



# A Plan for Your Future



**New York State  
Deferred Compensation Plan**

*A Plan for Your Future*

# Your Education Workbook

The New York State Deferred Compensation Plan (the “Plan”) is a State sponsored voluntary retirement savings plan that is offered to State employees and employees of over 1,200 local government jurisdictions that have adopted the Plan. Its mission is to help State and local public employees achieve their retirement savings goals by providing high-quality, cost-effective investment products, investment education programs and related services. The Plan is overseen by the New York State Deferred Compensation Board (the “Board”) and managed by professional staff.

The New York State Deferred Compensation Plan is a State-sponsored employee benefit for State employees and employees of participating employers.

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The Plan provides educational programs, a diverse array of investment options, and online investment guidance. These features and dedicated customer service teams make the Plan an attractive way for you to invest. Here's what you can expect as a Plan participant:

**Simplicity** — Contributions are deducted directly from your salary each pay period. You may change the amount you contribute at any time.

**Lower costs** — The Plan leverages its size to drive down expenses. As a result, more of what you contribute can go directly into investments.

**A wide array of investment options** — Our menu of core options cover each major asset class. Because market gains and losses usually do not affect all classes equally, you can diversify your investments through your Plan account and spread the risk of market losses around. We also offer a series of Retirement Funds that allow you to select a fund geared for the year you plan to retire. These funds reallocate equity exposure to a higher percentage of fixed investments over time. As a result, the funds become more conservative over time.

Investing involves market risk, including possible loss of principal. It's important to remember that no strategy — including the use of asset allocation and diversification or investing in Retirement Funds — can assure a profit or prevent a loss in a declining market.

**Choice of tax treatment** — You may elect to have contributions to your account to be:

**Traditional — Made with pre-tax income:** Earnings credited to your account also would not be subject to current federal or New York State income taxes. Your contributions and earnings, if any, would be subject to these taxes when you receive them. The up-front tax benefit may make it easier to save more, and your account could potentially grow faster earnings, if any, are reinvested through Plan.

**Roth — Made with after-tax income:** Made with after-tax income, but earnings credited to your account would not be subject to current federal or New York State income taxes. Your contributions and earnings, if qualified, would NOT be subject to these taxes when you receive them.

**Both — Made with both pre- and after-tax income:** You split your contributions between pre- and after-tax. Doing this could reduce the impact of income taxation now, and in retirement.

*Before you make decisions about contributions with pre- or after-tax dollars, please consult your tax or legal professional. Neither the Plan nor any of its representatives offer tax or legal advice.*

**A wealth of online resources** — The Plan website, [www.nysdcp.com](http://www.nysdcp.com), offers a variety of educational materials, interactive calculators and eWorkshops to help you get the most out of participation in the Plan.

**People to help you** — The Plan offers a team of highly trained professionals, ready and able to assist you as you decide which features of the Plan make the most sense for you.

We value your participation and believe that the Plan is better positioned than ever to serve you. If you have questions about the Plan, please call the HELPLINE (1-800-422-8463) or visit the Plan website, [www.nysdcp.com](http://www.nysdcp.com).



New York State  
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# Welcome

We'd like to invite you to join the New York State Deferred Compensation Plan (the Plan). While you may expect your future pension and Social Security benefits to provide for a comfortable retirement, it makes sense to take advantage of an opportunity to invest for retirement for several important reasons.

- Inflation eats fixed income
- Health care costs happen
- Pension and Social Security income combined tend to cover just the basics
- No one else is saving for your retirement
- Having financial options is a good thing

As an employee of New York State or a local participating employer, you can add to your future pension and Social Security benefits by participating in the Plan, which is recognized as a leader in retirement plans for public employees. Since 1985, the Plan has helped more 190,000 New York State public employees accumulate sizable retirement assets.

## The New York State Deferred Compensation Board

Handwritten signature of Diana Jones Ritter in black ink.

Diana Jones Ritter

Handwritten signature of Edward M. Cupoli in black ink.

Edward M. Cupoli

Handwritten signature of Robert F. Mujica in black ink.

Robert F. Mujica





Mitchell Marina of Greenport Village, New York

## You Owe It to Yourself.

Some folks spend a lot of time taking care of others. But sometimes, you have to put yourself first, especially when it comes to investing for your retirement. You owe it to yourself! Need more reasons why it's important to invest for retirement? Take a look at the next page.

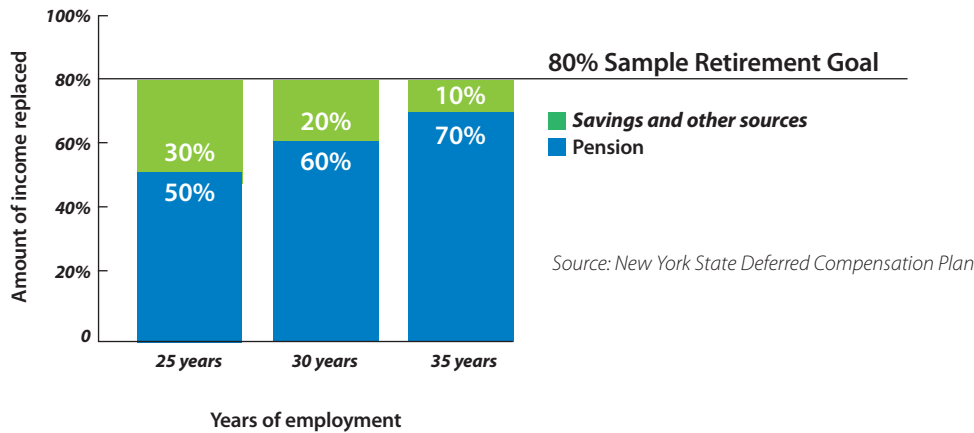


# Why You Need to Invest for Retirement

- People are living longer, healthier lives
- You want work to be a choice when you're retired
- Inflation means things will cost more

Another important reason to invest for retirement is that you could be income-deficient. Most industry professionals agree you may need from 75% to 90% of your current income at retirement. What happens if you come up short? Pension plans are a good start, but they only go so far. Your retirement income, Social Security, or personal savings can help fill in the gap. Do you want a better chance at a healthy retirement? Start supplementing your retirement income today.

## How much might your pension replace?



### Ready to take action?

Write how much your pension will replace in retirement here:

(If you don't know, visit your Benefit Office to get an estimate.)

# Why the Plan May Be a Sound Investment

- Automatic deductions help make investing hassle-free
- Lower costs means more of what you contribute can go directly into investments
- Long-term compounding can help power potential growth of your investments

And if you have other retirement assets, you may be able to roll money from that account into your Plan account. Qualified retirement plans, deferred compensation plans and individual retirement accounts are all different, including fees and when you can access funds. Assets rolled over from your account(s) may be subject to surrender charges, other fees and/or a 10% tax penalty if withdrawn before age 59½. Neither NYSDCP nor any of its representatives give legal or tax advice.

*Investing involves market risk, including possible loss of principal.*



### Ready to take action?

Consolidate your accounts in one place! List accounts you can roll over today!

Eligible accounts may include IRA, 457(b), 401(k), 403(b), DROP, and other qualified plans.



Boldt Island Arch, New York

## Build From a Solid Foundation.

Whether it's a skyscraper or a tree house, buildings that meet their purpose start with a solid foundation. You use the right tools to construct something that's going to last.

To lay a solid foundation for working toward your retirement dreams, you start by figuring out what's really important to you — now, in a few years, and over a lifetime. Then, you use the tools that can help you put it together. To nail your priorities, read on.





# How You Can Find the Money to Save

- Become aware of your spending
- Spend consciously

## Saving a little can make a big difference

Maybe you feel like every dollar you make is spoken for; that you can't afford to save for retirement. Yet even investing as little as 5% of your pay can make a big difference at retirement! You'd be surprised where you could find that money. The chart below has a few ideas to get you started.

### Small sacrifices go a long way

| Small sacrifice              | Big savings  |
|------------------------------|--------------|
| 1 coffee shop coffee per day | \$913 a year |
| 1 movie per week             | \$442 a year |
| 1 magazine per week          | \$205 a year |

*Assumes \$2.50 cup of coffee, \$8.50 movie ticket, and \$3.95 magazine. Source: Communi(k) Research, 2003.*

View your plan as a savings bargain. The money that goes into your Plan account can come out of your paycheck before federal and New York State taxes. Because your gross salary is reduced by the amount of your contribution, your taxable income is lowered. By putting the power of tax-deferred investing to work for you, more goes into your Plan account than would come out of your net paycheck. To get a better idea of how this works, take a look at the chart below.

### More money goes into your account than comes out of your pay

| When you contribute: | It equals this dollar amount: | Your net pay is reduced by: | But you get the earning potential of: |
|----------------------|-------------------------------|-----------------------------|---------------------------------------|
| 1%                   | \$15                          | \$11                        | \$15                                  |
| 2%                   | \$29                          | \$22                        | \$29                                  |
| 5%                   | \$73                          | \$55                        | \$73                                  |
| 8%                   | \$117                         | \$88                        | \$117                                 |

**Example of pre-tax savings for someone making \$38,000 a year.**

*Assumes a 25% federal tax rate, biweekly pay periods, and amounts rounded to the nearest dollar.*

NOTE: If you elect to contribute to the Plan's Roth 457 option, you will be using after-tax dollars. So, the amount that your net pay is reduced by would equal the amount of your contribution. To learn more about the Roth 457 option, turn to the next page.



### Ready to take action?

Make the commitment to save for your future! Write the amount you will contribute to your Plan account:

\$ \_\_\_\_\_ or \_\_\_\_\_% per paycheck

*(A good starting point might be 5% of your pay.)*



### Ready to take action?

In the space below, write one small sacrifice you're willing to make for a brighter retirement future:

# How You Can Invest for Tax-Free Retirement Income

You have the opportunity to designate all or part of your contributions to your New York State Deferred Compensation Plan account as after-tax Roth 457 contributions.

When you contribute to a Roth 457 account, you pay taxes on the portion of your salary that goes into the plan; but withdrawals of contributions and earnings can be tax-free during retirement if certain conditions are met.

If you wish, you can even split your contributions between traditional, pre-tax 457 contributions and Roth 457 contributions.



## Let's compare

|  | Traditional (pre-tax) 457(b) | Designated Roth 457 (Current Tax Bracket: 15%) | Designated Roth 457 (Current Tax Bracket: 25%) | Designated Roth 457 (Current Tax Bracket: 35%) |
|--|------------------------------|--|--|--|
| Single potential contribution                        | \$10,000                     | \$10,000                                       | \$10,000                                       | \$10,000                                       |
| Less federal taxes paid on contribution              | \$0                          | \$1,500  | \$2,500  | \$3,500  |
| Net actual contribution                              | \$10,000                     | \$8,500  | \$7,500  | \$6,500  |
| Value in 20 years                                    | \$38,647                     | \$32,892                                       | \$29,023                                       | \$25,123                                       |
| Less federal taxes at distribution (25% tax bracket) | \$9,674                      | \$0  | \$0  | \$0  |
| Net distribution                                     | \$27,023                     | \$32,892                                       | \$29,023                                       | \$25,123                                       |

These examples are hypothetical in nature and assume a 25% tax bracket at distribution. It also assumes that the retirement plan's value earns an average total return of 7% compounded annually. Investment return is not guaranteed and will vary depending upon the investments and market experience.

A single contribution of \$10,000 will be worth the same amount in 20 years if the tax bracket remains the same.





## Is a Roth 457 right for you?

You may want to consider making Roth 457 contributions if you:

- Believe that tax rates will rise before you retire and you want to take advantage of the potential tax-free withdrawals provided for with a Roth 457 account
- Expect to be in a higher tax bracket during retirement
- Are younger, with many working years ahead of you
- Are unable to contribute to a Roth IRA because of your income
- Are looking for an estate-planning tool to leave assets tax-free to heirs

### What's the difference?

|   | Traditional<br>(pre-tax)<br>457(b) | Roth 457 <sup>1</sup> | Roth IRA <sup>2</sup> |
|---|------------------------------------|-----------------------|-----------------------|
| Contribution limit  | Combined \$17,500                  |                       | \$5,000               |
| Catch-up contribution limit<br>— for those age 50 and older | Combined \$5,500                   |                       | \$1,000               |
| Contribution taxable in<br>year contributed                 | No                                 | Yes                   | Yes                   |
| Contribution taxable in<br>year distributed                 | Yes                                | No                    | No                    |
| Contribution earnings taxable<br>in year distributed        | Yes                                | No <sup>1</sup>       | No <sup>1</sup>       |
| Your income determines your<br>contribution amount          | No                                 | No                    | Yes                   |

<sup>1</sup>Contributions and earnings distributed from a Roth 457 account are not taxable if the distribution is made after 5 consecutive tax years since the first contribution was made to the Plan's Roth 457 account and the distribution is made after age 59½, or because of death, or disability.

<sup>2</sup>Contributions and earnings from a Roth IRA are not taxable if the distribution is made after 5 consecutive tax years since the first Roth IRA contribution was made to any Roth IRA And the distribution is made after age 59½, or because of death, disability or a qualified first time home purchase. The first-time home purchase requirement applies to Roth IRAs, not to Roth 457(b) accounts.

Neither the Plan nor its representatives may offer tax or legal advice. Consult with your own counsel before making any decisions about contributing or converting your Plan assets to Roth 457.



Brooklyn Bridge and Manhattan, New York

## The Strategy Can Make the Grade.

A good lesson plan includes a variety of teaching techniques. Different students learn in different ways, so you try to balance your techniques to give every student a chance at success with the material. Different investment types tend to react to market conditions in different ways. By balancing them through a strategy known as asset allocation, you can combine investments in ways that work for you. To find the balance that may be best for you, follow the steps on the next few pages.

*The use of diversification and asset allocation as part of an overall investment strategy does not assure a profit or protect against loss in a declining market.*





# Choosing Your Investment Options

## Your Personal Asset Allocation Strategy

When you spread your money out among funds with different types of investment strategies, you potentially lessen the portfolio's risk. That's called asset allocation — it's just another way of saying that the money in your Plan account should be invested in different types of investments since markets can be unpredictable.

Think of asset allocation like driving a car with four-wheel drive. If one wheel slips, you have three more opportunities for traction. Remember, even though asset allocation can't guarantee returns or insulate you from potential losses in a declining market, it can help you manage risk and maybe keep you on the road to your vision of retirement.

Three factors determine how your Plan account could grow if given the opportunity:

- **How much you contribute** — dependent on your personal budget and IRS limitations.
- **Your investment returns** — dependent on the performance of the markets and your individual investment options.
- **How your investments are diversified** — dependent on your asset allocation strategy.

While HELPLINE representatives and your Account Executive can help you understand how to make decisions about asset allocation, many participants do not feel comfortable in making initial and ongoing asset allocation decisions. These participants may be considered "do-it-for-me" investors; while those who prefer to create their own asset allocation may be considered "do-it-yourself" investors.

## The Plan's Investment Structure

The Plan has a three-tier structure to help make using an asset allocation strategy more simple and to meet the needs of Plan participants who want varying levels of involvement in investment decision-making.

### Tier I — Do-It-For-Me with T. Rowe Price Retirement Funds

It's estimated that the majority of retirement investors don't have the time or desire to select and track their investments. Retirement Funds are designed to help those investors.

Each Retirement Fund is made up of a number of other T. Rowe Price mutual funds. The allocations to these underlying funds will depend on the target asset allocation for the particular Retirement Fund and is designed to cover multiple asset classes and investment styles all in one fund. Although the investor will pay a proportionate share of each underlying fund's expense ratio, there is no additional charge for the asset allocation services.

To the right is a table to help you select the appropriate Retirement Fund for your account.

You may decide to select a Retirement Fund that differs from the nearby chart if you expect to retire at an age different than 65, wish to adjust for other anticipated retirement assets or income, or any other reason you may have.

| If you were born.... | This fund may be right for you... |
|----------------------|-----------------------------------|
| In 1988 or after     | Retirement 2055                   |
| 1983-1987            | Retirement 2050                   |
| 1978-1982            | Retirement 2045                   |
| 1973-1977            | Retirement 2040                   |
| 1968-1972            | Retirement 2035                   |
| 1963-1967            | Retirement 2030                   |
| 1958-1962            | Retirement 2025                   |
| 1953-1957            | Retirement 2020                   |
| 1948-1952            | Retirement 2015                   |



In general, the later the retirement date selected, the higher the initial allocation will be to stock market investments and the lower allocation to fixed income investments. Stock market investments have historically provided higher long-term returns than fixed income investments but have also been more volatile (risky).

Retirement Funds are designed to re-allocate assets from stock market investments to less risky fixed income and cash investments as you approach retirement. Typically, a younger investor can withstand more volatility in their investments and would benefit from the higher returns that stock market investments have provided over the longer term. This is also a period when regular contributions are being made and the volatility is somewhat mitigated by dollar cost averaging — buying shares at varying prices over time.

As you approach and reach retirement, you are generally more concerned with preserving principal but also need to consider some growth as a hedge against inflation. Therefore, the glide path continues even into retirement and maintains some allocation to stock market investments.

Although designed to be a stand-alone investment, participants may use more than one Retirement Fund and may be used in conjunction with other available investment options.

*Target Maturity Funds are designed for people who plan to withdrawal funds during or near a specific year. 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.*

## **Tier II — Do-it-Yourself by actively or passively managing your investments**

Participants may choose to create their own asset allocation using the menu of individual investment options under the Plan. Some investors may choose an asset allocation that is customized to their particular needs which is not available using Retirement Funds. Other investors prefer to use multiple investment management firms or prefer to create a portfolio of index mutual fund options. Index mutual funds do not use active management and generally have lower expenses than actively managed funds.

The Plan strives to offer sound investment options in each major investment category. Investment options are chosen based on a number of factors including: long-term performance, management stability, style consistency, and lower-than-industry-average expenses. Although changes to the lineup may be infrequent, all investment options are reviewed on a regular basis.

## **Tier III — Charles Schwab Personal Choice Retirement Account (PCRA)**

This Self Directed Investment Account is available for participants who wish to include mutual fund options and exchange traded funds (ETFs) outside of the Tier I and Tier II core investment options. Neither the Board nor the Investment Advisor perform any review of the mutual funds or ETFs offered in the PCRA program. You should review Plan materials and the Self Directed Investment Account Handbook to determine eligibility and additional fees that may apply. Assets cannot be transferred to the mutual window until your account value exceeds \$10,000.



### **Ready to take action?**

***On the next few pages, you can create your personal investment strategy step-by-step.***

***This is most useful for participants who use Tier II investment options but may be helpful to anyone interested in the process of asset allocation.***

## **STEP 1** Identify your time horizon

Your time horizon is the amount of time your money can stay invested before you need to withdraw it. It is a very important factor in creating your investment strategy.

*Circle the answer that best matches your personal situation.*

| <b>A)</b>   |  | <b>points</b> |
|---|--|---------------|
| Given your objectives, when will you begin withdrawing your money? I expect to begin making withdrawals in: |  |               |
| Two years or less   |  | <b>0</b>      |
| Three to five years   |  | <b>4</b>      |
| Six to eight years  |  | <b>7</b>      |
| Nine to 11 years  |  | <b>10</b>     |
| 12 years or more  |  | <b>12</b>     |

| <b>B)</b>  |  | <b>points</b> |
|--|--|---------------|
| Once you begin making withdrawals, how long will the money need to last? |  |               |
| I'm going to need it all at once in a lump sum                           |  | <b>0</b>      |
| For one to five years  |  | <b>2</b>      |
| For six to 10 years  |  | <b>4</b>      |
| For 11 to 19 years   |  | <b>7</b>      |
| For 20 or more years   |  | <b>10</b>     |

## **Total your time horizon points**

Question A points \_\_\_\_\_

Question B points + \_\_\_\_\_

**Your time horizon =** \*

\*If your time horizon score equals 0, this questionnaire should not be used for portfolio selection.

# TIER II - YOUR PERSONAL INVESTMENT STRATEGY

## STEP 2 Identify your risk tolerance

Your risk tolerance is a measure of your personal comfort with market risk. Remember, your risk tolerance can change over time, which is why it's important to review your strategy each year. *Circle the answer that best matches your feelings about risk.*

- A)** Inflation causes prices to rise over time. Which is more important to you — to avoid a decline in value in the short term, or to withstand short-term declines to beat inflation in the long run?

It's more important to avoid a decline in value in the short term.

Both concerns are equally important.

It's more important to withstand short-term declines to beat inflation in the long run.

**points**

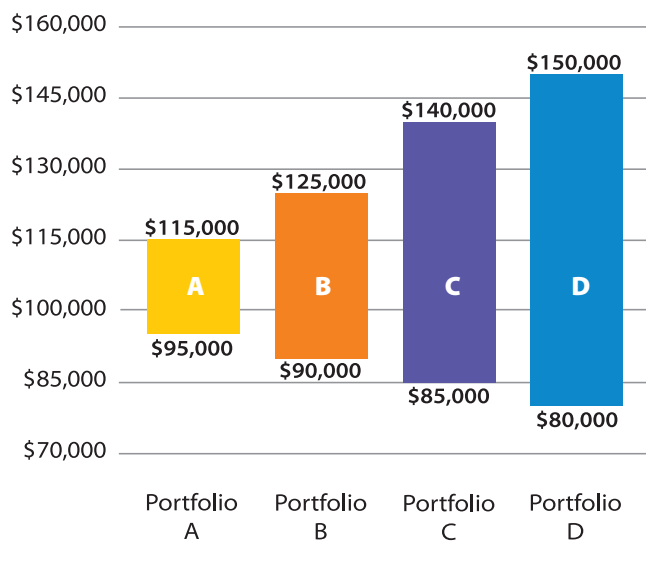
**0**

**8**

**16**

- B)** At the beginning of the year, you have \$100,000 invested. The graph below shows the performance of four different hypothetical portfolios — their potential best- and worst-case ending values. Each bar gives the range of potential returns at the end of one year. Circle the portfolio below that you feel most comfortable with.

**Potential best and worst case ending values**



**points:**    **0**            **6**            **12**            **19**

- C)** Which of the following statements best describes your attitude about investing for this account?

"Reducing the chance for a decline in value in my account is critical, so I am willing to accept the lower long-term returns offered by conservative investments."

"Bearing some short-term decline in value in an effort to achieve higher long-term returns is okay. However, I prefer that the majority of my investments be in lower-risk assets."

"Seeking higher, long-term returns is important to me, so I am willing to accept substantial short-term declines in value."

"Maximizing long-term investment returns is my primary objective, and I am willing to accept large—and sometimes dramatic—short-term declines in value to achieve this goal."

**points**

**0**

**6**

**12**

**17**

- D)** If you had money invested in a diversified portfolio and the stock market took a downturn, when would you sell your riskier investments and put the money in safer assets?

At the first sign of a decline in value

After a large (more than 20%) and/or sustained (one year or more) decline in value

I wouldn't sell any of my investments. I would continue to follow a consistent long-term investment strategy.

**points**

**0**

**7**

**15**



# TIER II - YOUR PERSONAL INVESTMENT STRATEGY

- E)** Which of the following types of investments do you feel more comfortable with? An investment that might return:
- 5% a year on average over the long term, but has a 10% chance of experiencing a decline in value in a given year. **0**
  - 9% a year on average over the long term, but has a 15% chance of experiencing a decline in value in a given year. **7**
  - 11% a year on average over the long term, but has a 20% chance of experiencing a decline in value in a given year. **13**
  - 14% a year on average over the long term, but has a 25% chance of experiencing a decline in value in a given year. **19**

- F)** Based on how often you track the performance of your investment, how long would you wait to change your investment if your investment suffered a substantial decline in value?
- One week **0**
  - One month **4**
  - One quarter **8**
  - I wouldn't sell any of my investments. If a fund declines in value, that by itself is not a good reason to sell the fund. **14**



## Your risk tolerance score

Fill in the points you circled from each question.

- Question A points \_\_\_\_\_
- Question B points + \_\_\_\_\_
- Question C points + \_\_\_\_\_
- Question D points + \_\_\_\_\_
- Question E points + \_\_\_\_\_
- Question F points + \_\_\_\_\_

**Your risk tolerance score** =  

**STEP 3**

## Identify your investor profile

### Find your code

Find the place where your time horizon score (from Step 1) intersects with your risk tolerance score (from Step 2) and circle your code!

|                      |        | Your time horizon score |     |     |     |     |
|----------------------|--------|-------------------------|-----|-----|-----|-----|
|                      |        | 10+                     | 8-9 | 5-7 | 3-4 | 0-2 |
| Risk tolerance score | 81-100 | A                       | MA  | M   | MC  | C   |
|                      | 61-80  | MA                      | MA  | M   | MC  | C   |
|                      | 39-60  | M                       | M   | M   | MC  | C   |
|                      | 17-38  | MC                      | MC  | MC  | MC  | C   |
|                      | 0-16   | C                       | C   | C   | C   | C   |



### Circle your investor profile

Match the code you circled above to an investor profile below and circle your investor profile.

- A** Aggressive
- MA** Moderately Aggressive
- M** Moderate
- MC** Moderately Conservative
- C** Conservative



### Need help?

An example of how to find your code and investor profile is explained below and highlighted in yellow above.

**If your time horizon score is 8 and your risk tolerance score is 57, your portfolio code would be M. Your investor profile would be "moderate."**

# TIER II - YOUR PERSONAL INVESTMENT STRATEGY

## STEP 4 Find a sample asset allocation

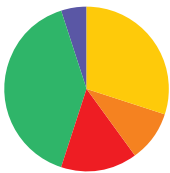
Once you've found your investor profile on the previous page, match it to one of the sample asset allocations listed below. Ibbotson Associates provides these sample asset allocations. They use a broad approach to diversify holdings across six general asset classes, which include combinations of different types of stock investments, bonds, and cash equivalents.



### Circle your sample asset allocation

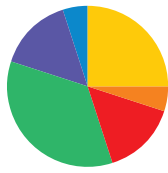
Circle the sample asset allocation that matches your investor profile from Step 3 on the previous page.

#### Aggressive



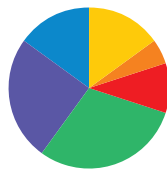
|                             |     |
|-----------------------------|-----|
| ● International stock funds | 30% |
| ● Small-cap stock funds     | 10% |
| ● Mid-cap stock funds       | 15% |
| ● Large-cap stock funds     | 40% |
| ● Bond funds                | 5%  |
| ● Cash equivalents          | 0%  |

#### Moderately Aggressive



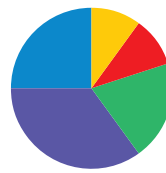
|                             |     |
|-----------------------------|-----|
| ● International stock funds | 25% |
| ● Small-cap stock funds     | 5%  |
| ● Mid-cap stock funds       | 15% |
| ● Large-cap stock funds     | 35% |
| ● Bond funds                | 15% |
| ● Cash equivalents          | 5%  |

#### Moderate



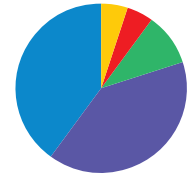
|                             |     |
|-----------------------------|-----|
| ● International stock funds | 15% |
| ● Small-cap stock funds     | 5%  |
| ● Mid-cap stock funds       | 10% |
| ● Large-cap stock funds     | 30% |
| ● Bond funds                | 25% |
| ● Cash equivalents          | 15% |

#### Moderately Conservative



|                             |     |
|-----------------------------|-----|
| ● International stock funds | 10% |
| ● Small-cap stock funds     | 0%  |
| ● Mid-cap stock funds       | 10% |
| ● Large-cap stock funds     | 20% |
| ● Bond funds                | 35% |
| ● Cash equivalents          | 25% |

#### Conservative



|                             |     |
|-----------------------------|-----|
| ● International stock funds | 5%  |
| ● Small-cap stock funds     | 0%  |
| ● Mid-cap stock funds       | 5%  |
| ● Large-cap stock funds     | 10% |
| ● Bond funds                | 40% |
| ● Cash equivalents          | 40% |

Because investing involves risk, the use of asset allocation does not guarantee profits or insulate you from potential losses.

STEP  
5

## Select your investments (refer to previous page for help)

Please refer to the *Guide to Investment Options, Fees and Exchange Provisions* (in the back pocket of this brochure). It is intended to help you with an overview of the investment options under the New York State Deferred Compensation Plan.

**This guide is not a substitute for your thorough reading and careful analysis of all available investment information, as well as your consideration of the mix of investments that is right for you. Before you decide to direct investment under the Plan, carefully consider the fund's investment objectives, investment methods, risks, charges, and expenses. This and other information is contained in the fund prospectus, which you should read carefully before investing. To get any prospectus, ask your Account Executive, call the HELPLINE at 1-800-422-8463 or go to [www.nysdcp.com](http://www.nysdcp.com).**

There is no prospectus for the Stable Income Fund, the International Equity Fund - Active Portfolio, or the International Equity Fund - Index Portfolio because these funds are not mutual funds or registered investment companies. You may obtain an overview or fact sheet on each of these funds from the HELPLINE or Web site.

### Other things you should know

As you review your plan investment options, there are some things you should keep in mind:

- Some mutual funds may impose a short-term trade fee. Please read the underlying prospectuses carefully. You can check out some additional information in the *Guide to Investment Options, Fees and Exchange Provisions* (in the back pocket of this brochure) under the section "Short-Term Redemption Fees."
- Any investment involves risk, and there is no assurance that the investment objective will be achieved. Remember that all mutual funds involve investment risks, including the possible loss of principal.
- Please read the *Guide to Investment Options, Fees and Exchange Provisions* (in the back pocket of this brochure) for more information.
- Past performance is no guarantee of future results.

There are also some specific things about the categories and objectives that are important:

- Each mutual fund organization's name and logo are trademarks and/or registered trademarks of that organization, and are used only to describe each fund manager's services.
- The data is from Morningstar, Inc. (©2011 Morningstar, Inc. All Rights Reserved.) The fund categories and objectives: (1) are proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) are not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.



## Find Answers About the New York State Deferred Compensation Plan

These Plan highlights are designed to answer questions you may have about the Plan.

### About Your Deferred Compensation Plan

#### What is the Deferred Compensation Plan?

The New York State Deferred Compensation Plan is a tax-advantaged voluntary retirement savings program, created by federal and state law, that permits government employees to defer up to 100% of compensation after any required salary deductions (such as retirement system contributions, Social Security and Medicare taxes, health plan premiums, union dues, etc.), but not more than \$17,500. The amount saved is not subject to current federal or New York State income taxes and earnings accumulate tax-deferred until the amounts are distributed, generally during retirement.

You may choose to make pre-tax contributions, after-tax Roth contributions, or a combination of both. The advantages and disadvantages of making pre-tax and after-tax contributions is discussed in the next few paragraphs and over the following pages.

#### How does Plan participation work?

As a participant of the New York State Deferred Compensation Plan, you can contribute a portion of your salary through payroll deduction before federal and New York State income taxes are calculated. That gives you less taxable income and, therefore, lower current income taxes and more dollars for you. At the same time, you are building retirement savings for your future. Here is a comparison of how "Before-Tax Deferrals" works:

Suppose you earn \$1,600 per pay period. And, let us assume you would like to contribute 3% per pay period (\$48) to the DCP. Instead of withholding taxes based on \$1,600, your employer would calculate your income tax withholding based on \$1,552 because your \$48 contribution to the Deferred Compensation Plan is not subject to current federal or New York State income tax withholding. Thus, at the end of the year, your IRS Form W-2 will reflect \$40,352 of taxable wages, rather than \$41,600.

|                         | <b>After-Tax<br/>Savings</b> | <b>Before-Tax<br/>Deferrals</b> |
|-------------------------|------------------------------|---------------------------------|
| Gross Bi-Weekly Salary  | \$ 1,600                     | \$ 1,600                        |
| <b>DCP Contribution</b> | <b>\$ 0</b>                  | <b>\$ 48</b>                    |
| Taxable Income          | \$ 1,600                     | \$ 1,552                        |
| Social Security         | \$ 123                       | \$ 123                          |
| Federal Income Tax      | \$ 208                       | \$ 193                          |
| N. Y. State Income Tax  | \$ 73                        | \$ 70                           |
| <b>Regular Savings</b>  | <b>\$ 30</b>                 | <b>\$ 0</b>                     |
| <b>Take-Home Pay</b>    | <b>\$ 1,166</b>              | <b>\$ 1,166</b>                 |

This illustration assumes 2012 FICA, federal, and New York State income tax withholding for a single person who claims one withholding allowance.

## **How does Plan participation work?**

(Continued)

Some investors prefer the benefits of electing the Roth 457 option, which allow after-tax contributions now in exchange for tax-free withdrawals in retirement. If you designate all deferrals as Roth 457 contributions, the effect to your paycheck would be the same as in the "After-Tax Savings" column on the previous page.

## **How does Roth 457 work?**

When you designate deferrals as Roth 457 contributions, you pay taxes on each contribution, but withdrawals of contributions and earnings can be tax-free if the distribution is made:

- after 5 consecutive tax years since the first contribution was made to the Plans' Roth 457 account; and
- after age 59½, or because of death, or disability.

If you wish, you can split your deferrals between pre-tax 457 contributions and Roth 457 contributions.

## **Am I still eligible for a traditional Individual Retirement Account deduction?**

Participation in the Deferred Compensation Plan does not affect your eligibility for a traditional IRA deduction. However, if either you or your spouse is an active participant in a tax-qualified retirement plan, including the New York State Employees' Retirement System, you are eligible for a full IRA deduction only if your adjusted gross income is less than an amount described in federal law.

## **Does making pre-tax or after-tax contributions to the New York State Deferred Compensation Plan affect my eligibility for a Roth IRA?**

No, participation in the Plan does not limit your eligibility for a Roth IRA. Roth IRA contributions are not deductible for federal income tax purposes.

## **Do deferrals affect my Social Security taxes or pension contributions?**

No, your Social Security taxes and pension contributions, if any, will be calculated on the basis of your gross wages, before any contributions you may make to the Plan.

## Contributions, Investing Contributions, and Special Circumstances

### **How much may I contribute from my paycheck?**

You may contribute from 1% of your compensation (but not less than \$10 per pay period) up to 100% of your includible compensation after any required salary deductions (such as retirement system contributions, Social Security and Medicare taxes, health plan premiums, union dues, etc.), but not more than 17,500.

### **May I change the amount I contribute to the Plan?**

Yes. You may increase, decrease, or suspend your contributions by calling the HELPLINE at 1-800-422-8463 or through the Account Access section of the Plan's Web site ([www.nysdcp.com](http://www.nysdcp.com)) and selecting Deferral Change, or by completing a Deferral Change form. All changes will be implemented as quickly as administratively possible. However, because of payroll timeframes, your deferral change may not occur for up to two payrolls.

### **What if I start contributing to the Plan in the middle of the year at a rate designed to result in a maximum contribution by year-end, but which if made for a full year would result in excess contributions?**

Your deferral rate will not be changed until you inform the Plan. If you want your deferrals taken more evenly throughout the year, you should adjust your deferral percentage. This can be done by calling the HELPLINE at 1-800-422-8463 or by accessing [www.nysdcp.com](http://www.nysdcp.com). Otherwise, your deferral rate will remain the same and payroll reductions will be automatically stopped when you reach your maximum contribution level. However, it is your responsibility to monitor the total contribution.

### **What if I have not contributed to the Plan for a while and have decided not to contribute in the future?**

You may keep your contributions in the Plan and continue to build savings for retirement. However, you may withdraw all or a part of your Plan account balance if your account balance is less than \$5,000, exclusive of any assets you may have in a rollover account, AND you have not contributed to the Plan in the last two years AND have not used this Plan provision before.

### **Are there situations that let me contribute more under the Plan?**

Yes, there are three ways you can contribute more to the Plan than the regular contribution limits would allow.

**Age 50 and Over.** You are eligible to contribute an additional \$5,500 in the year you attain age 50 and every year thereafter, except the years in which you are making Retirement Catch-Up contributions. However, if the maximum deferral permitted under the Age 50 and Over Catch-Up provision is greater than your Retirement Catch-Up amount discussed in the next paragraph, you may make deferrals up to the Age 50 and Over Catch-Up maximum deferral.

**Retirement Catch-up.** You may make "catch-up" contributions during the three consecutive years prior to the year you reach your Retirement Catch-up Age—an age you choose that is no earlier than the year in which you may retire without a reduction in benefits under your employer's retirement plan and no later than the year in which you reach age 70½. If you are a police officer or a firefighter, your Retirement Catch-Up Age may be no earlier than age 40. The amount you may contribute through the Retirement Catch-Up provision is the difference between the amounts you were eligible to contribute while an employee of the State or a participating employer and your actual contributions to the Plan. Assistance may be required to determine the exact amount you are permitted to contribute under this special Retirement Catch-Up rule.

**Military on Active Duty.** If you return to your employer after a period of qualified military service, you will have a limited right to make up contributions to the Plan that you could have made if you had been working for your regular employer.



# PLAN HIGHLIGHTS

## **When do I pay income taxes on my pre-tax contributions and their earnings (if any)?**

When you receive your benefit payments from the Plan, your benefit payments will be subject to federal income taxes as ordinary income. The payment of state income taxes will depend on your state of residence when you are receiving benefits from your Plan account. New York State residents who are at least age 59½ are eligible for a state income tax deduction of up to \$20,000 annually on benefit payments received from the Plan.

## **Are Plan benefit payments taxable to New York State residents?**

The payment of state income tax will depend on your state of residence when you are receiving benefits from your Plan account. New York State residents who are at least age 59½ and take payments over at least two calendar years are eligible for a state income tax deduction of up to \$20,000 each calendar year on distributions received from the Plan. This exemption includes benefit payments from the Plan after January 1, 2002 and is applied to the total amount of pension and annuity benefits received by the individual.

## **What is the federal income tax saver's credit and who is eligible to receive it?**

Low and moderate income savers who defer part of their salary to the Plan may be eligible for an income tax credit against their federal income tax. Tax credits are valuable since they reduce your tax liability dollar for dollar. This credit is claimed on the Participant's federal income tax return and applies to the first \$2,000 that is deferred. For more information about how the Saver's Credit may apply to your situation, please call the HELPLINE at 1-800-422-8463.

## **What happens to the money that is withheld from my paycheck?**

When you become a participant in the Plan, you will select how you want your contributions to be invested. More complete information can be found in the inserts which are included with this Enrollment Kit. You should carefully read any prospectus and other relevant investment information before you select your Plan investment options.

## **May I split my contributions among the different investment options?**

Yes. You may allocate your contributions in whole percentages among the various Plan investment options.

## **How do I exchange or reallocate amounts from one investment option to another?**

You may exchange existing balances from one Plan investment option to another, depending on restrictions imposed by the Plan. All exchange requests received prior to the close of the NYSE (normally 4 p.m. ET) will be processed at that day's closing price. Exchanges may be initiated by calling the HELPLINE at 1-800-422-8463 and accessing the VRU or by speaking to a HELPLINE Representative, or through the Account Access section of [www.nysdcp.com](http://www.nysdcp.com).

## **What happens to my Plan account if I am married and at some point get divorced?**

If under a court's decision or agreement, your former spouse has an interest in some or all of your Plan account, a Qualified Domestic Relations Order (QDRO) will need to be filed with the Plan. The QDRO will allow a segregated account to be set up for your former spouse. He or she may elect a lump sum distribution of these funds as soon as practicable after the account is established, or defer distribution until the participant separates from service or becomes age 50, whichever is earlier.

## **What if I take a job with another employer?**

If you leave state employment or your position with a participating employer, you have several options:

- You may receive payment of your Plan account through any of the payment options that are explained in the Benefit Distribution Request Form.
- You may continue to maintain your account with the Plan. Doing so will allow you to enjoy all the benefits of Plan participation including numerous investment options, tax-deferred growth of assets, and low fees.
- You may transfer all or a portion of your Plan account balance to your new employer's Section 457(b) eligible deferred compensation plan (if available), as long as the plan will accept the transfer.
- You may roll all or a portion of your Plan account balance to your new employer's 401(k) or 403(b) plan, as long as the plan will accept the transfer. Please note, the tax consequences, distribution options, investment options, and participation costs in a 403(b) or 401(k) plan may differ from the New York State Deferred Compensation Plan. You are encouraged to examine the requirements and limitations of any plan to which you may contemplate rolling over your Plan account balance.
- You may transfer your Plan account balance to an Individual Retirement Account. Again, you are encouraged to examine the tax consequences, distribution options, investment options, and participation costs associated with this option prior to transferring your Plan account balance.

## **Can I roll assets from another retirement plan to my NYSDCP account(s)?**

Yes, you can. Assets that you have in another qualified retirement plan, such as a 401(k) or 403(b) plan, an Individual Retirement Account, or another deferred compensation plan may be rolled over to the New York State Deferred Compensation Plan. The direct rollover of assets from another qualified retirement plan to the Plan is not an action that will result in the imposition of federal or state income taxes at the time of the transfer. Assets will be subject to federal and state income taxes upon distribution. Assets rolled to the Plan from another qualified retirement plan will be invested in the Plan's investment options that you designate.

## **Are assets that are rolled into the Plan available to me prior to separation from service with my public employer?**

Yes. Assets rolled into the Plan from another qualified retirement plan, other than assets rolled in from another deferred compensation plan, are separately accounted and, therefore, may be paid to you prior to your separation from public employment. Qualified retirement plans, deferred compensation plans and individual retirement accounts are all different, including fees and when you can access funds. Assets rolled over from your account(s) may be subject to surrender charges, other fees and/or a 10% tax penalty if withdrawn before age 59½. Neither NYSDCP, nor any of its representatives give legal or tax advice.

## Receiving Your Benefits and Plan Loan Provisions

### **When may benefit payments be made from the Plan?**

You are eligible to receive the distributions from your Plan account under the following circumstances.

1. Separation from service, including regular retirement.
2. Attainment of age 70½, even if you continue to work.
3. An unforeseeable financial emergency.
4. Small Inactive Account provision. If your Plan account balance is no more than \$5,000, excluding any assets that you may have in a rollover account, AND you have not contributed to the Plan in the last two years AND you have not received a distribution under this provision before, then a Small Inactive Account withdrawal is allowed but limited to \$5,000 and may be used only once.
5. Death.
6. A Plan loan.
7. Employees who are absent from employment for qualifying active military service. No deferrals are allowed until six months after the most recent distribution.

### **How may I receive my benefits?**

To initiate a benefit payout for any of the reasons above, call the HELPLINE at 1-800-422-8463, so that a Representative can assist you.

### **When may I receive my benefits after I retire or separate from service?**

Once you have a severance from employment and the Plan receives a termination of employment notice, you will be permitted to take a distribution immediately after leaving employment as long as a balance of \$500 remains in the account for 45 days after a severance from employment.

### **What are my benefit distribution options?**

Withdrawals for an unforeseeable financial emergency, from a Small Inactive Account, as a Plan loan, or to a participant absent from employment for qualifying military service are paid in a single lump sum payment.

You may receive benefits under the other eligible circumstances in numerous ways. You may take a one-time full withdrawal of your Plan account; establish a regular periodic payment of benefits to be paid monthly, quarterly, semi-annually or annually; take a partial withdrawal of your Plan account followed by monthly, quarterly, semi-annual or annual payments; or defer receiving your benefits to a later date. As long as there is a balance in your account, you may change your benefit payment option. You also have the ability each year to take up to 12 partial lump sum payments of at least \$100 per payment throughout your payment period when you need additional funds.

Periodic benefit payments may be paid to you as a fixed dollar amount or over a fixed period of time. If you elect to receive your benefits over a fixed period of time, the amount of each installment payment will take into account the investment performance of the option or options in which your Plan account was invested, and, therefore, may change with each payment. The amount remaining in your Plan account will remain invested in the option or options you select. You continue to have the same rights to exchange assets (transfer) among Plan investment options. You may elect to receive your installment or partial lump sum payments in the form of a check or an automatic electronic transfer to your bank account. The minimum periodic payment is \$100.



# PLAN HIGHLIGHTS

## **How are distributions paid from my account?**

Distributions are taken pro-rata from all the investments in your Plan account. However, you may direct the Plan to take distributions only from your assets in the Stable Income Fund.

## **When must I choose my distribution option?**

You are not required to make a decision when you leave employment, however, and may defer receiving benefit payments until you are age 70½. If you choose to defer payments, you will continue to have the opportunity to accumulate tax-deferred earnings until benefits are paid to you.

## **Is there a time when I must withdraw money from my NYSDCP account(s)?**

If you have separated from service with New York State or a participating employer, you must begin receiving payments from your account no later than April 1 following the close of the calendar year in which you attain age 70½. Of course, you may begin receiving payments sooner, if you wish, as long as you have terminated employment. While the "70½ rule" does not apply to Roth IRAs, it does apply to Roth 457 accounts.

## **What happens if I am still employed at age 70½?**

If you remain employed with New York State or a participating employer after you are age 70½, you may elect to receive your Plan benefits while you are employed or continue to defer benefit payments until you retire. You may continue to defer benefit payments only from the plan maintained by your current employer. If you decide to receive your Plan benefits, you may elect any of the distribution options previously discussed.

## **What happens if I die after I begin receiving benefit payments?**

If your account has not been fully paid to you prior to your death, the amount remaining will be paid to your named beneficiary. If you do not name a beneficiary, the amount remaining will be paid to your spouse. If you do not have a surviving spouse, the amount will be paid to your estate. The date when a beneficiary may or must begin to receive benefit payments and the maximum period over which benefit payments may be made depends on several factors.

Beneficiaries should contact the HELPLINE at 1-800-422-8463 for help in determining the benefit options available to them.

## **Do deferred compensation benefits reduce Social Security benefits?**

No. Your Social Security benefits will not be reduced because of your participation in or your benefits from the Deferred Compensation Plan.

## **What is "separation from service"?**

Separation from service occurs because of your voluntary or involuntary termination from employment, retirement, or death. A leave of absence or suspension from employment is not a separation from service.

## **What is an “unforeseeable financial emergency”?**

Federal regulations define an unforeseeable financial emergency as a financial emergency resulting from either illness, accident, or property loss to you, your dependents, or designated beneficiary resulting from circumstances beyond your control. Payments can only be made to the extent that the hardship expenses are not covered by insurance or money available from other sources. It is recommended that you speak to a HELPLINE Representative who can assist you to determine whether your situation is likely to qualify for an Unforeseeable Emergency Withdrawal. The process prescribed by law to qualify for an Emergency Withdrawal request is as follows:

Step One: You must complete the Unforeseeable Emergency Withdrawal form which is available on the Plan’s Web site or may be requested through the HELPLINE at 1-800-422-8463.

Step Two: You must prove that you have used other available savings and liquid assets and any insurance to satisfy the emergency.

Step Three: You must submit proof that you have incurred this financial loss.

Step Four: The Plan’s Administrative Service Agency will determine whether each request complies with the unforeseeable emergency withdrawal guidelines.

Step Five: Your request may be approved for up to the amount necessary to satisfy the financial emergency. Since upon distribution you must pay the applicable income taxes, the amount withdrawn to cover the emergency will be a sum that, when reduced by an estimate of such taxes, will leave you with the dollars needed to pay for the emergency.

Usually, a decision on the approval/denial of your Unforeseeable Emergency Withdrawal request will be made within one week of your submission of all the required paperwork, although the Plan allows for up to 60 days. If approved, the amount requested is normally sent to you within two business days, but the Plan allows for up to 30 days for a distribution.

## **Can I take a loan against my Plan account balance?**

Yes, the Plan permits loans to participants who are currently employed by the State or a participating employer or who are on an approved leave of absence. The loan cannot exceed the lesser of 50% of your Plan account balance or \$50,000 (coordinated with other employer plan loans).

Loans for general purposes must be repaid, with interest, within five years. The repayment schedule may be extended to up to 15 years if the loan is for the purchase of a primary residence. The interest rate is the prime rate, as published in the Wall Street Journal, plus 1%. Loan repayments are automatically deducted from your checking or savings account and deposited in your Plan account according to your most recent investment allocation.

You should carefully examine your financial options and/or consult with a financial planner or tax advisor before taking a loan against your Plan account. Please contact the HELPLINE for additional information about the loan program, including the loan origination fee, and insufficient fund and default fee.

Loans that are not repaid in accordance with the repayment schedule will be deemed to be a Plan distribution and will be subject to federal and state income taxes. For more information regarding treatment of defaulted Plan loans, see the Loan Program Highlights brochure or call the HELPLINE.

## **Can I withdraw my Plan account if I stop contributing?**

You may be able to take advantage of a one-time Small Inactive Account provision to withdraw your Plan account balance if you meet the following requirements:

- You are still working for your employer.
- You have a Plan account balance of less than \$5,000 excluding any assets you may have in a rollover account; AND
- You have not contributed at any time in the last two years; AND
- You have not used this provision before.

## **Special Provisions For Military Personnel**

Participants who are absent from employment due to qualified active duty military service and receive differential wage payments are treated as active employees for the purpose of participation in the Plan. This means that differential wage payments are treated as compensation that is eligible for deferral to the Plan.

Participants who are absent from employment for qualified active duty military service are treated as having separated from service for the purpose of being allowed to take a distribution(s) from their Plan account. It is important to note that a participant who elects to receive such a distribution may not make any additional deferrals to the Plan for a period of six months after the most recent distribution.

## **Enrolling in the Plan**

### **How do I enroll in the Plan?**

Enrolling in the Deferred Compensation Plan is one of the most important decisions you can make while working for New York State or a participating employer. An Enrollment Form is included in this Enrollment Kit. You may receive enrollment assistance by calling the HELPLINE at 1-800-422-8463 or meeting with an Account Executive.

Once you've completed the forms, just mail them to:

New York State Deferred Compensation Plan  
Administrative Service Agency  
PO Box 182797  
Columbus, OH 43218-2797

### **When will my payroll deductions start?**

Your enrollment application will be processed by the Administrative Service Agency upon receipt. Payroll deductions will be implemented as quickly as administratively possible. Because of payroll timeframes, your deferral change may not occur for up to two payroll periods.

### **What is the payment of Mutual Fund Reimbursements to Participants?**

All administrative mutual fund reimbursements paid to the Plan will be credited to the participants who are invested in the mutual fund that pays the reimbursement on the day the reimbursement is received, and credited to their accounts as soon as administratively feasible. The Plan cautions participants to select their investment options for reasons other than the availability of reimbursements. Funds that do not pay administrative reimbursements generally have lower expenses. A chart of the anticipated reimbursement rates is available in the enclosed Guide to Investment Options, Fees and Exchange Provisions.

## **What is the administrative fee associated with the Plan?**

Every participant receives many Plan services that are paid from Plan revenues including participant administrative fees and interest on Plan trust accounts. The Plan does not receive financial support from the State or any of the local governments that participate in the Plan. Transparency and uniformity are the two essential elements of the fee structure. Uniformity requires that participants with similar asset balances pay the same fee for the Plan services provided. Transparency means that it is easy for a participant to see and understand the fees they are paying. The Board has always insisted that Plan participants have easy access to fee information and that there be no "hidden" fees.

The administrative fee is a combination of a \$20 annual fee, paid in two \$10 semiannual installments, and an asset-based fee calculated on a percentage of the participant's account balance. The annual asset-based fee is estimated to be 4.5 basis points (\$4.50 per \$10,000 of account value) for fiscal year 2012–2013, paid in two 2.25 basis point semi-annual installments. A basis point is equal to one one-hundredth of one percent. The asset-based fee will be charged only on accounts with balances in excess of \$20,000. Account assets subject to the asset-based fee are capped at \$200,000. These fees are subject to change. Please refer to the Plan Web site or the HELPLINE for updated fee information. These fees are deducted from participant's accounts in April and October of each year. Fees are deducted prorata from each of the participant's investment options. Although included in the calculation of total fees, deductions will not be taken from outstanding loan balances or the Schwab PCRA Self Directed Investment Account.

The administrative costs for participating in the Plan are low when compared to other public employer-sponsored deferred compensation plans throughout the country. The Board has and will continue to control Plan expenses and maximize value to participants.

You pay no sales charges on the investment options. However, each of the funds offered by the Plan charges a fund operating expense that is deducted directly from the fund's daily price. These fees vary based on the fund selected. For a more complete description, please refer to the particular fund prospectus or the Guide to Investment Options, Fees and Exchange Provisions.

## **How do I keep track of my Plan Account?**

There are a few choices for you to track your account information. Once enrolled you will begin receiving email notifications when your quarterly account statements are available online, including your account balances and investment options performance information. Or, you may choose to receive printed statements mailed to your address of record.

Second, you may call the Plan's HELPLINE to obtain Plan account information through the automated Voice Response Unit (VRU). Frequently requested Plan account information is available directly from the VRU 24 hours per day. All you need is your Social Security number and Personal Identification Number (PIN) to access the VRU.

You can also access your account information through the Web site. Your Social Security number and birth date are all you need to set-up online account access. You may change your User Name on the Web site after you have created your online account access.



## Plan Services

The New York State Deferred Compensation Plan has developed a comprehensive range of services to meet your needs. Here are some of the services provided:

### **Toll-Free HELPLINE**

Personalized assistance is available when enrolling in the Plan and on an ongoing basis for answers to questions about your Plan account, making changes to your Plan account, and understanding your distribution options upon separation from service.

### **Automated Voice Response Unit (VRU)**

The VRU is available 24 hours a day, 365 days a year, and allows you to obtain basic account information, make changes to your Plan account, and much more.

### **Quarterly Plan Account Statement**

Each quarter you will receive a statement detailing your Plan account balance and all transactions that took place during the quarter.

### **Quarterly Plan Newsletter**

Along with your quarterly Plan account statement, you will receive a newsletter that will inform you of recent Plan changes or enhancements, provide you with articles on planning for retirement, and much more.

### **eDelivery Notifications of Quarterly Statement and Newsletter**

You may now elect to discontinue receiving paper statements in the mail and access your statements through the Plan Web site. When you "go paperless", you receive an email reminder when your quarterly statement is available. Electing paperless statements offers the following benefits:

- Quick and easy setup
- Electronic availability of everything you currently receive by mail
- Reduced clutter
- Ability to help the environment in an easy way
- The ability to switch back to paper statements at any time

### **Internet Access to Your Plan Account**

The Plan Web site, [www.nysdcp.com](http://www.nysdcp.com), is designed to provide you with information about the Plan and your Plan account. You can access basic account information, information about Plan investment options, forms, calculators, and more.

### **Statewide Account Executives**

The Plan has Account Executives who serve participants throughout the state. They are available to provide seminars and answer any questions you may have about the Plan.

### **Statewide Seminars**

The Plan's Account Executives offer seminars explaining the Plan throughout the state on an ongoing basis.

If you have any questions about the Plan, please call the toll-free HELPLINE at 1-800-422-8463.

While this kit is an overview of the Plan, the official Plan Document controls in the case of conflict or ambiguity. A copy of the official Plan document may be obtained from the Plan Web site or by calling the HELPLINE.

This kit contains information about the Plan and should be retained along with your quarterly Plan account statements for future reference. This information explains the Plan and the federal and New York State laws and regulations as in effect when this material was prepared for printing. These laws and regulations may change. Neither the New York State Deferred Compensation Board nor the Plan's Administrative Service Agency gives any legal or tax advice. If you need tax advice, consult your lawyer or accountant. If you need legal advice, consult your lawyer.

## Find More Information

Accessing your account information and getting help is easy. Take a look at the information below and then get started with your plan by taking the enrollment forms from the back pocket and fill them out.

### HELPLINE — Phone access 24 hours a day, 7 days a week!

When you call the HELPLINE at **1-800-422-8463**, you will be asked to enter your nine-digit Social Security number, followed by a four-digit Personal Identification Number (PIN). The first time you access the voice response system, enter your birth date as your temporary PIN (e.g., if your birth date is February 15, 1952 enter 02151952). Next you will be asked to enter a four-digit number that will become your PIN.

### Call 1-800-422-8463

The following is a guide to the menu functions of the HELPLINE:

#### 1 For Account Information

- 1 For account balance
  - 1 For total account balance
  - 2 For account balances of all funds
  - 3 For account balances of a specific fund
- 2 For share balances and prices of funds in which you are invested
- 3 To hear your current deferral amount and how that is being invested

#### 3 For Fund Information

- 1 For prices of available funds
  - 1 For prices of all funds
  - 2 For prices of specific funds
- 2 For interest rate being paid on the Stable Income Fund
- 3 For fund performance information

#### 2 To Process Transactions, Make Changes to Your Account, or Change Your PIN

- 1 For exchanges of existing balances
  - 1 To exchange a percentage from one fund to another
  - 2 For an end result exchange
- 2 To change how your future deferrals will be invested
- 3 To change the amount of your current deferral
- 4 To change your PIN

#### 4 To Order Information or Forms

- 2 To request a prospectus for a specific mutual fund
- 5 To order other forms

#### 5 For Help with the Automated System

In addition, the following are special keys that will help you navigate through the HELPLINE and can be used at any time and anywhere within this system by pressing the following:

- \* 0 To transfer to a HELPLINE Representative who is available 8 a.m. until 11 p.m. Monday through Friday and 9 a.m. until 6 p.m. on Saturdays, except holidays
- \* 6 To return to the previous menu
- \* 7 To replay a prompt
- \* 9 To end the call

# NEED MORE INFORMATION?

## Easy Web Access— 24 hours a day, 7 days a week!

You can get more information about your account at [www.nysdcp.com](http://www.nysdcp.com). To login to your account:

- Go to [www.nysdcp.com](http://www.nysdcp.com)
- Click the "Setup An Online Account" or "New User Setup" button and follow the easy steps (you may change your username after you have created your online access)

You can view and make changes to your account, make deferral/allocation changes, make fund exchanges, view pricing and performance of your funds, and make changes to your personal information and password. You can also access helpful planning tools such as a future value account estimator, a paycheck impact calculator, a retirement savings calculator, and an asset allocation tool.

## Administrative Service Agency Mailing Address

For more questions about your individual account or to send any completed forms, please write to:

New York State Deferred Compensation Plan  
Administrative Service Agency  
PO Box 182797  
Columbus, OH 43218-2797

## Phone

Toll Free (800) 422-8463  
Available 24 hours a day. Personalized assistance is available 8 a.m. to 11 p.m. Monday through Friday and 9 a.m. to 6 p.m. on Saturdays, except holidays.

TTY/TDD services are available toll free (800) 514-2447 — 24 hours a day.

## Web Site

[www.nysdcp.com](http://www.nysdcp.com)

New York State Deferred Compensation Board  
Empire State Plaza Concourse-North, Room 124  
Albany, NY 12220

The New York State Deferred Compensation Plan does not discriminate on the basis of disability in the provision of service or employment. If you need this material interpreted in a different form or if you need assistance using it, contact us at (800) 422-8463.

## Fund Identification Numbers

When requesting transactions or specific fund information through the HELPLINE, you will be requested to input a four-digit number that has been assigned to each of the Plan investment options. These numbers are provided below.

| FUND NAME   | NUMBER |
|---|--------|
| <b>Tier I - T. Rowe Price Retirement Funds</b>    |        |
| 2010.....   | 716    |
| 2015.....   | 717    |
| 2020.....   | 718    |
| 2025.....   | 719    |
| 2030.....   | 720    |
| 2035.....   | 721    |
| 2040.....   | 722    |
| 2045.....   | 723    |
| 2050.....   | 728    |
| 2055.....   | 729    |
| <b>Tier II - Core Investment Options</b>          |        |
| Columbia Acorn USA.....                           | 8730   |
| Davis NY Venture Fund A.....                      | 399    |
| Eaton Vance Large Cap Value.....                  | 815    |
| Federated Total Return Government.....            | 4521   |
| Fidelity Magellan.....                            | 193    |
| Fidelity OTC Portfolio.....                       | 195    |
| Hartford Capital Appreciation.....                | 3679   |
| International Equity Fund - Active Portfolio..... | 5025   |
| International Equity Fund - Index Portfolio.....  | 5030   |
| Federated Clover Small Value Institutional.....   | 2785   |
| Janus Fund.....                                   | 289    |
| Janus Fund N-shares.....                          | 976    |
| Perkins Mid Cap (Janus).....                      | 978    |
| MSIF Emerging Markets.....                        | 2766   |
| PAX World Balanced Institutional.....             | 413    |
| Principal Large Cap Growth.....                   | 4523   |
| Stable Income Fund.....                           | 2756   |
| T. Rowe Price Equity Income.....                  | 514    |
| Vanguard Capital Opportunity.....                 | 3224   |
| Vanguard Institutional Index.....                 | 740    |
| Vanguard Mid Cap Index.....                       | 8259   |
| Vanguard Small Cap Index.....                     | 5175   |
| Vanguard Primecap.....                            | 2765   |
| Vanguard Total Bond Index.....                    | 8261   |
| Vanguard Wellington.....                          | 8957   |
| Wells Fargo Advantage Small Cap Value Fund.....   | 4524   |

**Fund prospectuses can be obtained by calling (800) 422-8463. Before investing, carefully consider the fund's investment objectives, risks, and charges and expenses. The fund prospectus contains this and other important information. Read the prospectuses carefully before investing.**

## Ready to Enroll?

- Guide to Investment Options, Fees and Exchange Provisions
- Enrollment Form
- Newsletter
- Investment Performance Report (IPR)
- Business Reply Envelope





## Tell a Friend

**NYSDCP MAKES A DIFFERENCE!**

**[WWW.NYSDCP.COM](http://WWW.NYSDCP.COM)**

**HELPLINE: 1-800-422-8463**

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Administrative Service Agency  
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