

FUTUREfocus



New York State
Deferred Compensation Plan

A 457(b) Plan for Your Future

News and Strategies for Your Financial Success



THE FUTURE IS AT HAND

Welcome to NYSDCP's all-new participant newsletter, Future Focus.

The new name does double duty. It connects to the purpose of the New York State Deferred Compensation Plan as stated in our logo's tagline, "A plan for your future." It also serves as a reminder to focus on saving for your future.

You may notice that the articles are shorter and more to the point. We can do this and still share important information because our new format takes advantage of technology in your smartphone or tablet. If you don't have a smartphone or tablet, the newsletter still provides all of the content you need to stay up-to-date and guidance on how to access more information by phone or online.

We've placed QR codes next to articles that offer more detailed information on our website. Simply point your smart device's camera at the QR code, snap and within seconds, you'll be learning

more about the topic. Online versions of the newsletter will include hyperlinks. Just click and go.

The network of symbols on top of the photograph above are a signal about the type of information you'll find in the newsletter. The primary icon will change based on the topic of the main article.

The best way to see what's new about our newsletter is to read it. Take a few minutes and scan through this edition to see how NYSDCP is bringing the future to you so you can focus on the future you want.

Stay the course,

unless you have good reason to change

For most participants, investing for retirement is a long-term strategy. Market volatility and declines tend to be short-term storms that your strategy is designed to weather.

You may want to amend your long-term strategy if you've experienced a life event or your goals have changed. Otherwise, you may fare better if you stay the course and follow your strategy.



Learn more

Look for "Market risk" within the Library tab in the Learning Center at nysdcp.com.

FIVE WAYS to make Plan participation BETTER

- 1. Refine your retirement savings goals** with the help of My Interactive Retirement PlannerSM, which takes into account your retirement savings, pension and Social Security income.
- 2. Use My Investment PlannerSM** to get investment recommendations that may be right for you.
- 3. Register for one of our new webinars** on topics timely to our current environment and your phase of planning (see the article at the bottom of this page).
- 4. Set up your online account**, if you haven't already done so. We make it easy:
 - Go to nysdcp.com
 - Select "Login Help & Sign Up"
 - Toggle "Sign Up for an Online Account"
 - Enable e-delivery to receive Plan information as soon as it's available
- 5. Review your beneficiary designation** on your statement or online account to make sure your wishes are properly reflected.

What sets NYSDCP apart from other retirement plans?

The New York State Deferred Compensation Plan is a supplemental retirement savings program created by law for New York State employees and employees of participating employers.

Our entire focus is on helping you use the Plan to prepare for the future.

Explore your plan benefits at nysdcp.com.



Attend our workshops remotely

Our free webinars can be a great way to keep your Plan participation on track with your retirement goals.

- **Learn your options for balancing risk and reward** within your investment strategy through our Asset Allocation webinar.
- Our Pre-retirement webinar introduces concepts that **participants within 10 years of retirement** may want to consider.
- **Do you have a co-worker who needs to know about NYSDCP?** Invite them to our Enrollment webinar. They'll learn the benefits of investing for retirement through the Plan.

..... 

Register for a webinar today



.....

Look for webinars in the Learning Center at nysdcp.com.



Changes coming to T. Rowe Price Retirement Date Trusts

CHANGE #1: SLOWLY GROWING EXPOSURE TO EQUITY

Over the next two years, T. Rowe Price will gradually increase equity allocations in all target date funds so that:

- The allocation will be higher for much of the pre-retirement period
- At retirement (presumed to be age 65), the allocation will remain at 55%
- Post-retirement, the exposure will increase from 20% to 30% at the end of the glide path

Over the long term, a greater allocation to equity should lead to higher expected growth, which in turn should lead to a higher balance, all else being equal. However, investors can expect more volatility in their balances, which highlights the importance of looking past short-term market movement and focusing instead on the long term.

CHANGE #2: TWO UNDERLYING FUNDS TO BE ADDED

T. Rowe Price will introduce a new balance of investment styles within the existing large-cap and emerging market allocations by adding the following strategies to its target funds:

- T. Rowe Price Large-Cap Core
- T. Rowe Price Emerging Markets Discovery Equity

These new allocations will be funded from existing large-cap U.S. equity and emerging markets equity, respectively. The overall allocation to large-cap or emerging markets will not change.



For more details on these glide path and fund changes, use your smartphone's camera to scan the QR code, or visit [nysdcp.com](https://www.nysdcp.com).



How Retirement Date Trusts work



T. Rowe Price's target date funds are a combination of underlying T. Rowe Price funds managed across different asset categories and styles.



The allocation to equity starts at a high point for a young investor and is reduced gradually following what is called a "glide path."



More fixed income is added for portfolio stability as the investor gets closer to and then enters retirement.

Share class change coming to T. Rowe Price Blue Chip Growth Trust

The T. Rowe Price Blue Chip Growth Trust will switch to a lower fee share class effective November 16, 2020.

T. Rowe Price Blue Chip Growth Trust Class T6 shares, with a cost of 0.35%, will be exchanged to the Class T7 shares, with a cost of 0.33%.

This reduction in fees is the result of Plan assets in this investment option 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.

Investing involves market risk, including possible loss of principal. No investment strategy or program can guarantee to make a profit or avoid loss. Actual results will vary depending on your investment selections and market experience.

Target date funds use a strategy that reallocates equity exposure to a higher percentage of fixed investments over time. As a result, the funds become more conservative as an investor approaches retirement. In addition, the funds invest in underlying funds. Therefore, an investor indirectly pays a proportionate share of the applicable fees and expenses of the underlying funds. It's important to remember that no strategy can assure a profit or prevent a loss in a declining market. The principal value of the fund(s) is not guaranteed at any time, including at the target date.



A message for you from the Board

Dear participants,

Welcome to the new and improved Future Focus newsletter. We value the opportunity to share news and updates with our members, and in these busy times, we need to make sure the messages are presented the way you need them. The same thoughts are behind the changes to the Plan website that have already begun, with more to be phased in over the rest of the year.

By enrolling in paperless delivery of Plan communications, you will receive a digital format that allows you to access additional information with just a click. It is also another way to reduce clutter and save a tree or two. If you prefer paper statements, you can simply access any referenced materials by going to nysdcp.com or calling the HELPLINE at 1-800-422-8463.

It is important to remember that the Plan is here to help provide for your retirement security, and our Account Executives are here to help you navigate through your plans and concerns.

Diana Jones Ritter

Blake G. Washington

David J. Natoli

By enrolling in paperless delivery of Plan communications, you will receive a digital format that allows you to access additional information with just a click.

Enroll in paperless delivery now



Welcome new participating employers

Town of Homer
Jamesport Fire District
City of Watervliet
Cheektowaga-Maryvale UFSD
Town of Granville
Village of Alexandria Bay
Sachem Central School District

The Plan launches dedicated service for retirees and near-retirees

We call it “AE Connect,” and it will be introduced in October.

Since the Plan began in 1985, Account Executives have regularly visited worksites to provide assistance. But these days, many participants are working remotely or in a facility that doesn’t currently allow visitors; numerous others are retired.

AE Connect will give retirees and near-retirees immediate access to an Account Executive and the services they provide. Check the website for updates and timing of the launch of this new service.

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.

Account Executives are registered representatives of Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio.

NRM-19239M3-NY (10/20)