

Deferred Comp/NYCE IRA

UPDATE

The Newsletter for the 457 and 401(k) Plans and the NYCE IRA



Quarter Ended December 31, 2019

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New Statement Format

Your 4th quarter statement is being issued by the Plan's new recordkeeper, Voya, and covers the period from November 9th through the end of the year. The statement issued by Voya has a different layout than the previous statement issued by FASCore. For convenience, a *How to Read Your New Statement* flyer was included with this newsletter as the last page. Participants can view their statements any time online. Account access is available through the Plan's website at nyc.gov/deferredcomp.

For a period of time, participants will have online access to their accounts with the previous recordkeeper, FASCore, where they will be able to view historical information, including statements. Participants will need to use their old PIN and username when accessing their account through FASCore.

3rd Quarter Statement Issued from Prior Recordkeeper Reflects a "0" Balance

The 3rd quarter statement was issued from the Plan's prior recordkeeper, FASCore LLC in mid-November. The statement covered the period July 1, 2019 through November 8, 2019, since the Plan changed recordkeepers on November 8, 2019 from FASCore to Voya Financial. The 3rd Quarter statement includes all participant account activity during this period.

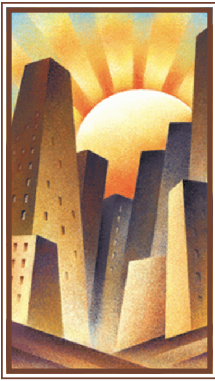
Since participant accounts were moved to the Plan's new recordkeeper, Voya, on November 8, 2019, this statement reflects a "0" account balance. The amount moved to the new recordkeeper is shown as an *Account Withdrawal* on the statement.

To view the actual account balance that was transferred on November 8th, participants must first establish a new username and password with Voya using the PIN that was mailed to them in November 2019. The link to login/establish an account is available via the Plan's website at nyc.gov/deferredcomp.

Once logged in, participants can view the transferred balance by following the steps below:

1. Choose a Plan Name from the Account List
2. Click on "Transaction History"
3. Select "Pre-Determined Time Period"
4. For Transaction Type, choose "Other Activity"
5. Click on "Display History" to view the balance on screen

Participants in need of a replacement PIN can request one online or contact the Plan's Client Service department at (212) 306-7760.



New Mobile App Available

Download the Mobile App Today!

The Plan is very excited to be offering a mobile app to its current array of services. The mobile app was introduced in December 2019 and is available on the App Store or through Google Play. To check out the new app, search “**NYC DCP**” in your app store or visit the Plan’s website at nyc.gov/deferredcomp for instructions.

You can access your account through the mobile app to view your account balance and process transactions. Log into your account through the mobile app with the same username and password you established when accessing your account through the Plan’s website.



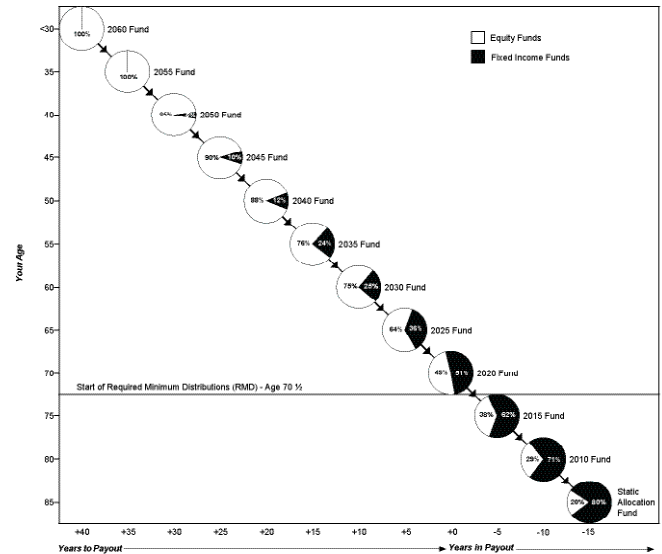
Pre-Arranged Portfolio Changes

2005 Fund Rolls into the Static Allocation Fund and 2060 Fund Added to the Portfolio Lineup

For convenience and simplicity, the Deferred Compensation Plan offers pre-arranged portfolios which are made up of varying percentages of the Plan’s core investment options. The pre-arranged portfolios help answer the question: Where should I invest my money? They offer a mix of diversified investments and help participants if they are not comfortable with creating their own portfolio or if they are looking to invest in a professionally managed portfolio.

On a quarterly basis, the asset allocation of each pre-arranged portfolio will be adjusted, shifting to a slightly more conservative mix. This increases the likelihood that a participants account will last longer so that it can serve them throughout their retirement years. When a portfolio reaches its horizon, it will roll into the Static Allocation Fund, where it will remain for the duration of the participants payout.

As of January 1, 2020, the 2005 Fund is rolled into the Static Allocation Fund and the 2060 Fund is added to the Pre-Arranged Portfolio line-up. If you were invested in the 2005 Fund on December 31, 2019, your funds were automatically rolled into the Static Allocation Fund. You will no longer see the 2005 Fund as your investment option. You will see the Static Allocation Fund instead.

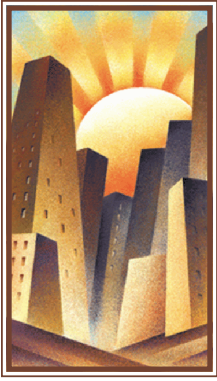


Increase in Annual Goal Amount

Maximum Annual Contribution Amount increases in 2020

The table below explains the most you can defer into the Deferred Compensation Plan in 2020, based on which plans you participate in and your age.

If you participate in the...	Your maximum contribution amount will be...
457	\$19,500
457 and are at least 50 years of age	\$26,000
401(k)	\$19,500
401(k) and are at least 50 years of age	\$26,000
457 and 401(k)	\$39,000
457 and 401(k) and you are at least 50 years of age	\$52,000
457 and Deferral Acceleration for Retirement (DAR)	\$39,000 (\$19,500 regular deferrals and \$19,500 in DAR deferrals, if applicable)
457, 401(k) and DAR	\$58,500
457, 401(k), DAR and you are at least 50 years of age	\$65,000



Year-end Reminders

Understanding Your Form W-2

- The amount you contributed to the Deferred Compensation Plan in 2019 will be reflected in Box 12 of your 2019 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 2019, you will receive a 2019 Form 1099-R from the Plan's recordkeeper:
 - If you received a distribution on or before November 5, 2019, you will receive a Form 1099-R from FAS-Core, LLC, the previous recordkeeper.
 - If you received a distribution after November 11, 2019, you will receive a Form 1099-R from Voya Financial, the Plan's new 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 \$19,500 in 2020.

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 sign into your account through the Plan's Web site at nyc.gov/deferredcomp to make your change online. 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 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.

Contributing to the NYCE IRA for 2019?

Contributions to the New York City Employee (NYCE) IRA should be sent directly to the NYCE IRA lockbox. Visit nyc.gov/nyceira to download the Deposit Form, which includes payment and mailing/wiring instructions. Any 2019 NYCE IRA deposits delivered to the Plan's Administrative Office must be received no later than April 10, 2020 in order to be credited for 2019.



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

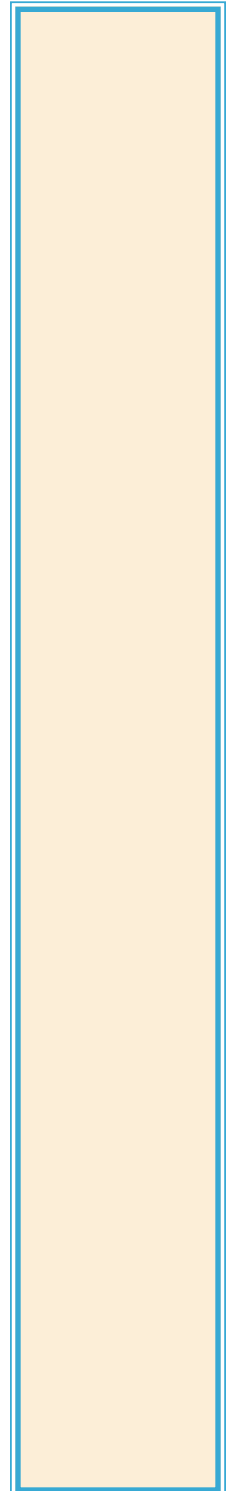
- Box 14 of the Form W-2

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.



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