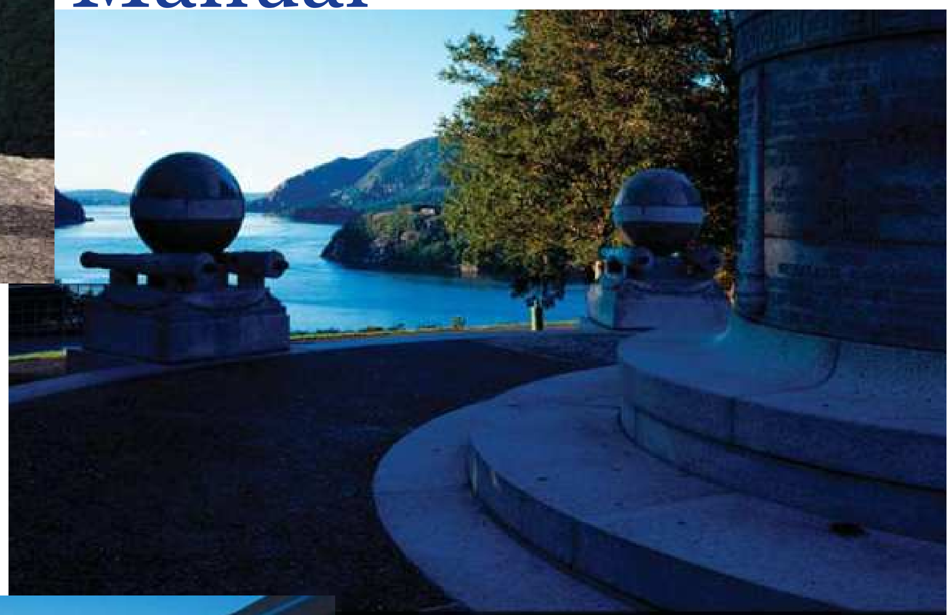
New York State Deferred Compensation Plan

2024 Administrative Manual



New York State
Deferred Compensation Plan
A Plan for Your Future

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ABOUT THIS MANUAL

This manual describes the administrative procedures the Plan's Administrative Service Agency follows in performing services for The New York State Deferred Compensation Plan. The Manual is general in nature and does not describe all Plan administration tasks. For those tasks that are described, it may not describe the task completely. Also, to make this Manual easier to understand we've tried to avoid technical and legal language. Nothing in this manual can change the provisions of the Plan, any Plan Investment Option, or the terms of the Administration Service Agreement or New York law.

DEFINITIONS

Throughout this Manual, each of the following words or terms has the meaning stated or provided below.

457 Plan means an eligible deferred compensation plan as defined under Section 457(b) of the Code.

Account means each separate account established and maintained for each Participant, Beneficiary or Alternate Payee and includes each pre-tax deferral account, designated Roth account, and rollover accounts.

Account Executives means an employee of the Administrative Service Agency who meets the criteria and performs the duties described in the Account Executives section of this manual.

Account Participant means each Participant, Beneficiary, Surviving Spouse, Alternate Payee or other individual with an account.

Alternate Payee means any spouse, former spouse, child or other dependent of a Participant who is recognized by a qualified domestic relations order as having a right to receive all, or a portion of, the benefit payable under the Plan with respect to such Participant.

Administrative Service Agency means the Administrative Service Agency engaged by the Board to provide administrative services to the Plan under the terms of the Administrative Service Agreement effective April 1, 2016.

Beneficiary means the person (or persons) designated by a Participant or a surviving spouse of a Participant to receive the amount payable on the Participant's or surviving spouse's death.

Board means the New York State Deferred Compensation Board.

Business Day means a day that is not a Saturday, Sunday or other day on which the New York Stock Exchange is closed, except Good Friday.

Code means the Internal Revenue Code of 1986 as it may be amended from time to time.

Contract Year means the 12-month period beginning April 1st and ending the next March 31st.

Employer means the State and each Participating Employer.

Financial Organization means an organization satisfying the Board's criteria for a Financial Organization that is selected by the Board to provide Investment Options for the Plan.

HEART Act means the provisions of the Heroes Earnings Assistance and Relief Tax Act of 2008.

In Plan Roth Rollover means a conversion of funds from pre-tax account(s) to a Roth Account.

Investment Option means an investment alternative selected by the Board which is available to Participants for investment of some of all of the assets allocated to their accounts.

Manual means this document which describes the Administrative Service Agency's administrative procedures. The Administrative Service Agency delivers an updated draft of the Manual to the Board by January 15th preceding each Contract Year and a final version by the first day of the contract year.

Participant means an employee or former employee who has a Plan account.

Participating Employer means a public employer as defined in Section 5 of the State Finance Law which has elected to join the Plan.

Participation Agreement means an agreement, in either a written or electronic format, between an employee and an Employer in which the employee elects to reduce his or her compensation and to have the amount deferred contributed to the Plan.

Plan means the Deferred Compensation Plan for Employees of the State of New York and other Participating Public Jurisdictions.

Qualified Domestic Relations Order means any judgment, decree or order including but not limited to approval of a property settlement agreement which has been determined by the Administrative Service Agency to meet the requirements of a qualified domestic relations order within the meaning of Section 414(p) of the Code.

Resolution means a course of action determined or decided on.

Review Committee means the committee designated by the Board to review claims under the Plan as described in the Claims Decisions and Review section of the Manual.

Roth Contribution means employee deferral contributions to the Plan that are designated as Roth contributions and are not deducted from the participant's taxable income.

State means the State of New York.

Tax Sheltered Annuity means a retirement plan that qualifies under Section 403(b) of the Code and includes both annuity and custodial arrangements.

Trustee means the Trustee or Trustees of the Plan as selected by the Board.

USERRA means the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994.

Vesting means the non-forfeitable portion of a Participant's account. Each participant account shall be 100 percent vested at all times.

Voice Response Unit (VRU) means the automated Voice Response Unit.

WRERA means the provisions of the Worker, Retiree, Employer Recovery Act of 2008

EMPLOYEE ELIGIBILITY AND ENROLLMENT

Eligibility

An individual employed either by the State or a Participating Employer is eligible to elect to participate in the Plan. This includes:

- An elected or appointed officer or employee;
- An officer or employee of an institution under the management and control of Cornell or Alfred University, as a representative of the Board of Trustees of the State University; or
- An employee covered by a collective bargaining agreement providing for participation in the Plan.

Temporary and part-time employees are eligible to elect to participate in the Plan.

There is no maximum or minimum age requirement for eligibility nor is there a service requirement.

An independent contractor is not eligible to participate in the Plan.

Participation

An eligible employee may elect to begin participation at any time following their date of hire.

Account Executive Assistance

Account Executives are available to assist eligible employees through the enrollment process.

Self Enrollment

Eligible employees may enroll in the Plan using the online application. The application walks users through identification of the key information required for establishing an account including their employer and affiliated employer number in the Plan. It also provides assistance to the user in determining a contribution amount/percentage and appropriate investment allocation.

An employee may choose not to meet with an Account Executive or use the online application, and instead may request an enrollment kit from the Employer, from the Plan's HELPLINE or download one from the Plan Web site. The enrollment form is enclosed in the kit and is also available in a fillable PDF format on the Plan web site. Formless online enrollment is also available on the Plan website. The Administrative Service Agency mails enrollment kits by the third business day following the date the request is received. The kit contains the appropriate forms and instructions.

If an employee has any questions while completing the enrollment forms, the employee may call the HELPLINE for assistance. Upon completion, the Participant may fax the form to 877-677-

4329 or mail the enrollment form to the Administrative Service Agency at:

The New York State Deferred Compensation Plan
Administrative Service Agency
P.O. Box 182797
Columbus OH 43218-2797

Review and Confirmation

After the employee decides the appropriate level and type of deferral and chooses Plan investment vehicles, they may complete an enrollment form providing personal information, investment options, beneficiary designations and deferral amount. All enrollment documents are forwarded to the Plan's Administrative Service Agency for completion of the enrollment process. Enrollments in good order are processed within two business days of receipt.

Copies of original documents may be retrieved by calling the HELPLINE.

The Administrative Service Agency's Participant Enrollment Services department reviews all documents received for completeness and internal consistency. After confirming the enrollment transaction, the Administrative Service Agency performs a Good Order Review to verify that the enrollment is complete and accurate. When processing is complete, the Participant receives a written confirmation from the Administrative Service Agency of their enrollment in the Plan.

When an application is incomplete or contains an internal inconsistency, the Administrative Service Agency will notify the employee of the information that is necessary to complete the enrollment process within 2 business days.

The Administrative Service Agency will provide a report to the participating employer prior to commencement of regular payroll deductions. The report will include the Participant's name, social security number and the type and amount or percentage of deferral.

Deferrals should commence in the month following the receipt of the enrollment application. Any initial and subsequent deferral request must be made no later than the last day of the month prior to the month it is to take effect. An exception exists for a new employee who makes an election to defer compensation prior to their first day of service. Participants who submit an enrollment application by the 10th day of the month will generally have deferrals commence by the first payroll period of the following month.

ADMINISTRATIVE FEES &

ADMINISTRATIVE REIMBURSEMENTS

Administrative Fees

The Plan collects an administrative fee from each participant's account every April and October. The annual fee is equal to $20 per participant account plus an asset-based fee as determined by the Board. The asset-based fee applies to all assets in a participant's account including loans and assets held in the PCRA window. Accounts with less than $20,000 in assets are exempted from the asset-based fee. The asset-based fee is not applied to that portion of account balances that exceed $200,000.

Administrative Reimbursements

Mutual fund reimbursements paid to the Plan are payable to the participants who are invested in the mutual fund that pays the reimbursement on the day the reimbursement is confirmed. These reimbursements will be credited to accounts as soon as administratively feasible. Not all investment options pay reimbursements to the Plan.

CONTRIBUTION PROCESSING

Payroll Deduction Transmittal Information

Funds may be remitted to the Trustee in accordance with the Employer's payroll schedule either by electronic transfer or check. Funds should be transferred to the Trustee as promptly as possible, but no later than two business days after the applicable payroll date.

We offer FastPay remittance and ACH (debit or credit) transfers to complete your payroll deductions online, through paperless transactions and filing. The system is easy to use and intuitive with no special software required. To set up FastPay, please contact our Technical Support Team at 877 496-1630**. FastPay is the preferred method of submission and should be used unless it is not administratively feasible. Sending physical checks is <u>strongly</u> discouraged due to longer processing times and a high margin of error.**

Checks are made payable to "New York State Deferred Compensation Plan" and are mailed to:

NYSDCP Receipts
PO BOX 360342
Pittsburgh, PA 15251-6342

Any ***overnight*** mail via Airborne, Fed Ex, or UPS should be sent to the following address:

NYSDCP Receipts Attn: 360342
500 Ross St. 154-0455
Pittsburgh, PA 15262-00001

Wire instructions:

The Bank of New York Mellon
ABA # 021000018
Acct # 2100468400
Name: Contribution Account

ACH Credit instructions:

The Bank of New York Mellon
ABA # 021000018
Acct # 6310254000
Account Title/Name: NY State Contribution Account

The Administrative Service Agency can receive payroll details using, electronic transfer or hard copy. If a hard copy detail and a check are to be submitted together, both should be mailed to the lock box:

NYSDCP Receipts
PO BOX 360342
Pittsburgh, PA 15251-6342

Hard copy detail without a check can be faxed to 877-677-4329 or mailed to:

The New York State Deferred Compensation Plan
Administrative Service Agency
P.O. Box 182797
Columbus OH 43218-2797

Or Overnighted to:

The New York State Deferred Compensation Plan
Administrative Service Agency DSPF-F2
3400 Southpark Place, Suite A
Grove City, OH 43123-4856

Email:

Currently, email submission is not a viable option due to security concerns. If email is the desired option, please contact the HELPLINE or contact the payroll processing department directly at NDCRECV@nationwide.com (the email address must use capital letters as shown).

Fax:

(877) 677-4329 (faxes are the least desirable method, as they can be difficult to read)

Questions:

Employer Hotline 1-877-334-3424

Format

A hard copy remittance format should include the name, full social security number, and the dollar amount of the deferral of each Participant including the amount of pre-tax deferrals and the amount of designated Roth contributions, with the Participants listed by social security number with the respective pay date. A separate sheet is required for Roth Contributions. Separate totals should be included on both sheets (Employee Pre-tax and Roth Contributions), but a single check, wire or EFT can be used for dollar submission.

For electronic transmission, the format is either a flexible format compatible for use by the Administrative Service Agency or in the Administrative Service Agency's standard format (see below).

Standard Format

(For Electronic Transmission)

Field Name	Field Size (Bytes)	Field Start	Field Type	Format	Picture Comments
DETAIL RECORDS					
Employer ID	5	01	N	9(5)	**REQUIRED**
Pay Cycle	2	06	C	X(2)	N/A
IRS Code	4	08	C	X(4)	N/A
Money Type	2	12	C	X(2)	N/A
Social Security Number	9	14	C	X(9)	**REQUIRED**
Pay Date	6	23	N	9(6)	**REQUIRED YYMMDD**
Employee Dept. #	10	29	C	X(10)	N/A
Employee Number	10	39	C	X(10)	N/A
Participant Name	23	49	C	X(23)	Any order, but usually Last, First, M
Deduction Amount	9	72	N	S9(7)V99	**REQUIRED** (implied decimal)

Notes:

N/A:	Not applicable but allowed.
Employer ID:	Supplied (last five digits of 6-digit employer code)
Pay Cycle:	01
IRS Code:	457b
Money Type:	‘01’ = Pre-Tax, ‘02’ = Roth Contributions
Pay Date:	YYMMDD
Employee Dept. #:	Employer supplied department number (may be blank).
Employee #:	Employer supplied Employee # (may be blank)
Participant Name:	Any order, but usually Last, First, MI
Deduction Amount:	Contribution amount (nine total characters including cents)
Field Types:	**C**=Character (alpha numeric, left justified) **N**=Numeric (zoned, signed, decimal implied, right-justified)

General Processing

The Administrative Service Agency correlates the receipt of payroll detail and the remittance of funds from each Employer for each payroll period. If either is received without the other, an inquiry is made to the Employer and further processing is suspended until the missing item is received.

Upon receipt of payroll detail, the Administrative Service Agency audits the Participant data versus the data on the system for quality control. This involves verifying that the individual Participant data supplied by the Employer matches the Participant data previously captured on the system through the enrollment process. The data verified includes items such as Employer name, Participant name, social security number, etc. The Administrative Service Agency contacts the Employer for assistance with any discrepancies.

The detail summary total is reconciled to the funds received by the Trustee. The Employer is contacted for assistance with any discrepancy.

Once the payroll has been edited and reconciled, it is processed through the system. Every Participant's pre-tax deferral and designated Roth contribution, if applicable, is allocated to the appropriate investment option based on the allocation information stored on the system and posted to the Participant's account.

The Administrative Service Agency processes payroll detail received in good order and gives investment direction to the Trustee and appropriate investment option providers within two business days of the date of receipt of both payroll detail and funds.

Participant accounts are reconciled and updated for all income, gains, losses, distributions and expense charges on a daily basis. Processing of dividends may be delayed by one or two business days.

Negative Deferrals

Negative deferrals will be accepted in relation to a participant's account where the participant is an active employee of the employer submitting the negative deferral and the participant's account balance is equal to or greater than the negative deferral amount. An employer may not submit a negative deferral in relation to any employee later than 30 days after the employee has terminated his or her employment with the employer, except as provided below.

Negative deferrals submitted later than 30 days after the participant's termination date will only be accepted if the account balance in the participant's account is equal to or greater than the negative deferral amount or, in the event that the account balance of the participant's account is less than the negative deferral amount, if the employer submits documentation that is acceptable to the Administrative Service Agency that explains the extraordinary circumstances that require the negative deferral to be accepted.

When a participant requests a distribution, the Administrative Service Agency will request the termination of employment date from the employer. The Administrative Service Agency will remind the employer that no negative deferrals may be submitted on behalf of such participant later than 30 days after the participant's termination date.

CONTRIBUTION LIMITS

Regular Contributions

Participants in the Plan are allowed to make regular contributions up to 100% of salary after required salary deductions such as FICA taxes, other pre-tax deductions, retirement system contributions, health insurance premiums, union dues, etc, are made.

The minimum is 1% of salary but must be at least $10 per pay period for an annual minimum of $260 if enrolled for the entire calendar year. For OSC-paid employees, the elected percentage is applied to the participant's gross compensation less any pre-tax deductions, subject to the limitations above.

Example:

> A Participant with a gross compensation of $25,000 must defer at least $260, the greater of (a) $250 (1% of gross compensation) or (b) $260.

The maximum dollar contribution is $23,000 in 2023. Differential pay for participants who are on qualifying active military duty is eligible to be deferred to the Plan.

Contributions made by non-New York residents may be subject to the income taxes in the state where they live. Non-New York residents should carefully review the income tax laws of their state of residence.

Roth designated contributions are deducted from a participant's pay on an after-tax basis unlike regular pre-tax deferral contributions that reduce the gross taxable income. Roth contributions need to be designated separately and cannot be re-classified as a regular pre-tax deferral once made. Both Roth and pre-tax 457 contributions are combined in order to determine the maximum contribution limit. Roth designated contributions can only be accepted from employees of employers who have elected to allow Roth designated contributions.

Age 50 and Over Catch-up Contributions

In the calendar year in which a Participant reaches age 50 and each year thereafter, a Participant may make Age 50 and Over Catch-up Contributions. For the calendar year 2024, the Age 50 and Over Catch-up contribution limit is $7,500; therefore, a Participant who will be age 50 or over during 2024 may contribute a combined maximum of $30,500 between regular contributions and Age 50 and Over Catch-up contributions.

The Age 50 and Over Catch-up contributions are in addition to regular contributions but may not be made in any year in which Retirement Catch-up contributions are being made.

The participant is only required to submit the Age 50 and Over form once.

Retirement Catch-up Contributions

A Participant may make Retirement Catch-up contributions to the Plan during any three consecutive years prior to a year in which the Participant may retire without a reduction in retirement benefits. Retirement Catch-up contributions are in addition to regular contributions.

The maximum Retirement Catch-up contribution that may be made in 2024 is $23,000 for a combined total of $46,000 between regular contributions and Retirement Catch-up contributions.

The Retirement Catch-up provision cannot be used at the same time as the Age 50 and Over Catch-up provision. However, if the maximum deferral permitted under the Age 50 and Over Catch-up provision is greater than their Retirement Catch-up amount, deferrals up to the Age 50 and Over Catch-up maximum deferral may be made.

Retirement Catch-up Eligibility

To be eligible to make Retirement Catch-up contributions, the Participant must designate a "Retirement Catch-up Age", (RCA), and determine the amount by which contributions to the Plan in previous years was less than the maximum annual contribution limit that the Participant was eligible to defer (Underutilization).

A Participant wishing to designate an RCA and determine their underutilization of the prior years' contribution limits should contact a Helpline Representative or an Account Executive to obtain the necessary Retirement Catch-up paperwork.

The Participant must complete, sign and return the forms to the Administrative Service Agency. Although a Helpline Representative or Account Executive may assist the Participant in completing the Retirement Catch-up forms, the Participant remains solely responsible for ensuring that their Retirement Catch-up contributions comply with the applicable limitations.

Retirement Catch-up Age

The Participant must designate an RCA that is any year in which the Participant may retire without a reduction in pension benefits from the retirement system of which he/she is a member. However, Retirement Catch-up Age may be no later than the year the Participant will become age 72 or, if the Participant is a police officer or firefighter, no earlier than age 40. A participant may not make Retirement Catch-Up contributions in their designated RCA year or the year they turn 70½ or later. If the Participant is not a member of the retirement system, then his/her RCA can be any age between 65 and 70½. The Participant does not have to retire in the year he/she designates as his/her RCA. The designation of an RCA is only made once and is irrevocable even if the catch-up limit is not used.

Example:

A Participant who will be eligible to retire in 2026 without a reduction in retirement benefits is eligible to make Retirement Catch-up contributions during 2023 ,2024 and 2025. A Participant who does not participate in the retirement plan can designate any age, from age 65 to 70 1/2, as his or her RCA. If the

Participant designates age 65 as their RCA, and they will attain age 65 in 2026, they are eligible to make Retirement Catch-up contributions in 2023 ,2024 and 2025.

Retirement Catch-up Limits
In each of the three Retirement Catch-up years, a Participant's Retirement Catch-up contributions are limited to the lesser of (a) the maximum permissible amount for that year $23,000 in 2024 or (b) is the amount by which contributions to the Plan in previous years was less than the maximum that the Participant was eligible to contribute (Underutilization).

Example:

A Plan Participant applies to make Retirement Catch-up contributions. It is determined that during the years he/she was eligible to participate in the Plan, they could have contributed $46,000 but contributed only $20,000. Their Plan underutilization of regular contributions is therefore $26,000. They may make Retirement Catch-up contributions in each of the three consecutive years prior to their designated RCA in an amount not to exceed the amount allowable in that year ($23,000 in 2024)) and not to exceed the full $26,000 over the three-year period.

The determination of the maximum Retirement Catch-up deferral amount is limited to the Plan years during which the Participant was eligible to participate in the Plan. An increase in the regular contribution limit (and therefore the Retirement Catch Up limit) may require a recalculation of the maximum Retirement Catch Up deferral amount. The Administrative Service Agency will notify participants in the Quarterly Newsletter or with a posting on the Website in the event that the maximum Retirement Catch Up deferral amount is increased as a result of an increase in the regular contribution limit. If the participant wants to use the increased Retirement Catch Up amount, they will need to notify the HELPLINE and sign an amended Retirement Catch-Up form.

USERRA Restoration Deferrals

A Participant who is re-employed after a period of qualified military service as that term is defined in USERRA may make restoration deferrals in excess of the regular and catch-up limits. The maximum amount of restoration deferrals is the amount of deferrals the Participant could have made during his or her period of qualified military service if the Participant had continued employment with the Employer.

For the purpose of calculating the maximum restoration deferral, the Participant's average compensation during the 12-month period preceding the qualified military service is used.

The time limit for making restoration deferrals is the lesser of (a) the period of qualified military service times three or (b) 5 years.

A Participant who believes he or she is eligible to make restoration deferrals may obtain the appropriate forms by calling the HELPLINE, through the Plan Web site or from an Account Executive. Although an Account Executive may assist the Participant in calculating his or her restoration deferral limit, the Participant remains solely responsible for ensuring that such contributions comply with the applicable limitations.

Monitoring the Limits

The Administrative Service Agency provides a quarterly report beginning with the second quarter of the calendar year listing those Participants whose rate of contributions would, on an annual basis, exceed the regular and/or Catch-up limits. The report is provided to the Board and the State (upon request),and to each participating Employer within 15 business days of the beginning of the second, third and the fourth quarter of the calendar year.

PORTABILITY OF DEFERRED COMPENSATION ASSETS

Transfer of Assets Into the Plan (Incoming Rollover)

A Plan Participant can transfer all or part of an account established under another deferred compensation plan, a 401(a), 401(k) or 403(b) plan, Keogh Plan, traditional IRA or conduit IRA to the Plan. The Participant is solely responsible for ensuring that the amount to be transferred to the Plan was deferred under a governmental 457 Plan or contributed pursuant to the 401(a) or 401(k) or 403(b) plan or to the Keogh Plan, traditional IRA or conduit IRA pursuant to Internal Revenue Code guidelines as appropriate. If the account transferred to the Plan is from a governmental 457(b) plan, the distributions from the rollover account will be treated as the other distributions from this Plan. The Plan only accepts rollover of pre-tax amounts from the aforementioned types of plans, except as provided below.

Effective July 1, 2011, the Plan accepts rollovers of Roth designated accounts from other plans that offer a Roth feature, including other governmental 457 plans and 401(k) plans. Only participants whose employer has elected to allow Roth designated contributions may elect to roll in Roth designated contributions from other plans. Rollover of Roth designated contributions must be directly rolled over the Plan.

Record-keeping procedures will vary depending on whether the rollover is a direct or indirect rollover. In the case of a direct rollover, the distributing plan will be required to provide information regarding the tax status of the distribution and other relevant information. These rules are discussed in the following section.

Participants may request the appropriate transfer request form from the HELPLINE, the Plan web site or an Account Executive.

Transfers may be sent directly by the former Administrator or IRA institution into the NYSDCP.

The completed form and check from the other Plan should be made out to the New York State Deferred Compensation Plan, for the benefit of (FBO) the Participant and mailed to:

NYSDCP Receipts
PO BOX 360342
Pittsburgh, PA 15251-6342

Transfers from the Plan (Outgoing Rollover)

A Participant who is eligible for a distribution of benefits and enrolls in another governmental 457 plan or a 401(a), 401(k) or 403(b) plan or a Keogh plan, traditional IRA or conduit IRA, may transfer all or part of their pre-tax New York State Deferred Compensation Plan account to the other plan, as long as the other plan accepts such transfer. A participant aged 59½ or older who continues to be employed by the State or a participating employer is eligible for a distribution, and therefore, may transfer all or part of their Plan account to another plan. Beneficiaries of the Plan participant may transfer their beneficiary assets to an IRA.

The Participant may request the appropriate transfer request form and materials from the HELPLINE, the Website or an Account Executive. The Plan to which Plan assets are being transferred may also require the Participant to complete a transfer request form.

The Participant is not liable for the payment of income taxes on assets that are transferred provided the assets are transferred directly from the plan to the other governmental 457 plan, a 401(a), 401(k), 403(b) plan or a Keogh Plan, traditional IRA or conduit IRA. The participant would be liable for payment of income taxes on assets directly rolled over to a Roth IRA.

If the Participant is subject to a Required Minimum Distribution (RMD), the RMD must be met before the transfer or rollover request is processed.

A participant who is eligible to take a regular distribution may be able to roll Roth designated funds to a Roth IRA or another employer plan offering a Roth program. In most cases, they would be eligible to receive a distribution after separation of service, attainment of age 59½, as a Small Inactive Account Distribution or a distribution under the HEART Act. Unforeseeable Emergency withdrawals, RMDs, and periodic payments of ten years of more do not qualify as a rollover distribution.

Roth Rollovers to other employer plans that offer a Roth feature can be direct or indirect. If the distribution does not meet the conditions to be a Qualified Roth distribution, the Plan will supply the amount that would be taxable if not rolled over, the age of the participant and the year of the first Roth deferral. This allows the receiving plan to give credit for any years already earned toward meeting the five-year holding period. Qualified distributions will be rolled over and recorded on a tax-free basis in the receiving plan.

Roth Rollovers can also be made to Roth IRA accounts. The required five-year holding period to be a Qualified Roth distribution starts in the tax year the rollover is made regardless of the number of years of participation under the distributing plan. However, if the taxpayer had previously established any Roth IRA accounts, including the account receiving the rollover, the year the Roth IRA(s) was established would be used as the first tax year for determination of Qualified distributions. A direct rollover would be the preferred approach.

Indirect rollovers occur when the participant takes possession of the distribution instead of a direct plan to plan rollover. This method is generally not advantageous since the only amount that can be rolled over would be the portion that is subject to income tax if not rolled over and the participant would not get credit for any years of participation under the previous plan. Indirect rollovers are also subject to mandatory federal withholding taxes.

The Plan allows In-Plan Roth Conversions for participants whose employer has elected to allow Roth designated contributions. In-Plan Roth Rollovers are only available from pre-tax balances and for amounts eligible to be received as a regular distribution. This includes payments due to separation of service, attainment of age 59½, or a distribution under the HEART Act.

Any pre-tax balance is eligible for an In-Plan Roth Rollover. RMDs, outstanding loans or periodic distributions over 10 years are not eligible. The In-Plan Roth Rollover does not require an actual distribution of funds and is accomplished by an internal transfer of funds to an In-Plan Roth Rollover Account. Indirect rollovers are possible, but an eligible distribution must be rolled back into the Plan within 60 days (not the preferred method.) Only a Participant, Surviving

Spouse or Spousal Alternate Payee accounts are eligible. The amount of the In-Plan Roth Rollover is subject to ordinary income taxes. The decision to create an In Plan Roth Rollover is irrevocable and may not be reversed. It is highly recommended that any participant who is contemplating an In Plan Roth Rollover consult with their own tax advisor

QUARTERLY STATEMENTS

Mailing Date

The Administrative Service Agency mails an individual account statement to each Participant's address of record no later than the 15th business day following the last day of each calendar quarter. Upon participant request or decision to "opt-out", a notification of availability of account statements on the Plan Web site may be delivered electronically in lieu of conventional mail.

Information on the Statements

The statement will, among other items, list beginning and ending balances during that quarter.

Additional Information

In addition to the statement, the quarterly mailing of a hard copy or electronic statement will include a copy of the New York State Deferred Compensation Plan Newsletter and a performance summary of the Plan's investment options and other materials of interest to Participants.

On-line Quarterly Statements

Quarterly Participant statements are available in the secure portion of the Plan web site.

Employer Statements

The quarterly employer statement provides a snapshot of the activity that has occurred during the quarter. The primary purpose of the employer statement is to detail the investment activity related to the employer and to create an investment record. Upon employer request, employer statements may be electronically delivered to the employer.

Hardcopy Statement Opt Out

Participants may elect to opt out of receiving hardcopy statements at the time of enrollment or by completing an "opt out" form and returning it to the HELPLINE or registering online. The Paperless Statement Agreement form is available online or by contacting the HELPLINE. Each quarter, the participant will receive an email indicating their statement is available for viewing on the Plan website. If the announcement email is returned as undeliverable, a letter will be mailed to the participant requesting an updated email address. If no response is received, they will be removed from the email list, but their statements will continue to be viewable on the Plan website.

ADMINISTRATIVE PROCESSING

Deferral Changes

A Participant may increase, decrease, suspend or discontinue pre-tax deferrals or designated Roth contributions by calling the HELPLINE and using the Automated Voice Response Unit or by speaking to a HELPLINE Representative, through the Plan web site, or by completing a deferral change form and mailing it to the Administrative Service Agency. The Administrative Service Agency will advise the Participant's employer of the deferral change so that it can be reflected on the Participant's paycheck. When processing is complete, the Participant will receive a written confirmation of the deferral change. The Participant is solely responsible for reviewing the confirmation and ensuring that the contribution change is in accordance with the Participant's instructions.

Deferrals should commence in the paycheck where it is administratively feasible based on the number of days prior to the paydate that each employer requires to update their records. This varies by employer, but is generally not more than 16 days prior to each payroll.

Designated Roth contribution amounts are separately accounted from pre-tax contributions.

Allocation Changes (Investment of Future Contributions)

A Participant may change the allocation of future deferrals by calling the HELPLINE, using the Automated Voice Response Unit or by speaking to a HELPLINE Representative or through the Plan web site. Designated Roth contributions must be invested using the same investment directions as pre-tax contributions. The Participant is solely responsible for reviewing the confirmation and ensuring that the allocation change is in accordance with the Participant's instructions. Errors found by the Participant must be brought to the attention of the Administrative Service Agency within sixty (60) days.

Allocation changes will be processed on the day of receipt, if received prior to the close of the New York Stock Exchange, or the next ensuing business day.

Exchanges Between Existing Assets

A Participant may exchange all or part of any existing Plan account, in any multiple of one percent or in whole dollars, among one or more of the Plan's investment options.

A Participant may exchange assets by calling the HELPLINE and using the Automated Voice Response Unit or by speaking to a HELPLINE Representative or through the Plan web site. A request for an exchange between investment options received prior to the close of the New York Stock Exchange will be processed with that day's closing fund share price. Requests received after the close of the New York Stock Exchange will be processed at the close of the next business day.

A written confirmation of an exchange transaction is mailed to the Participant's address of record by the third business day following the date of transfer. The Participant is solely responsible for reviewing the confirmation and ensuring that the exchange transaction is in accordance with the Participant's instructions. Errors found by the Participant must be brought to the attention of the Administrative Service Agency within sixty (60) days.

An exchange of assets may be made on any business day with the following restrictions:

1. Each mutual fund may impose exchange limitations that are generally included in the prospectus of the fund. Exchanges in excess of those limitations may result in restrictions being placed on the account of the Participant or the rejections of an exchange request.

2. In conjunction with the Administrative Service Agency, the Plan has approved a Frequent Trading Policy to prevent potential detrimental impacts of excessive trading. The policy is enforced as follows: If participants make six or more trades over one calendar quarter, they will receive a warning letter. If participants make 11 trades over two consecutive quarters, they must send their exchange requests through the U.S. mail for the remainder of that year. If participants reach 20 trades in one calendar year, all future trade requests must be submitted through the U.S. mail for the remainder of that year. At each calendar year-end, the "counter" is reset to zero for all participants.

3. The Administrative Service Agency may reject an investment direction from a Participant if the requested transaction would be contrary to the rules, regulations or prospectus of the investment fund.

Short Term Trade fees may be imposed by the underlying mutual fund in coordination with or in lieu of trading restrictions. Participants are advised to review the prospectus carefully.

In-Plan Roth Rollover

An employee, surviving spouse or spousal alternate payee of participating employers who have elected to allow employees to make Roth designated contributions may request an In-Plan Roth Rollover. In-Plan Roth Rollovers must be taken from pre-tax assets and made as a lump sum. A participant who has not severed employment is permitted to have all or any portion of their Plan account, not otherwise distributable under the Plan directly rolled over into a separately maintained account within his or her Roth account. Participants who have separated service, attained age 59½, receive a Small Inactive Account Distribution, distribution due to the HEART Act, or whose assets are from a rollover account that are eligible to be distributed are eligible to request an In-Plan Roth Rollover. Beginning in 2013, any pre-tax balance will be eligible for an In-Plan Roth Rollover. Required Minimum Distributions, Unforeseeable Emergency withdrawals and distributions over 10 years or more are not eligible for an In-Plan Roth Rollover. Amounts are generally not actually distributed from the Plan but are converted internally. Indirect conversions are possible but are not preferred. Full and partial conversions are allowed. Amounts converted are subject to ordinary income taxes in the year of the conversion. Once a conversion is processed, it is irrevocable and cannot be reversed. Anyone considering an In-Plan Roth Rollover is strongly encouraged to consult with their own qualified tax adviser.

Name/Address/Beneficiary Changes

To change a name, the Participant must complete the appropriate form. To change an address or a beneficiary designation, the participant may complete a form, provide the new address to a HELPLINE representative or make the change on the Plan Web site. The form may be obtained by calling the HELPLINE and using the Automated Voice Response Unit or by speaking to a HELPLINE Representative or by using the Plan web site. The form is mailed no later than three business days following the request date.

These forms should be returned to the Plan's Administrative Service Agency at:

The State of New York Deferred Compensation Plan
Administrative Service Agency
P.O. Box 182797
Columbus OH 43218-2797

A confirmation will be mailed to the Participant for all address changes within three business days of the change. The confirmation will be sent to the Participant's prior address of record as well as, the Participant's new address. The address change will be effective seven days after it is processed unless the Administrative Service Agency is notified that the address change was made in error.

Name change requests must be accompanied by the appropriate legal documentation verifying the change, for example a valid driver's license, social security card, copy of a marriage certificate or copy of a divorce decree.

Beneficiary change requests are effective as of the date the form is received in good order by the Administrative Services Agency or confirmed on the website. Beneficiary change requests received after the Participant's death are not valid. Beneficiary change forms are processed within three business days of receipt by the Administrative Service Agency. Confirmation of current beneficiary information may be obtained through the Plan Web site, may be located on the Participant's quarterly statement or may be obtained in writing by speaking to a HELPLINE Representative.

DISTRIBUTIONS

Distributions may occur under the following circumstances: separation from service, attainment of age 59½, death, distribution of rollover assets, unforeseeable financial emergency, absence due to qualified military service, or, if the Participant's account qualifies, a small inactive account withdrawal.

Separation from Service

A Participant becomes eligible to elect to receive distributions as of the date the Participant voluntarily or involuntarily separates from service with their employer. Retirement is considered a separation from service for these purposes.

Distributions may commence upon receipt of the Participant's verification of separation from employment. $500 must remain in the Plan account for 45 days from the employee's last day of employment.

Age 59½

A Participant who continues employment with the same employer from which deferrals are or were received after attaining age 59½ may elect to begin to receive distributions from their Plan benefits at any time. Required Minimum Distributions will be required after a separation from service if the participant has reached or exceeded their RBD.

Required Beginning Date (RBD)

The Required Beginning Date(RBD) is when a participant must begin receiving Required Minimum Distributions (RMDs). A Participant reaches their RBD as of April 1 of the calendar year following the year in which they turn age 73 (or 70 ½ if born before July 1, 1949 and 72 if born before January 1, 1951) or sever from employment, whichever occurs later.

Absence due to Qualified Military Service (HEART Act)

Participants who are eligible for a distribution due to qualifying military service need not meet the 45-day requirement. Qualified military personnel are prohibited from making salary deferrals to the Plan for six months after receiving such a distribution.

Procedures to Begin Distribution

A participant who meets the criteria for a distribution may request a benefit distribution package by calling the HELPLINE or using the Automated Voice Response Unit or through the Plan web site. This package outlines the payment options and includes the necessary forms and will be mailed within three business days following the request. In addition, an Account Executive will be available to assist the Participant in choosing which payout option best fits the Participant's individual needs. Additionally, a participant may initiate a distribution by using the distributions tool in their online account.

The employer should send verification of the Participant's separation from service to the

Administrative Service Agency immediately after the Participant's separation from service.

When the Participant initiates a distribution request prior to the Administrative Service Agency's verification of terminated status (and the Participant has not attained age 59½) the Administrative Service Agency will send a letter to the personnel department of the Participant's employer to obtain verification of the Participant's separation from service or qualifying military service.

The Administrative Service Agency reviews the documents for completeness and accuracy. The Administrative Service Agency notifies the Participant in writing if a form is incomplete within three business days of the receipt date.

The Administrative Service Agency establishes a record on its system regarding the form of payment, the date on which distributions begin and the tax reporting associated with the distribution within five business days of the date a request is received in good order.

Distributions will be made pro-rata from each of the participant's investment options unless the participant requests that the withdrawals be made from the Stable Income Fund. Upon such request, the distribution will be made from the Stable Income Fund until the participant's Stable Income Fund assets are exhausted, and then pro-rata from the participant's remaining investment options. Subject to Board approval, changes to a distribution amount only may be accepted by calling the HELPLINE.

Procedures for Distribution after a Participant's Death (see RBD above)

Upon a Participant's death, the designated primary beneficiary(ies) may elect to receive distributions of the Participant's account balance. If all of the primary beneficiaries of record predecease the Participant, the contingent beneficiaries will be entitled to receive distributions from the Participant's account. If the Participant named more than one primary beneficiary and one or more of the primary beneficiaries predecease the Participant, then the Participant's account shall be pro-rated among the remaining primary beneficiaries. If there is no living primary or contingent beneficiary(ies), the Participant's assets will be distributed to the Participant's spouse, if any, or to the Participant's estate if there is no spouse. If the participant had attained their RMD age, and his or her required minimum distribution had not been made for the year of death, the required minimum distribution must be made by the end of the distribution year. It is calculated as if the participant had survived until the end of the year and is paid to the participant's beneficiary(s). This action must be taken prior to processing any other benefit payments.

The date when a beneficiary must begin to receive benefit payments and the maximum period over which benefits may be paid is illustrated on the next page:

	Participant died **BEFORE** reaching their RBD	Participant died **AFTER** reaching their RBD
Eligible Designated Beneficiary (Surviving Spouse)	Payments required to begin on the later of 12/31 of the year immediately following death or 12/31 of the year in which the participant would have attained age 72.	Payments required to begin by 12/31 of the year immediately following death.
Eligible Designated Beneficiary (Minor Child of Participant)	Payments required to begin by 12/31 of the year immediately following death. **AND** The remaining account balance must be distributed by 12/31 of year containing the individual's 31st birthday.	Payments required to begin by 12/31 of the year immediately following death. **AND** The remaining account balance must be distributed by12/31 of year containing the individual's 31st birthday.
Eligible Designated Beneficiary (All Other)	Payments required to begin by 12/31 of the year immediately following death.	Payments required to begin by 12/31 of the year immediately following death.
Designated Beneficiary	The remaining account balance must be distributed by 12/31 of year containing the 10th anniversary of the participant's death.	Payments required to begin by 12/31 of the year immediately following death. **AND** The remaining account balance must be distributed by 12/31 of year containing the 10th anniversary of the participant's death.
Non-Designated Beneficiary	The remaining account balance must be distributed by 12/31 of year containing the 5th anniversary of the participant's death.	Payments required to begin by 12/31 of the year immediately following death.

Regardless of date of death:

A designated beneficiary of a Plan participant may roll over the Plan Account assets to a beneficiary IRA Rollover account.

If a Participant should become deceased prior to the payment of proceeds of any withdrawal or loan request, the loan or benefit payment request is deemed void as of the date of his or her death.

When a Participant dies, the beneficiary may call the HELPLINE and speak to a HELPLINE Representative to discuss the distribution options available.

The HELPLINE Representative will confirm the name and social security number (if provided) of the individual contacting the HELPLINE to ensure it is the beneficiary designated by the

Participant. No account information will be provided should the individual not be the Participant's designated beneficiary.

A certified copy of the death certificate of the Participant and other forms are required to exercise beneficiary options. The HELPLINE Representative will review the beneficiary's options and mail forms to the beneficiary within three business days following the request date.

Distributions From Designated Roth Accounts

The Plan's distribution eligibility rules apply to designated Roth accounts. It is important not to confuse the rules defining a Qualified Roth distribution with the Plan's distribution rules requiring separation of service, attainment of age 59½, etc. Participants may also choose the sources of funds (Roth versus Pre-tax) for partial lump sum and installment distributions and Unforeseeable Emergency withdrawals.

A distribution from a Roth account is Qualified when it meets the following two requirements. The first is that a Roth contribution, or In-Plan Roth Rollover, must have been made to the Plan at least five tax-years ago. Rollovers from other plans that offer a Roth feature may count towards the five-year requirement in certain circumstances. The period starts at the beginning of the year the first Roth contribution or rollover is made and is met on the fifth anniversary of that date. For example, a participant made his or her first Roth designated contribution on July 25, 2017. The first tax-year would start on January 1, 2017. The five-year requirement would be met on January 1, 2022. The second requirement is that the distribution must be made after attainment of age 59½, death or disability. If the distribution is made under both of these conditions, it is Qualified and exempt from federal and NYS income taxes.

When a distribution from a Roth account is not Qualified, the portion attributed to the Roth contributions is not subject to income tax since it was already taxed when it was made. The growth portion of a distribution would be taxable on a pro-rata basis. For example, if 25% of the Roth designated account value was due to growth, 25% of any distribution would be considered taxable. To the extent the nonqualified distribution is not rolled over, the earnings portion will be subject to the mandatory 20% withholding.

Withdrawal of Rollover Assets

The Plan permits Participants who have rolled assets into the Plan from another qualified retirement plan to receive a distribution of those assets at any time in accordance with the rules of the plan that originally held the assets. Assets transferred, but not treated as a rollover, from another governmental deferred compensation plan may not be distributed until the Participant is eligible for a distribution under the distribution rules for a governmental deferred compensation plan.

WITHDRAWALS

Unforeseeable Emergency Withdrawals

Unforeseeable Emergency withdrawals are paid to Participants based on self-certification. The IRS defines an unforeseeable emergency as “severe financial hardship to a Participant resulting from a sudden and unexpected illness or accident of the Participant or a dependent, as defined in Section 152(a) of the Code, of the Participant, loss of the Participant’s property due to a casualty or other similar and unforeseeable circumstances arising as a result of events beyond the control of the Participant.” The circumstances that will constitute an unforeseeable emergency will depend upon the facts of each case.

Withdrawals because of an unforeseeable emergency are only permitted to the extent reasonably needed to satisfy the emergency need plus estimated income taxes.

College tuition and/or expenses and the purchase of a home are not considered to be an unforeseeable emergency.

Participants do not need to submit documentation for the Unforeseeable Emergency Withdrawal but should retain documentation of their emergency for their records in the event of an audit by the IRS.

When Participants wish to make an Unforeseeable Emergency withdrawal, they can contact the HELPLINE or access the website to obtain the required form.

After completing the requested information, the Participant returns the form to the Administrative Service Agency where they are reviewed to ensure they have been completed accurately.When the form is received in good order, the request will be entered into the automated system within 2 business days and payment instructions will be provided to the Trustee on the next regular instruction date. Participants may choose the sources of funds for liquidation from pre-tax and designated Roth contributions.

Small Inactive Account Withdrawals (In-Service Withdrawals)

A Participant with an account balance of less than $5,000, excluding rollover contributions, may withdraw up to $5,000 provided the Participant has not made any contributions to the Plan in the two years preceding the distribution date and the Participant has never before used the Small Inactive Account Withdrawal provision.

A Participant who wishes to request a distribution under this section may call the HELPLINE. A HELPLINE Representative will review the eligibility requirements and mail a form by the third business day following the request date. A form received in good order is processed within five business days from the date of receipt.

Public Safety Officers – Health or Long Term Care Insurance Premium Payments

Public safety officers who have retired because they were eligible for a service or disability retirement benefit from the State or an employer that participates in the Plan may request a distribution of up to $3,000 annually to pay for health insurance or qualified long-term care premiums for themselves, their spouse, or dependents. Participants can elect to have the check made payable to the insurance carrier (FBO Participant) or made payable and delivered directly to the name on the account.

Eligible retired public safety officers include: police officers, firefighters, parole officers, probation officers, and members of a rescue squad or ambulance crew.

Loans

A Participant may be eligible to take a loan from their account. Participants who take loans will be borrowing from their Plan account. Once a Participant takes a loan, the Participant is obligated to repay the loan, plus interest, to the Plan account in monthly installments within a specified period of time.

Criteria and Terms of Loans:

Types of Loans Permitted:	General Purpose and Primary Residence
Maximum Loan Period:	General Purpose: 5 years Primary Residence: 15 years
Maximum Number of Loans:	Only one outstanding loan at one time.
Minimum Loan Amount:	$1,000
Maximum Loan Amount:	The lesser of (1) 50% of the value of the total of all of the Participant's subaccounts and (2) $50,000. The $50,000 limit is coordinated with any other loans from retirement plans maintained by the same employer and is reduced by the highest loan value in the previous 12 months including re-paid defaulted loans.
Interest Rate:	Each Plan loan granted shall bear a rate of interest equal to one percentage point

above the prime interest rate as published in the Wall Street Journal on the last Business Day of the month preceding the application for the loan, or such other reasonable rate of interest as the Board shall determine.

Participants generally qualify for a loan if they are currently employed by either the State or a Participating Employer or are on approved leave of absence from their Employer. Participants who are retired, separated from employment, or who are designated beneficiaries or alternate payees pursuant to a domestic relations order are not eligible.

A loan will be made from a Deferred Compensation account up to the maximum amount previously described. If assets are held in the Self Directed Investment Account, the Participant may be required to move funds from the Self Directed Investment Account to their core investment options so that sufficient funds are in the Deferred Compensation account to process the loan. Loans are permitted from a rollover account if the assets in the Deferred Compensation account are insufficient to meet the loan request.

The loan amount will be withdrawn from the investment options on a pro-rata basis, unless the participant requests the loan amount to be withdrawn from their Stable Income Fund.

Loans will be repaid monthly either through an ACH transaction or by mail. Participants are charged an annual $50 fee to make manual payments. If a payment is not received, a late payment notice will be sent 30, 60, and 90 days after the payment due date if it remains unpaid. A loan that is unpaid 90 days after its scheduled payment date will be deemed to be in default. The amount of a loan deemed to be in default will be reported to the IRS and deemed to be a distribution. A loan deemed to be in default may not be reversed.

A loan will not be processed to a Participant who indicates in writing before the loan is granted that the loan should be allowed to default.

Any loan that is in default is deemed to be an outstanding loan until paid in full. The Plan will not permit a loan to a Participant who has previously defaulted on a loan, until after the amount of the original loan and accrued interest has been repaid.

Loans may be withdrawn only from pre-tax balances. For the purpose of qualifying for a loan of up to 50% of the account value, all subaccount values will be included in the calculation.

Vesting

A participant is 100% vested in their Plan account balance at all times.

Service Credit Purchase

A Participant is permitted to use their Plan assets to purchase Optional Retirement Service Credit in any governmental defined benefit plan. This provision is not restricted to such Plans within the State of New York.

The Participant is required to obtain documentation from their retirement system affirming their eligibility to purchase prior service credit and the amount of monies necessary to purchase that service credit. The required form must be received at least 15 days prior to the expiration date of the calculation letter provided by the retirement system. Upon receipt of the required documentation from a Plan Participant, the Plan's Trustee will transmit the requested amount of assets to the Trustee of the relevant retirement system. The transfer of assets will not be subject to the imposition of state or federal income taxes.

Please note, all mandatory purchases through the New York State Retirement System must be satisfied before optional service credits may be purchased.

Retirement Service Credit may be withdrawn only from pre-tax balances.

Benefit Payment Options

An account participant may choose to have distributions paid as a one-time lump sum payment, a partial lump sum payment or establish a regular periodic payment of benefits. As long as there is a balance in the Participant's account, the payment option may be changed by filing the appropriate form. The following is a brief description of each benefit payment option.

Full Withdrawal
This option provides that the Participant's account will be paid by check in one lump sum. After receiving this payment, the individual will no longer be a participant in the Plan. The ACH automatic deposit option is not available with the full withdrawal election.

Partial Withdrawal
This option provides for a partial lump sum payment of a portion of the Participant's account. Partial lump sum payments are limited to 12 per year and must be at least $100 each. The remainder may be paid out as additional partial lump sum payments at the Participant's request or paid as regular periodic payments such as, monthly, quarterly, semi-annually or annually. The ACH automatic deposit option is available with the partial withdrawal election.

Periodic Payments
This option allows for a regular payment schedule of benefits either as a fixed dollar payment or a payment over a fixed number or years, but not to exceed the participant's life expectancy, or if the participant's spouse is the beneficiary of record and is more than ten years younger than the participant, the joint life expectancy of the participant and their spouse. The regular payment schedule may be monthly, quarterly, semi-annually, or annually.

If a periodic payout option is selected, the following should be noted:

- A Fixed dollar payment involves the selection of a specific dollar amount to be received in a designated frequency. Payments continue in the same amount until the account balance is exhausted or the participant dies. An additional, annual payment will be paid to participants with fixed dollar payments who have not satisfied a required minimum distribution (RMD). The minimum dollar amount selected for recurring payments is $100 per payment.

- For a Fixed Period payment, the amount of each benefit payment will be calculated by dividing the Account balance on the date of the payment by the number of payments remaining. Depending on the change in the market value of your Account, the benefit payment may change with each payment. In the event the calculated payment amount is less than $100, the payment will be $100.

- The period of years over which benefit payments may be made cannot exceed the participant's life expectancy established in the Uniform Life Expectancy Tables that are prepared by the United States Department of the Treasury. Information regarding the life expectancy can be obtained by calling the HELPLINE at 1 800 422-8463 and speaking to a HELPLINE Representative.

Participants in the Plan may change their benefit payment schedule at any time. The schedule and/or amount of payments can be increased or decreased at any time. Also, up to 12 partial lump sum payments may be taken each year in addition to regular periodic payments.

If the Participant's account has more than one fund, the withdrawal amount is pro-rated against all funds or the participant may elect to take distributions from the Stable Income Fund portion of their account.

The Participant's account will continue to receive the investment return associated with each Plan investment. The Participant may continue to transfer the remaining amounts among the eligible investment options. The remaining account balance will remain in the investment options available under the Plan and is subject to any applicable administrative charges and asset fees.

Periodic payments may be paid, at the recipient's option, directly to the recipient's home address or by automatic electronic transfer to the recipient's bank account. The Participant may contact the HELPLINE and speak to a HELPLINE Representative to obtain the appropriate form for automatic electronic transfers.

Changes to Periodic Distribution Options

Participants may change their periodic distribution amount, timing of receipt, or frequency by calling the HELPLINE or by filing a revised Distribution Form. The Administrative Service Agency will mail, within three business days, an acknowledgement of any change to the amount, timing, or frequency of a previously established distribution option.

Required Minimum Distributions

Participants who attain RMD age as of December 31 are required to receive a required minimum distribution (RMD) unless they are employed by the employer from which deferrals to the Plan were made for the entire year. The initial RMD may be deferred until April 1 following the year in which the Participant reaches their RMD age. If the initial RMD is deferred beyond December 31 in the year that the Participant reaches their RMD age, an RMD for the year in which the Participant reaches their RMD age and for the following year must be made in the following year.

The Administrative Service Agency will identify each Participant who is or will reach their RMD age on or before December 31 and send a notice of the RMD to the Participant in sufficient time to permit the Participant to make an informed decision.

Required Minimum Distributions (RMDs) apply to both pre-tax and Roth designated subaccounts but the participant may choose to take the distributions from either or both sources. Participants may also choose the sources of funds for partial lump sum and installment distributions and Unforeseeable Emergency withdrawals.

QUALIFIED DOMESTIC RELATIONS ORDERS

A Qualified Domestic Relations Order, QDRO, is an order executed by a Court that allows distribution of a portion of a Participant's account generally pursuant to the property settlement of a divorce or legal separation of a Participant.

A QDRO must be certified before it can be adopted and implemented by the Plan. Starting on the date that the QDRO is received by the Administrative Service Agency, distributions from the Participant's account will be limited until the QDRO is certified or, if the certification is denied, until all reviews of the denial are complete. While the distribution limitation is in effect, distributions to the Participant cannot exceed the Required Minimum Distribution under Section 401(a)(9) of the Internal Revenue Code. The Participant may continue to provide investment direction to the Administrative Service Agency while the distribution limitation is in effect.

When a QDRO is received, the Administrative Service Agency will send an acknowledgement and a copy of the QDRO requirements to the Participant, the Alternate Payee and the lawyers for each. An initial determination to approve or deny the QDRO will be made by the Administrative Service Agency within 60 days of receipt.

If the Order is approved, the Administrative Service Agency will inform the Participant, the Alternate Payee and the lawyers for each. The letter will provide the reasons for the approval and describe review rights.

If the Order is denied, the Administrative Service Agency will inform the Participant, the Alternate Payee and the lawyers for each. The letter will provide the reasons for the denial and the review rights provided by the Plan.

If a review is requested, the Administrative Service Agency will make a reconsidered determination not later than 90 days after its receipt of the request for review. The Administrative Service Agency will notify the Board's counsel within 5 business days of the receipt of the request for review.

The Alternate Payee may elect to receive a lump sum distribution of the entire amount of the account as soon as practicable after the close of all appeals to have been exhausted, or establish an account to defer distribution until the Participant separates from service or becomes age 50, whichever is earlier.

Accounts for Alternate Payees

Upon approval of the Order, an account for the Alternate Payee will be established and the dollar amount awarded by the Order will be transferred to the account. If the Order specifies the Alternate Payee's share as a percentage, the percentage will be applied to the balance of the Participant's account as of the business day preceding the day the account is established for the Alternate Payee.

The Alternate Payee is entitled to direct the account's investment as if the Alternate Payee is a Participant. If the Alternate Payee does not provide investment instructions, the Alternate Payee's account will be invested on the day it is established in the same manner as the

Participant's account. If the Alternate Payee is a minor, the minor's guardian will direct the account's investments.

A direct rollover of assets into the Plan by an Alternate Payee may only be made by an Alternate Payee who is the spouse or former spouse of the Participant in the Plan.

While the account is maintained, the Alternate Payee will receive a quarterly statement. The Alternate Payee may request distribution once the account has been transferred into their name but will not be eligible for an Unforeseeable Emergency Withdrawal.

An Alternate Payee may not name a beneficiary on the account. In the event of an Alternate Payee's death, the account proceeds will be distributed to the Estate of the Alternate Payee.

Assistance to Lawyers

The Administrative Service Agency will supply items required for Good Order Review if a lawyer requests assistance in preparing an Order. At a lawyer's request, the Administrative Service Agency will review a draft of a QDRO to determine if the Order would be approved if executed and directed to the Plan. Any such review will provide that the review is not binding on the Plan.

CLAIMS DECISIONS AND REVIEW

Administrative Service Agency's Role

The Board has delegated authority to the Plan's Administrative Service Agency to determine certain claim matters and questions under the Plan. All decisions made by the Administrative Service Agency, including those made by the Review Committee, are subject to reversal by the Board.

The Administrative Service Agency's decisions are uniformly and consistently made in accordance with its procedures. All these procedures are subject to Board review. An employee of the Administrative Service Agency who is closely related to a claimant, Participant or Alternate Payee must excuse him/herself from any decision relating to the relative.

The Administrative Service Agency, including the Review Committee, is entitled to rely on needed information provided by the Employer and has no duty to verify this information. It is also entitled to rely on needed information provided by a Participant, Beneficiary or Alternate Payee or other interested party unless it has actual knowledge to the contrary. It has no duty to verify this information.

General Claims Procedures

The Administrative Service Agency will respond to a written claim request within 60 days. The response, in writing, will notify the claimant that the request is granted or denied and explain the claimants review rights. If the claim is denied, the response will explain the reasons for the denial.

The Review Committee

Within 30 days of the receipt of the Administrative Service Agency's determination, a claimant may request in writing a review of the decision by the Review Committee. Within 90 days of the receipt by the Review Committee of the review request, it will advise the claimant that the request has been granted or denied. The Review Committee may extend the period of review by an additional 120 days, but to do so, it must notify the claimant of its intention to do so before the original 90-day period ends. If the decision is a denial, the notice to the claimant will include the specific reasons for the denial.

If the claim concerns a payment from the Plan, until the Review Committee provides notice of its decision, no distribution from the Account involved in the claim is permitted, except amounts that are required to be distributed under Section 401(a)(9) of the Internal Revenue Code.
The Review Committee consists of three officers of the Administrative Service Agency, appointed by its President. Alternate members will also be appointed by the Administrative Service Agency's Senior Vice President to take an absent regular member's place.
Actions of the Review Committee are by majority vote. Two members will comprise a quorum. If only two members of the Review Committee are present, actions are by unanimous vote.

All matters presented to the Review Committee are confidential to the fullest extent permitted by law.

A request for a review should be in writing, addressed to the Review Committee as follows:

The New York State Deferred Compensation Plan
Administrative Service Agency
P.O. Box 182797
Columbus OH 43218-2797

Attn: Plan Administrator

Contested Actions

If the Administrative Service Agency is unable to resolve a dispute with a Participant regarding benefits payable under the Plan or an order of the Federal Bankruptcy Court that affects a Participant's Account, the Administrative Service Agency will notify the Board and Executive Director and its counsel within five business days after receiving notice or otherwise knows or has reason to know that its action is being contested.

The Administrative Service Agency's notice includes a description of the facts and circumstances, the actions taken by the Administrative Service Agency and copies of all related documents.

THE TRUST

The Trust holds deferrals made to the Plan, transfers to the Plan, the Plan's investments and the income from the investments. All amounts held in the Trust are for the exclusive benefit of Participants, beneficiaries and alternate payees and to defray reasonable expenses of administering the Plan.

Investment of Deposits

The Trustee invests deposits to the Trust into the Plan's investment options no later than two business days after the Trustee receives investment allocation directions from the Administrative Service Agency.

Exchanges Among Plan Options

The Trustee liquidates and transfers all or part of an account to one or more of the other investment options under the Plan within one business day of the date the Trust receives a transfer direction from the Administrative Service Agency.

Distributions and Transfers to Other Plans

The Trustee liquidates and distributes (or transfers to another Plan) all or part of an account based on directions from the Administrative Service Agency. The direction specifies the distribution or transfer amount, the address and the tax withholding and reporting requirements. The Trust will remit amounts withheld to the appropriate taxing authority and complete tax reporting within required timeframes.

Self Directed Investment Account

The Plan authorizes the investment of a portion of Plan account assets in exchange traded funds (ETFs), closed-end funds and over 3,200 mutual funds offered through Schwab PCRA with the exception of mutual funds offered as core investment options under the Plan and tax-exempt mutual funds. Currently, the Plan does not permit investments in individual stocks and bonds or the trading of options through the PCRA.

Because the PCRA is not a basic Plan service, a one-time $15.00 set-up fee and a $15.00 annual maintenance fee to utilize the PCRA will be deducted from the Plan account once the PCRA has been established. In addition to these fees, there may be additional transaction fees imposed by Schwab for the purchase and sale of mutual funds with "loads" or for short-term redemptions.

To open the Schwab PCRA account, a transfer of assets is initiated from the core investment options in the Plan account to the PCRA account. This transfer is similar to exchanging assets between the Plan's core investment options.

However, the following guidelines apply:

- The processing of a transfer of funds from the Plan account to the PCRA takes two business days. Once the funds are transferred to the PCRA the funds must be invested in a Schwab Money Market Sweep account for one business day.
- A minimum balance in a Plan account of $10,000 is required to establish a PCRA.
- A $2,500 minimum initial transfer to the PCRA is required.
- Subsequent transfers from the Plan account will be permitted to the extent that the aggregate balance of your core investment options equals or exceeds the balance in the PCRA at the time of the requested transfer. For example, if the balance in the core investment options is $20,000 and the balance of the PCRA is $15,000, a transfer up to $2,500 to PCRA may be made leaving a $17,500 balance in each account.
- A $500 minimum transfer is required for subsequent transfers to the PCRA.

When a Participant wishes to open a Schwab PCRA account he/she must contact the HELPLINE or access the Plan web site to obtain the appropriate paperwork.

Self Directed Investment Account Religious Exception

For participants with religious beliefs that require investment into socially responsible funds that meet the religious requirements, the Plan is allowing a Religious Exception. This will allow the participant to lower the amount that is invested in the Core option and increase the amount of funds that can be transferred to the Self Directed Investment Account.

Participants open a Schwab PCRA account as described in the section above and submit a completed Self Directed Investment Account Religious Exception form. Once both are completed and in good order, the following guidelines apply:

- The processing of a transfer of funds from the Plan account to the PCRA takes two business days. Once the funds are transferred to the PCRA the funds must be invested in a Schwab Money Market Sweep account for one business day.
- A minimum balance in a Plan account of $500 is required to establish a PCRA.
- A $250 minimum initial transfer to the PCRA is required.
- Subsequent transfers from the Plan account will be permitted to the extent that the aggregate balance of your core investment options equals or exceeds the balance of $500.
- A $250 minimum transfer is required for subsequent transfers to the PCRA.

PARTICIPATING EMPLOYERS

Eligible Employers

Any New York State public employer is eligible to elect to participate in the Plan. For these purposes a "Public Employer" is defined in section 5 of the State Finance Law to include:

> A county, city, town, village or other political subdivision as defined in section 131 of the Retirement and Social Security law or a civil division of the State: a school district or other governmental entity operating a public school, college or public university: a public improvement or special district, a public authority, commission or public benefit corporation or any other public corporation, agency or instrumentality of unit of government which exercises governmental powers under the laws of the State.

Procedures to Participate

To participate, a public employer must adopt a resolution of its governing body to formally adopt the Plan, complete the related certification and remit two copies to the Administrative Service Agency along with the Administrative Checklist.

The Administrative Service Agency will then file all required information with the President of the New York State Civil Service Commission and will contact the employer to arrange for employee enrollment and payroll deductions to begin. Before adopting the Plan, an employer should consult with local counsel regarding any special requirements for adopting the Plan under local law.

Duties of a Participating Employer

A participating employer must forward Participant deferrals to the Trust as promptly as possible but in no event later than two business days from the payroll date. Because of this urgency electronic forms of submission such as FastPay are strongly encouraged.

Example:

> If the payroll date is on a Friday, deferrals must be submitted to the Trust no later than the following Tuesday.

The participating employer must also withhold the appropriate federal, state and local taxes from a Participant's wages, taking pre-tax deferrals and designated Roth contributions to the Plan into account. The applicability of other taxes, including city taxes, should be reviewed with local counsel.

Procedures to Terminate

A participating employer may terminate its participation in the Plan by adopting a resolution that specifies a termination date. A certified copy of the resolution is submitted to the Administrative Service Agency and the Board. The termination date is the last business day of the month at least three months after the date the employer's termination notice is received by the Administrative Service Agency and the Board.

Example:

If a termination notice is received on April 15th, the termination date is July 31st.

The Board will terminate an employer's participation for an employer's failure to comply with the Plan's provisions or any rules or regulations issued by the Board. Participation may also be terminated if all deferrals by an employer's employees discontinue.

Subsequent to the termination date, no further deferrals of the terminated employer's employees are accepted by the Plan. Employees of a terminated employer are entitled to distributions under the Plan's rules as if the termination had not occurred.

ACCOUNT EXECUTIVES

Personal Counseling, Enrollment and Servicing

Account Executives conduct individual and group education sessions to enroll and educate eligible employees at various State and participating employer work locations. During the education sessions, Account Executives work with the employees to provide retirement planning basics and to help them complete the necessary forms to Participate in the Plan.

During individual education sessions, Account Executives are supported through the use of laptop computers which allow the Account Executives to:

- Complete a paycheck illustration.
- Complete an accumulation illustration.
- Complete a retirement needs illustration.

Additionally, Account Executives make outreach efforts in accordance with the Management Plan to increase Plan participation among the eligible employees and to bring more eligible employers into the Plan.

Account Executives provide, on an ongoing basis, information about the Plan, account information, counseling on Plan transactions and assistance with administrative policies and procedures.

Certification and Training

Except for those exempted under the Administrative Service Agreement between the Administrative Service Agency and the Board, Account Executives are required to meet the following certification and training requirements:

- Successful completion of FINRA Series 6 or 7 and 63 examinations within 120 days of employment.
- Prior experience in the financial services industry or in the field of defined contribution plan administration.
- Working knowledge of the terms and provisions of the Plan, the investment options, the Code provisions applicable to the Plan, the procedures for accessing account information and initiating transactions, the automated systems and all other Plan information.

HELPLINE

1-800-422-8463

The Plan's Administrative Service Agency has exclusively dedicated a toll-free HELPLINE service to the New York State Deferred Compensation Plan. The HELPLINE is designed as a primary focal point for Plan inquiries.

Staff

The HELPLINE is staffed with full-time, licensed and FINRA registered HELPLINE Representatives and managers.

HELPLINE Services

- Researching and rectifying participant inquiries
- Documenting and responding to Participant complaints and inquiries
- Processing Participant requests to change deferrals and/or allocations
- Process loan applications

Explanations of

- Plan design and structure
- Statements and statement delivery timeframes
- Investment allocations
- Procedures for decreasing and increasing deferrals
- Separation from service procedures
- Plan account distribution procedures
- Loan procedures
- Fund performance results

Requests for

- Enrollment information and forms
- Deferral change forms
- Unforeseeable Emergency withdrawal request forms

- Installment payment change form
- Additional information
- Exchanges of existing balances
- Allocation changes and deferral changes
- Schwab Information Packets (PCRA)
- Transfers to/from the Schwab Option

Availability and Response Times

HELPLINE Representatives are available Monday through Friday from 8:00 A.M. to 11:00 P.M. and Saturdays from 9:00 A.M. to 6:00 P.M. HELPLINE Representatives are not available on Sundays or weekdays on which the New York Stock Exchange is closed, except Good Friday.

The service goal is that 80 percent of the incoming calls in any month are answered in 20 seconds or less.

"Abandoned calls", those calls that are terminated before being answered by a Representative, are at a rate of less than five percent, excluding calls terminated during the first 15 seconds

AE Connect

1-844-867-8197

The Plan's Administrative Service Agency has exclusively dedicated a toll-free Internal Account Executive service to the New York State Deferred Compensation Plan. This service is referred to as AE Connect.

Staff

AE Connect is staffed with full-time, licensed and FINRA registered Representatives and a manager. The AE Connect staff are referred to as Internal Account Executives because they are not responsible for a designated territory in NYS as the traditional Account Executives are.

Certification and Training

Except for those exempted under the Administrative Service Agreement between the Administrative Service Agency and the Board, Internal Account Executives are required to meet the following certification and training requirements:

- Successful completion of FINRA Series 6 or 7 and 63 examinations within 120 days of employment. Successful completion of the NYS Life and Health Insurance License.
- Prior experience in the financial services industry or in the field of defined contribution plan administration.
- Working knowledge of the terms and provisions of the Plan, the investment options, the Code provisions applicable to the Plan, the procedures for accessing account information and initiating transactions, the automated systems and all other Plan information.

AE Connect Services

- On demand, one on one consultations
- Enrollment assistance
- Account reviews
- Investment education
- Pre and post retirement consultations
- Local Employer adoption support

- Webinar follow-up
- Participant support to change deferrals and/or allocations

Explanations of

- Plan design and structure
- Statements details
- Investment allocations and strategies
- Reasons for decreasing and increasing deferrals
- Separation from service procedures and checklist items
- Plan account distribution strategies
- Fund performance overview and review

Availability and Response Times

AE Connect is available Monday through Friday from 9:00 A.M. to 4:30 P.M. Internal Account Executives are not available on Sundays or weekdays on which the New York Stock Exchange is closed.

The service goal is that 90 percent of the incoming calls in any month are answered in 10 seconds or less.
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AUTOMATED VOICE RESPONSE UNIT (VRU)

VRU Services

The Administrative Service Agency provides Participants with an automated method of receiving Plan account information. When Participants call the HELPLINE number, 1-800-422-8463, they are given the option of utilizing the Automated Voice Response Unit (VRU) or speaking directly to a HELPLINE Representative. For security purposes, Participants must enter their social security number followed by their personal identification number (PIN) to obtain Plan account information through the VRU.

Through the VRU, Participants may:

- Obtain total Plan account balances.
- Obtain account balances by individual funds.
- Obtain the most recent fund share prices or yields for the investment products within the Plan.
- Execute exchanges of existing assets between investment options
- Execute transfers to/from the Schwab Option
- Change the allocation of future deferrals.
- Change the amount of future contributions.
- Order Plan materials.

Availability and Response Times

Except for limited downtime, the VRU is available 24 hours a day, seven days a week.

STATE OF NEW YORK WEB SITE

Website

A customized Web site dedicated to the New York State Deferred Compensation Plan is available to Participants and those interested in enrolling in the Plan and employers considering adopting the Plan.

The site provides general information about the Plan and also allows Participants to download many Plan resources.

A Participant has the ability to view all of the following:

- Account balance and activity
- Current investment allocation
- Current contribution percentage or amount
- Listed beneficiaries
- Fund descriptions
- Fund performance
- Fund prospectuses and annual reports (also available for download)
- Quarterly Statements
- Asset Allocation Tool
- Financial Calculators

Additionally, eligible employees have the ability to enroll in the Plan online. Once enrolled, participants have the ability to access basic account information, access Plan forms and materials, transfer existing assets, transfer into and out of Schwab, reallocate future deferrals among the Plan's investment options and initiate a distribution via the Plan Web site.

The Plan web site can be accessed at: www.nysdcp.com

Availability and Response Times

Except for limited downtime, the Plan web site is available 24 hours a day, 7 days a week.

New York State
Deferred Compensation Plan

A Plan for Your Future

Plan Mission Statement

The New York State Deferred Compensation Plan is a voluntary retirement savings plan that provides quality investment options, investment educational programs and related services to help State and local public employees achieve their retirement savings goals.

Administrative Service Agency Mailing Address:
New York State Deferred Compensation
Plan Administrative Service Agency,
PW-03-01 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

New York State Deferred Compensation Board
1450 Western Avenue, Suite 103
Albany, NY 12203
(518) 473-6619

The NYSDCP 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.

Securities offered through Nationwide Investment Services Corporation, Member FINRA.

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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