being quarantined, furloughed or laid off (including reduced work hours) or is unable to work due to lack of child care because of COVID-19

## COVID distributions

For qualified individuals, distribution amounts up to \$100,000 can be made anytime from January 1, 2020, through December 31, 2020. Key points of this provision of the Act include:

- **The \$100,000 limit is per person and aggregated for all retirement plans under an employer**
- **The participant may repay the distribution to the NYSDCP or another eligible plan within three years of receipt**
- **If not repaid, the distribution will be taxable**
- **The participant must self-certify their status as a qualified individual**

## Consider these points:

- **Early withdrawals reduce your Plan balance today, and potentially much more in the future, by lost earnings.**
- **Although these withdrawals are not subject to the penalty tax, they are still taxable income. Do you have other alternatives?**
- **Some expenses can possibly be delayed. It doesn't hurt to call the companies you owe to see if any relief is available.**

## Loan provisions

For qualified individuals, outstanding loan payments as of March 27, 2020, through December 31, 2020, receive an extension until next year. Key points of this provision include:

- **Interest will continue to accrue on delayed payments**
- **The participant must self-certify their status as a qualified individual**
- **The participant must complete the form required by the Plan**

For all other participants, the Plan's standard loan provision remains in effect. To learn more about the program and eligibility, please review the [Loan Highlights brochure](#) located in the Learning Center on our website, [nysdcp.com](https://nysdcp.com).

The Loan Payment Delay Self-Certification Form is available on the website or by contacting the HELPLINE.

## Required Minimum Distributions (RMDs)

The CARES Act waives RMD requirements for 2020 for all participants. This includes 2019 first-year RMDs that were deferred until April 1. In addition, there are no RMD requirements in 2020 for beneficiaries.

Participants who already took a 2020 RMD may redeposit the money into their NYSDCP account if it is completed within 60 days of receipt of the original distribution. Recent IRS guidance extended the 60-day rollover period to include previously distributed RMDs made on or after February 2, 2020, through May 15, 2020. However, the IRS has not yet provided 60-day rollover relief for RMD payments made in January 2020.

To redeposit an RMD, please complete the [2020 RMD Redeposit Form](#), available at [nysdcp.com](https://nysdcp.com) or by calling the HELPLINE.



If you have questions about how the CARES Act may affect you or you would like to review your long-term savings strategy in light of recent changes in the economy, [contact your Account Executive](#) or call the HELPLINE at 1-800-422-8463.



# Saving for retirement when the market is volatile

The current financial market is significantly affected by the coronavirus and related concerns. We encourage you to stay calm and think long-term when it comes to your investment strategy. When saving and investing for retirement, it's important to step back from the daily headlines and avoid emotional investing decisions. Market corrections do happen, and patience during these times is the best practice.

Before making any drastic changes to your investments, consider these questions:

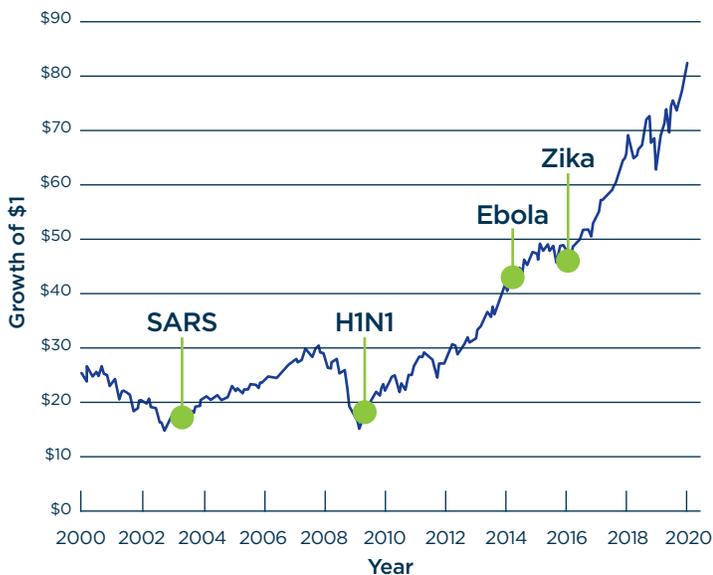
1. Has there been a change in your current living situation?
2. Have your retirement plans changed?
3. Have your retirement savings needs changed?

If you answered “no” to any of these questions and are tempted to base your decisions on media headlines and short-term performance, think more about your long-term goals and needs.

It's also important to remember that this is not the first epidemic or crisis to wreak havoc on the markets. While the below epidemics caused short-term disruptions and extreme market drops, economic recovery later resumed.

## Epidemics and Stock Market Performance

IFA SP 500 Index (1/1/2000 - 1/31/2020)



Epidemic	Date	Following 6-month return*	Following 12-month return**
SARS	Apr 2003	15.53%	22.66%
H1N1 (swine flu)	Apr 2009	20.06%	38.78%
Ebola	Mar 2014	6.36%	12.61%
Zika	Jan 2016	13.31%	20.03%

To see how the markets have behaved during other global market events, visit [nysdcp.com](http://nysdcp.com).

\*The following 6- and 12-month return is the total return starting the month after the stated date of the epidemic.

\*\*The growth of \$1 in the IFA SP 500 index is based on total returns.

Past performance does not guarantee future results. Performance figures may contain both live and hypothetical back-tested data. All data, including performance data, is provided for illustrative purposes only, it does not represent actual performance of any client portfolio or account, and it should not be interpreted as an indication of such performance. For hypothetical, back-tested performance data shown in this chart, including sources, updates and important disclosures, see [ifabt.com](http://ifabt.com). Indexes are labeled with letters to designate the index name and are defined at [indexdescriptions.com](http://indexdescriptions.com). The IFA Indexes include several stock and bond indexes that represent a monthly data series that begins with index data from various sources on January 1, 1928. The construction of IFA Indexes data introduces live data of funds that are similar to the preceding index upon the inception date of the funds and uses that monthly mutual fund data up to the current month. The hypothetical back-tested performance of the indexes was achieved with the benefit of hindsight; it does not represent actual investment strategies for the entire period; and it does not reflect the impact that economic and market factors may have had on the advisor's decision-making if the advisor were actually managing client money during the period shown. Unless indicated otherwise, the performance of the IFA Indexes when shown individually does reflect the deduction of mutual fund fees and include reinvestment of dividends and capital gains but does not include the deduction of IFA advisory fees, transaction costs or taxes, which if included, would lower performance. IFA Indexes were created by IFA in 2000. © 2020 Index Fund Advisors Inc.

**During times of extreme market volatility, it's important to remember that wide market fluctuations are normal and that staying the course may produce greater returns in the long run.**

We continue to closely monitor the current situation and recommend that you check [nysdcp.com](http://nysdcp.com) periodically for updates.



If you have questions regarding your account, [contact your local Account Executive](#) to discuss your situation.



## New online withdrawal feature makes it easier to access funds from your account

When time is of the essence, it's good to know you have quick access to your money. In fact, we've just made the withdrawal process even easier. In early May, the Plan launched our online withdrawal feature. This new service offers:

- **Easy self-service options** to apply for withdrawals online, with proactive status alerts to keep you informed throughout the process
- **Fast execution** that guides you through a personalized and interactive experience so you can quickly elect withdrawal options best suited to your needs
- **Convenient access** that allows you to initiate withdrawals whenever you want

To learn more about our new online withdrawal feature, look for [the link](#) on the homepage at [nysdcp.com](https://nysdcp.com).



## Stay connected with the Plan, even while social distancing

- ✓ Register for one of our new webinars, conveniently repeated weekly. To [register](#), look for webinars in the Learning Center at [nysdcp.com](https://nysdcp.com).
- ✓ Let us help you avoid emotional investing decisions. Look for [Market Risk](#) in the Learning Center Library at [nysdcp.com](https://nysdcp.com).
- ✓ Take advantage of the Plan's online tools and resources:
  - Update your user profile to ensure timely communication from the Plan
  - Review and revise your beneficiary designations to make sure your wishes are properly reflected
  - Enable eDelivery to get Plan information almost as soon as it's available, days earlier than participants not enrolled in the service
- ✓ To review your long-term savings strategy, [contact your Account Executive](#) or call the HELPLINE at 1-800-422-8463.

## Welcome new participating employers

Allegany-Limestone CSD  
 Johnstown Public Library  
 Laurelton Fire District  
 Pearl River Public Library  
 Town of Greenville  
 Town of Sanford  
 Town of Wolcott  
 Village of Millport

### IMPORTANT FEES REDUCTION NOTICE

Despite our changing environment, the NYSDCP Board continued to work on participants' behalf and decreased the asset-based fee to 2.5 basis points, effective April 2020. The Board is committed to keeping fees as low as possible, especially during these times.



NYSDCP remains active and available to participants. Go to [nysdcp.com](https://nysdcp.com) for continued updates and information that will help you weather the storm, including how to [schedule one-on-one phone appointments with an Account Executive](#).

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, 2020, and ending March 31, 2021. 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 April 2020 was 0.0125%.

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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