

New York City Deferred Compensation Plan Year-End Reminders

Maximum Annual Contribution Amount changes in 2012!

The table below explains the most you can defer into the Deferred Compensation Plan in 2012 based on in which plans you participate and your age.

| <i>If you participate in the...</i> | <i>Your maximum contribution amount will be...</i> |
|---|--|
| 457 | \$17,000 |
| 457 and are at least 50 years of age | \$22,500 |
| 401(k) | \$17,000 |
| 401(k) and are at least 50 years of age | \$22,500 |
| 457 and 401(k) | \$34,000 |
| 457 and 401(k) and you are at least 50 years of age | \$45,000 |
| 457 and Deferral Acceleration for Retirement (DAR) | \$34,000 (\$17,000 regular deferrals and \$17,000 in DAR deferrals, if applicable) |
| 457, 401(k) and DAR | \$51,000 |
| 457, 401(k), DAR and you are at least 50 years of age | \$56,500 |

Understanding Your Form W-2

- The amount you contributed to the Deferred Compensation Plan in 2011 will be reflected in Box 12 of your 2011 Form W-2.
 - The code "G" before the dollar amount represents pre-tax 457 contributions.
 - The code "EE" represents Roth 457 (after-tax) contributions.
 - The code "D" before the dollar amount represents pre-tax 401(k) contributions.
 - The code "AA" represents Roth 401(k) (after-tax) contributions.

For income tax filing purposes, your adjusted gross income (reportable income) will be reflected in Box 1. THIS WILL HAVE ALREADY BEEN ADJUSTED BY PRE-TAX 457 AND PRE-TAX 401(k) AMOUNT(S) IN BOX 12.

- If you received a distribution payment during 2011, you will receive a 2011 Form 1099-R from FASCore, the Deferred Compensation Plan's recordkeeper.

Expecting a Distribution Check Soon?

Please note that if you make any account transfers immediately prior to the processing of your distribution, this will delay your check or Electronic Fund Transfer.

Payroll Deferral Notes

Are you contributing to the City's 401(k) Plan and a 401(k) or 403(b) plan with another employer? You must ensure that your contributions to all 401(k)'s and 403(b)'s combined do not exceed \$17,000 in 2012.



Changing Agencies?

If you are changing agencies, you must complete a Change Form telling us the name of the new agency as soon as possible in order to avoid a break in your deferred compensation deductions. If you joined the Deferred Compensation Plan in lieu of paying FICA tax and experience a break in deductions due to an agency change, you may no longer meet the criteria for contributing to the Plan in lieu of FICA. You may be required to contribute to both until you re-qualify.

Changing your Address?

You must inform the Plan if you have a change of address. You can either complete a Change Form indicating your new address or make your change online. Using your PIN, go to the Account Access section of nyc.gov/deferredcomp or nyc.gov/nyceira. Once you've logged in, click on "Change your" on the left side of your screen. You will see a number of options. Click on "Personal Profile." There you will be able to make changes to your address, as well as telephone and email information. And don't forget to change your beneficiaries' address information, if they moved with you.

Changing Beneficiary Information

You can continue to use the Change Form to change the beneficiaries you designated to receive your account, or the amounts you want each beneficiary to receive, but, you are required to have the form notarized. Make life simpler and make any beneficiary changes online.

Annual Report

The Plan no longer mails copies of The City of New York Deferred Compensation Plan / New York City Employee IRA Comprehensive Annual Financial Report to participants. The 2010 annual report is available online in the Forms and Download section of the Plan's web site at nyc.gov/deferredcomp.

Retiring Soon?

If you are retiring, please note that you are not required to make any decisions regarding the distribution of your account immediately at retirement. You are able to postpone withdrawals up until you reach age 70½, at which time you must begin taking your annual Required Minimum Distributions. To attend a Distribution Planning seminar to learn more about your distribution options, call (212) 306-5050 or register online at nyc.gov/deferredcomp.

Flexible Spending Accounts Program and 414(h) Pension Pick-up

- **Box 14 of the Form W-2**

Box 14 will contain the entry "IRC 125" which will represent the total pre-tax dollars used for paying health insurance premiums in the Medical Spending Conversion Program (MSC), the pre-tax dollars used for dependent care expenses in the Dependent Care Assistance Program (DeCAP), and the pre-tax dollars used for out-of-pocket medical expenses in the Health Care Flexible Spending Account (HCFSA).

The entry "IRC 414H" pertains to the pre-tax dollars used to pay pension contributions. These two dollar amounts in Box 14, IRC 125 and IRC 414H, are pre-tax for federal tax purposes, but not for New York State and New York City tax purposes. Consequently, they must be added back in the area designated for that purpose on the New York State tax return at the time you file your taxes.

- **Box 10 of the Form W-2**

If you participate in DeCAP, you will also see the amount set aside for this purpose listed in Box 10. You must also attach Form 2441 Child Dependent Care Expenses to your Form 1040. If you file Form 1040A, you must file a Schedule 2 form, as well. For New York State tax purposes, the DeCAP amount in Box 10 can be ignored since the same amount is included in the IRC 125 amount in Box 14. It is there for federal tax purposes as a record of dollars deferred for dependent care expenses.

