

Deferred Comp/NYCE IRA UPDATE

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



In This Issue:

- ◆ The NYCE IRA
- ◆ Are You Considering Retirement within the Next Five Years?
- ◆ Annual Report

The NYCE IRA Got Even NICER!

IRA Contributions Can Now be Made through Payroll Deductions

Beginning July 2025, you can contribute to the NYCE IRA with automatic payroll deductions. This makes saving for your retirement through the NYCE IRA even easier. The NYCE IRA includes both a traditional and Roth IRA. The contributions you make during the calendar year to the NYCE IRA will be reported on Form 5498 which you will receive from the Plan's recordkeeper, Voya.

Please note: Payroll deductions are applied to the calendar year in which they are contributed. You will still have up until the tax deadline in April to make contributions to the NYCE IRA. However, contributions for the prior year must be made by check or money order. The contribution limit for 2025 is \$7,000, \$8,000 if age 50 or older.

Contributions made to an IRA are after-tax. Generally, you can deduct the contributions to your traditional IRA on your federal income tax return. Whether your contributions into the Traditional NYCE IRA will be deductible or non-deductible depends on your (or, if married, you and your spouse's) modified Adjusted Gross Income (modified AGI) and whether or not you are covered by another retirement plan at work. Please refer to the NYCE IRA Guide for more information.

Eligibility

If you are a current or former NYC employee (with a termination date of 1985 or after), or the spouse of a current or former NYC employee, you are eligible to open a New York City Employee IRA (NYCE IRA). So that means, even if you have retired from City service, you are still eligible to open an account and enjoy the convenience, professionalism, and performance of a program that has been designed with only you in mind.

Discover the City's Best-Kept Secret for Retirement Savings

The NYCE Individual Retirement Account (IRA) offers unique benefits that make it the smart choice for your retirement savings:

- Supplement your Deferred Compensation Plan savings – Invest additional earned income tax efficiently once you've reached your deferred compensation contribution limits.
- No cost to open a NYCE IRA. No commissions or sales charges.
- No quarterly administrative fee for participants who have an existing DCP account.
- Access to unique Plan features – Take advantage of the Stable Income Fund (an investment option that is not available in retail IRAs), complimentary financial planning services, and the added flexibility of a spousal account.
- Simplify with cost-effective rollovers – Consolidate costly retail IRAs into the NYCE IRA to reduce investment fees while gaining unique benefits.
- Leverage your extensive resources – Benefit from personalized service backed by the buying power of \$170 billion in City pension assets. This results in lower investment management fees for you!

And now, it's easier than ever to contribute with automatic payroll deductions.



The material contained in this newsletter is for informational purposes only. This information does not constitute the offering of investment, financial, tax or legal advice or other expert advice. You may wish to consult an investment advisor, tax advisor or legal counsel before reaching any decisions.

It's Easy and Convenient to Set Up Payroll Deductions!

If you already have a NYCE IRA account: 1) Access your account online at nyc.gov/nyceira and click on Account Log In. Navigate to *Contributions & Savings, Manage Contributions* and enter the dollar amount you wish to contribute each pay period. You will need your username and password to access your account. If you do not have a NYCE IRA account you can establish an account online or you can download the NYCE IRA Application from the Plan's website at nyc.gov/nyceira. You can also establish a Spousal NYCE IRA account and fund the account via check or money order.

You can access your account online anytime to change the dollar amount of your contribution.

Are You Considering Retirement Within the Next Five Years?

Here are a Few Things to Consider

Since its inception nearly 40 years ago, the NYC Deferred Compensation Plan has remained committed to providing City employees and retirees with a low-cost, tax-efficient, and convenient way to save for the future.

Over the years, your contributions have helped build an additional source of retirement income alongside your Social Security and pension benefits.

As you approach retirement, here are a few key considerations:

- **Keep Your Account:** You can maintain your Deferred Compensation Plan account even after leaving City employment. There is no requirement to move your account. You will continue to have full access to your account through the telephone, online or via the mobile app, with the ability to adjust investments and update beneficiaries. Search your app store for "NYC DCP" to download the Plan's mobile app.
- **Understand Your Options:** Every individual's financial situation is unique. Employees should be aware that rolling over a DCP account to an Individual Retirement Account (IRA) at another financial institution—particularly before age 59 ½—may result in unexpected tax consequences or penalties. It's important to evaluate all factors before making a decision.
- **401(k) Special Rollover Account:** The Special 401(k) Rollover Account was designed to accept funds that are exempt from New York State and local taxes, such as from a City pension, including your final pension payment/outstanding loan and union annuities.
- **Open an NYCE IRA:** If you or your spouse have earned income in retirement, consider continuing to contribute to the Plan with either the Traditional or Roth NYCE IRA.

And remember, if you are retiring or leaving City service, you are not required to make any decisions regarding the distribution of your account immediately. You are able to postpone withdrawals up until you reach age 73, at which time you must begin taking your annual Required Minimum Distributions.

Take Advantage of the Plan's Financial Wellness Center

Our Financial Wellness Center provides access to Certified Financial Planners®, offering webinars, seminars, and one-on-one consultations. These professionals do not sell financial products or receive commissions—ensuring truly objective and personalized guidance. For more information or to schedule a consultation, please visit us online at nyc.gov/deferredcomp or call (212) 306-5050.

We encourage you to take advantage of these resources to make informed decisions about your financial future.

Annual Report

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



Deferred Compensation Plan/NYCE IRA
A division of the
Mayor's Office of Labor Relations'
Employee Benefits Program
(212) 306-7760

Eric L. Adams
Mayor
City of New York

Renee Campion
Commissioner
Office of Labor Relations



1-888-DCP-3113
(outside of NYC)
nyc.gov/deferredcomp



1-888-IRA-NYCE
(outside of NYC)
nyc.gov/nyceira