

# FUTUREfocus



New York State  
Deferred Compensation Plan

*A 457(b) Plan for Your Future*

News and Strategies for Your Financial Success



## 4 tips to improve your financial health this summer

1

### Review your NYSDCP account and investments

We recommend reviewing your NYSDCP account information at least once a year to ensure that your information is up to date. Summer is a great time to do this and review your most recent retirement summary. Review your account now by scanning the QR code or logging in at [nysdcp.com](https://nysdcp.com).



2

### Financial goal checkup

You've probably spent time thinking about what you want your retirement future to look like. Ensuring that becomes a reality is dependent on the short-term and long-term goals you have in place. Use the QR code below to access our **My Interactive Retirement Planner<sup>SM</sup>** tool to check that you're on track to meet your retirement goals.



3

### Update your budget for inflation

A clear and detailed budget is one of the best tools for your finances. By keeping track of your expenses, you're ensuring your family's needs are met and that you're able to save for the future. If you already have a budget, have you adjusted it for inflation? Don't allow rising costs to chip away at your income. To learn more about budgeting, scan the QR code.




Tip 4



4

**Review your tax withholdings**

This is a good time to review and update your W-4 form with adjustments that can positively impact your 2023 tax season. The IRS website has helpful calculators where you input information from your paystub, investment accounts, bank statements, etc., and receive insight on how to adjust your withholdings to help improve your tax situation.



Use this QR code to find your Account Executive and schedule one-on-one appointment.



In July, you'll begin receiving emails as part of NYSDCP's new and ongoing personalized education program. These emails will come from New York State Deferred Compensation Program at NYSDCP@e.nationwidefinancial.com. This inbox isn't monitored, so please continue to reach out to your Account Executive or the Helpline with any urgent questions.

## Asset allocation and diversification

When you build a diversified portfolio, you create a balanced investment mix that can help support your retirement goals.<sup>1</sup>

Here's how it works: In a diversified portfolio, your contributions are typically divided among stocks, bonds, and cash and other equivalents. How your contributions are divided depends on how much time you have before retirement and the level of investment risk you're comfortable with.

NYSDCP offers 2 investment approaches to choose from to create your diversified portfolio.

### #1


#### Pick your mix

If the idea of creating your own portfolio by choosing your investments is appealing to you, the Plan offers a broad spectrum of options and a suite of resources to help you.

### #2

#### Target date funds

If creating your own portfolio doesn't appeal to you, we offer target date funds designed to make investing for retirement easier.<sup>2</sup> Each fund provides a diversified mix of assets to help most investors achieve their goals. As the target year gets closer, your asset allocation becomes more conservative.



Regardless of the option you choose, we can help you create a portfolio that works for your goals. To learn more, scan the QR code or contact your Account Executive.

<sup>1</sup> Asset allocation and a diversified portfolio do not assure a profit or guarantee against loss in a declining market.

<sup>2</sup> Target Date Funds invest in a wide variety of underlying funds to help reduce investment risk. So, in addition to the expenses of the Target Date Funds, you pay a proportionate share of the expenses of the underlying funds. These funds use a strategy that reallocates equity exposure to a higher percentage of fixed investments over time. Like other funds, Target Date Funds are subject to market risk and loss. Loss of principal can occur at any time, including before, at or after the target date. There is no guarantee that target date funds will provide enough income for retirement.

# Understanding the Stable Income Fund

As the name describes, the Stable Income Fund (SIF) is a conservative option that offers a relatively stable rate of interest income. The SIF has additional goals of preserving capital (the amount you have in the fund) while also providing daily liquidity. Through the years, the SIF has provided higher interest income

and returns than other conservative investments, such as money market funds or short-term bank certificates of deposit (CDs). More recently, some of these options have started offering a higher-interest income than the SIF. This is primarily due to the U.S. Federal Reserve aggressively raising short-term interest rates to fight inflation.

Historically, the SIF outperforms money market funds and CDs, but there are occasions when it doesn't. We are a long-term retirement savings plan, so this option has been and will continue to be the conservative investment option we offer to our participants.



To learn more detailed information, we suggest you read the “Understanding the Stable Income Fund” article on by scanning the QR code.

You may now apply online for an NYSDCP loan if it's right for you. For more information, scan the QR code to access our loan highlights PDF.



## Retiree corner



Like most retirees in the Plan, you saved during your career to build a solid nest egg to supplement your primary retirement plan. Although you are not actively contributing to your NYSDCP account, it is still important that you monitor your investments.

It used to be common practice for participants to transfer their account balance to the Stable Income Fund near or at retirement. With rising inflation and the fact that many of

our participants do not immediately start withdrawing the money they have saved through NYSDCP, this may not be the best approach. Perhaps Target Date Funds (added to our fund lineup a decade ago) that automatically rebalance for you and become more conservative the closer you get to your desired account distribution date is something to consider as you monitor your account and identify how best to begin or maintain your distributions.



Schedule a one-on-one with your licensed and highly trained Account Executive to stay connected to your plan in retirement.

# Balancing financial hardship and investing

When unforeseen emergencies and financial hardships occur, it can be tempting to withdraw money from your 457(b) plan. But withdrawing money from your plan before retirement can impact your financial readiness when it's time to retire. Consider these alternate options:

**Negotiate lower rates** — Don't assume the answer is going to be "no". A lower rate on high-interest credit cards or a previous loan could save on interest. You can also try lowering expenses by negotiating subscriptions, memberships, and cable, phone and internet bills.

**Reduce or halt contributions** — In some situations, this option can help you regain your footing. You can also consider suspending contributions for a limited period. But remember to start contributing again once you've taken care of the financial hardship.

**Examine your budget** — Review areas of discretionary spending that you may be able to cut back on. And consider looking for cheaper alternatives to products and services you use regularly.

**Emergency fund** — Emergency funds can help you avoid withdrawing prematurely from your 457(b) or liquidating assets in the face of unexpected costs. Financial experts recommend those still in the workforce maintain funds to cover 3 to 6 months of expenses. Retirees should have enough to cover up to 2 years of expenses.<sup>3</sup> Keep your emergency fund in an account that you can easily access, such as a checking or savings account.

## Welcome, new participating employers

- Starpoint Central School District
- Village of East Williston
- Town of Davenport
- Marcellus Central School District
- Town of Hardenburgh
- City of Lockport City School District

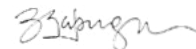
## A message for you from the Board

Dear Participants,

This edition of Future Focus shines a light on investing for and in retirement, with articles about our investing options (what), investing approaches (how) and investing in your overall financial health (why). For the first time in several years, we feature an article that explains the Plan's Stable Income Fund and what it is designed to do as an investment option in our Plan. A more in-depth article is featured on the Plan's website for those who want more information on this investment option and our goal is to feature other Plan investment options in future newsletters. We also want to remind retirees that the need for investment guidance does not stop at retirement. Our HELPLINE representatives and Account Executives are here to help and invest in you.



Diana Jones Ritter



Blake G. Washington



David J. Natoli



<sup>3</sup> "How Much Should You Have in an Emergency Fund?" smartasset.com/financial-advisor/how-much-should-you-have-in-an-emergency-fund (July 27, 2022).

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, 2023, and ending March 31, 2024. 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 to be assessed in April 2023 is .016250%.

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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