

Distribution Guide for the 457 & 401(k) Plans



**New York City
Deferred Compensation Plan**





Office of Labor Relations *Deferred Compensation Plan & NYCE IRA*

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Dear Participant:

We are pleased to present you with the New York City Deferred Compensation Plan Distribution Guide. The purpose of this guide is to provide you with information regarding your options for withdrawing funds from your Deferred Compensation Plan account. While this guide contains information on in-service withdrawals, it is largely dedicated to participants who are leaving or have left City service.

The Plan offers very flexible distribution options to help you decide how and when you would like to receive your money, ranging from taking a one-time partial payment to setting up long-term periodic payments that can be deposited directly into your checking account.

We have been honored to build a first class retirement program for you over the years which is nationally recognized as one of the best programs in the U.S. and has among the lowest total fees of any available plan. And with the addition of the Self-Directed Brokerage Option, participants have access to a host of investment funds outside the Plan. So, you can continue to enjoy the many benefits the Plan has to offer and leave your money in the Plan up until you reach age 73 when you must begin minimum distributions.

The New York City Deferred Compensation Plan is pleased to now be able to offer the New York City Employee IRA (NYCE IRA) to City employees and their spouses. Outside IRAs charge individual retail rates! In the NYCE IRA, you are not a retail customer. Instead, you are able to continue investing in DCP's low cost investment options and portfolios, make contributions of earned income and roll over other employer plans and IRAs to consolidate your assets. Be sure that your spouse opens a Spousal NYCE IRA to maintain eligibility for all available benefits.

This guide explains the variety of distribution choices available to you so that you can make an informed decision about what is best for your personal situation. We also encourage you to attend a Deferred Compensation Plan Distribution Planning Seminar. To attend the free seminar, please call (212) 306-5050 or register online at nyc.gov/deferredcomp.

Sincerely,

Georgette Gestely
Director

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If you have additional questions after reading this brochure, please contact the Deferred Compensation Plan's Client Service Department between the hours of 9 a.m. and 5 p.m., Monday through Friday, at (212) 306-7760.

We encourage you to attend a Deferred Compensation Plan Distribution Planning Seminar. To attend the free seminar, please call (212) 306-5050 or register online.

Online at nyc.gov/deferredcomp

Please Note: This booklet does not constitute the offering of investment, financial, tax or legal advice or other expert advice. The material contained in this booklet is for informational purposes only. You may wish to consult an investment advisor, legal counsel or other expert before reaching any decisions. In addition, the material in this booklet is subject to the terms of the 401(k) Plan for Employees of the City of New York and Related Agencies and Instrumentalities and the Deferred Compensation Plan for Employees of the City of New York and Related Agencies and Instrumentalities and any other applicable federal, state and local laws and regulations. In the event of any conflict between the 401(k) Plan for Employees of the City of New York and Related Agencies and Instrumentalities or the Deferred Compensation Plan for Employees of the City of New York and Related Agencies and Instrumentalities and applicable laws or regulations, then the applicable laws and regulations shall govern.

The New York City Deferred Compensation Plan Distribution Guide is provided to Plan participants in order to satisfy Section 402(f) Special Tax Notice of the Internal Revenue Code.

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Generally, you may not withdraw funds from the Deferred Compensation Plan while you are still employed by the City. However, there are certain exceptions which are described below.

Trustee to trustee transfers for the Purpose of Purchasing Permissive Service Credits

457 and 401(k) Plan participants are eligible to use pre-tax funds in their Deferred Compensation Plan accounts as a source of funding for the purchase of permissive service credits in their pension systems via trustee-to-trustee tax-free transfers. Plan participants who want to purchase permissive service credits must contact their pension system directly to obtain a buyback statement to determine permissive service credit eligibility.

Once you receive your buyback information from your pension system, including the dollar amount, you will need to complete a Deferred Compensation Plan In-Service Distribution Form. In-Service Distribution Forms are available for download from the Plan's Web site at nyc.gov/deferredcomp or by calling 212-306-7760. Submit the In-Service Distribution Form, along with a copy of the buyback statement from your pension system, to the Deferred Compensation Plan's Administrative Office at least 15 days prior to the payment due date.

If purchasing service credit for a pension system outside New York State you need only complete the Plan's Participant Distribution Form requesting a rollover. Payment will be made directly to the pension system and not the participant.

Emergency Withdrawal

In the event you experience circumstances requiring a distribution from your deferred compensation account, you may apply for an emergency/hardship withdrawal. There are separate applications for the 457 Plan and the 401(k) Plan. (Please contact the Plan's Administrative Office to obtain the appropriate application.) The circumstances necessary to qualify for an emergency withdrawal are established by the Internal Revenue Service and the rules for 457 Plan withdrawals are different than the rules for the 401(k) Plan withdrawals. All decisions concerning what situations qualify are at the sole discretion of the Deferred Compensation Board.

Distribution Due to a Qualified Birth or Adoption

Plan participants may take an in-service distribution, of up to \$5,000 per child per plan, due to a qualified birth or adoption. Participants are eligible for the distribution within one year of the birth of the participant's child or the participant's adoption of a child who is either under age 18 or who is physically or mentally incapable of self-support. Such distributions will not be subject to an early withdrawal penalty. The distribution payment will not be subject to mandatory income tax withholding and will not be eligible to roll over.

An in-service distribution due to a qualified birth or adoption made from either the 457 Plan or the 401(k) Plan may be repaid to the applicable Plan, in an amount not to exceed the amount of such distribution. The repayment shall be treated as a trustee-to-trustee incoming rollover and payment can only be made in the form of a check made payable to the applicable Plan. Contact the Plan for the necessary form.

Distribution Due to Domestic Abuse

Plan participants may take an in-service distribution, up to the lesser of \$10,000 or 50% of their account balance if they have experienced or been a victim of domestic abuse. The distribution must be taken within 12 months of the domestic abuse incident. Such distributions will not be subject to an early withdrawal penalty. The distribution payment will not be subject to mandatory income tax withholding and will not be eligible to roll over.

An in-service distribution due to domestic violence made from either the 457 Plan or the 401(k) Plan may be repaid to the applicable Plan, in an amount not to exceed the amount of such distribution. The repayment shall be treated as a trustee-to-trustee incoming rollover and payment can only be made in the form of a check made payable to the applicable Plan. Contact the Plan for the necessary form.

Small Account Withdrawal

You may receive a full distribution from the 457 Plan prior to severance from City service if all the following criteria are met:

- (1) the total account balance does not exceed \$7,000;
- (2) you have not deferred any compensation to your 457 account during the two-year period ending on the date of distribution;
- (3) you have had no prior small account withdrawal; and
- (4) you do not have an outstanding loan.

Every January, the Plan identifies those participants who meet the criteria for a small account withdrawal. If you fall into this category, you will be notified that you may elect to receive your account in a lump sum distribution. You may rejoin the Plan at any time in the future.

Age 59½ and the 457 Plan

If you are at least age 59½, you may withdraw funds from your pre-tax 457 account, even if you have not severed from City service. Roth 457 participants, in addition to meeting the 59½ age requirement, must have made their initial Roth contribution more than five years ago if they wish to take a qualified distribution from their Roth 457 account income tax-free.

Age 59½ and the 401 Plans

401(k) Plan participants age 59½ and older are eligible to take distributions, without penalty, from their pre-tax 401(k) account while still working for the City. Roth 401(k) participants, in addition to meeting the age requirement, must have made their initial Roth contribution more than five years ago if they wish to take a qualified distribution from their Roth

401(k) account income tax-free and without penalty. 401(a) Plan participants can take an in-service distribution starting at age 59½.

To receive an in-service distribution, submit the attached Distribution Form indicating the distribution request is an in-service withdrawal. You can also access your account via the Plan's website to request online withdrawals.

In-Plan Rollovers

Plan participants may choose to transfer money from their Pre-tax 457 account to their Roth 457 account or from their Pre-tax 401(k) account to their Roth 401(k) account, subject to income taxes, while still employed by the City. Please refer to the In-Plan Transfer Form for additional information and instructions.

Frequently Asked Questions About Distributions

Loans

Active employees may apply for a loan from their Deferred Compensation Plan accounts. Please refer to the Plan's Loan Guide for details and rules. Loans are available only from the pre-tax portion of 457 and 401(k) accounts. However, the Roth portion is used to calculate the total amount available for loan. For active employees who are age 59½ and older, an outstanding loan from either the 401(k) Plan or the 457 Plan may be deemed as an in-service withdrawal. Such withdrawal will be subject to all applicable income taxes.



Do I have to decide how to distribute my account once I sever from City service?

There are no distribution election requirements upon severance* from City employment and participants can make distribution requests at any time by submitting a Distribution Form or by accessing their account online. At age 73, however, you must begin taking your separate Required Minimum Distribution payments from your 457 and 401(k) accounts.

When will I become eligible to begin taking distributions, without a penalty, from my Deferred Compensation Plan account?

If you are a participant in the pre-tax 457 Plan, you may begin distribution, without a penalty, upon age 59½ or upon severance* from City employment regardless of your age. Regarding distributions from the Roth 457, these can be taken income tax-free, provided you are age 59½ or older, and your initial Roth contribution was made at least five tax years ago.

If you are a participant in the 401(k) Plan, you may begin distribution upon age 59½ or upon severance* from City employment regardless of your age. Any distributions taken by a 401(k) Plan participant prior to age 59½ will generally become subject to a 10% early withdrawal penalty. There are several exceptions to the 10% early withdrawal penalty,

including, but not limited to, distributions (1) made to you after a separation from City service that occurred after you have attained age 55, (2) rolled over to an eligible retirement plan or an individual retirement account (an "IRA"), (3) made in the event you become totally and permanently disabled, (4) used to pay deductible medical expenses, (5) made pursuant to a qualified domestic relations order, (6) due to a qualified birth or adoption (\$5,000 per child per plan), and (7) made to your estate or beneficiaries after your death.

Regarding distributions from the Roth 401(k), these can be taken tax-free and without penalty, provided you are age 59½ or older, and your initial Roth contribution was made at least five tax years ago.

Am I able to roll over funds from other plans into my Deferred Compensation Plan account?

Yes. You are able to aggregate all your pre-tax contributions and earnings from other 401(k) plans, 403(b) plans, 401(a), 457 plans and rollover IRAs into the City's 401(k) Plan or the NYCE IRA. The Roth 401(k) Plan will only accept rollovers from other Roth 401(k) plans. In addition, you can also roll over the taxable portion of your final pension payment/loan from your defined benefit plan (NYCERS, Police Pension Fund, Fire Department Pension Fund, BERS, TRS) and eligible union annuity fund (403(a) programs) into the 401(k) Special Rollover Account. The 457 Plan can accept rollovers of before-tax and Roth contributions and earnings from other 457 plans only.

Can I roll over my Deferred Compensation Plan account to another retirement plan or IRA?

Yes, you can. In fact, you can roll your Plan assets into the New York City Employee IRA, the NYCE IRA. The NYCE IRA offers the same high quality investment options as the Deferred Compensation Plan. However, if you are in the 457 Plan, it might not be beneficial to roll assets over if you intend on withdrawing funds prior to age 59½ as there are no early withdrawal penalties in the 457 Plan. We have been honored to build a first class retirement program for you over the years which is nationally recognized as one of the best programs in the U.S. and has among the lowest total fees of any available plan. So, you can continue to enjoy the many benefits the Plan has to offer and leave your money in the Plan up until you reach age 73, and are no longer with the City, when you must begin minimum distributions.

* Severance is defined as retirement or being off City payroll for 45 or more days and does not include leaves of absence such as terminal leave, child care leave, sick leave, unpaid leave, workers' compensation, etc.

Is there a specific time required by the Internal Revenue Service at which I must begin taking distribution?

Yes. You are required to begin taking certain minimum distributions from your deferred compensation account by your “required beginning date.” Your “Required Beginning Date” is April 1st of the calendar year following the later of the calendar year in which you attain age 73 or the calendar year in which you retire from City service.

Required Minimum Distributions (RMDs) and certain periodic payments are not “eligible rollover distributions” under either the 457 Plan or 401(k) Plan. (Refer to pages 13 and 15 for further explanation.)

Are my distributions taxable?

Payments made directly to participants will be reported on Form 1099-R in the year when paid. Participants receiving eligible rollover distributions from their pre-tax portion of the 457 Plan and the 401(k) Plan are subject to mandatory federal tax withholding, as well as applicable state and local taxes. If you are over age 59½ and elect to receive distributions from your pre-tax account as periodic payments (installments), you may be eligible for an annual \$20,000 exemption from New York State and New York City taxes. Distributions from the Roth portions of the 457 Plan and 401(k) Plan are not subject to federal, state or local income taxes if the participant is age 59½ or older and the initial Roth contribution was made at least five taxable years ago. Distribution of earnings from the Roth 457 and 401(k) Plan before age 59½ or for a period shorter than five taxable years are subject to all applicable income taxes (Roth 401(k) distribution is also subject to penalties).

What if I have an outstanding Plan loan when I sever from City service?

Upon severance from City service, all Plan loans become immediately due and payable. The loan may be repaid by certified check, bank check or postal money order. **Your loan will be offset automatically, if you are requesting a distribution of your account.** Taxes will be withheld on the outstanding loan balance. If your retirement is due to disability, you will need to complete a separate Loan Offset Form. Once offset, the outstanding loan amount will be subject to all applicable income taxes and will be reported on Form 1099-R.

Can the value of my account change while I am taking distributions?

Yes. Depending on how your deferred compensation account is invested, the value of your account will be subject to market fluctuations during your distribution period. Your account continues to have the opportunity to grow for as long as you have money in the 457 Plan or 401(k) Plan. The administrative fees will continue to be deducted from your account and any appreciation or depreciation will continue to be reflected in your account on a tax-favored basis.

Once I request distribution, will my account be frozen?

No. Your account will continue to be subject to market fluctuations. Please note that requesting distributions does not

restrict you from moving your assets among the Plan’s various investment options. Keep in mind, however, that if you elect to have your distribution come from a particular investment fund, you must ensure that there is money in that fund. Otherwise, your distribution payment amount may be reduced or delayed.

If I am currently receiving installment payments, am I eligible to submit an additional distribution request for a partial withdrawal and still maintain my installment schedule?

You can request a partial withdrawal by accessing your account online or by submitting a Participant Distribution Form. A partial withdrawal may not be less than \$1,000. However, if you are set up for RMD installments and you take a partial lumpsum that exceeds your RMD amount or cause you to satisfy your RMD, your installment will not continue for remainder of the year but will resume the following calendar year

Is there a limit on the number of partial withdrawals I can take in a calendar year using the paper form?

You may request up to five (5) partial withdrawals in a calendar year. You will be charged a nominal fee for each additional request. The amount of each withdrawal may not be less than \$1,000. There is no limit for online withdrawals.

Is it generally advantageous to take a full withdrawal distribution from the pre-tax portions of the 457 Plan or 401(k) Plan instead of installment payments?

No. When you take a full withdrawal distribution, your entire deferred compensation account is includible as income in the year of the distribution. If you take installments, you spread out your tax liability.

Is it generally advantageous to rollover my pre-tax 457 or pre-tax 401(k) to an annuity held in an IRA after I leave City service?

Probably not. Since one of the main advantages of an annuity is that your money grows tax-deferred, it makes little sense to hold one in an account like an IRA, which is already tax-deferred. Annuities are insurance products and may charge higher expenses and commissions. In addition, they often have surrender charges which can last from 5 to 10 years. While annuities can have options offering guaranteed income for life, this feature may be best suited for individuals who do not have a pension plan.

What is the priority for distributions from the Roth 457 Plan or Roth 401(k) Plan as compared to a Roth IRA?

If a participant takes a distribution from the Roth 457 or 401(k) Plan either before age 59½ or before the 5-taxable-year period of participation has been completed, the earnings are subject to all applicable income taxes and penalties (Roth 401(k) only). The Roth 457 and 401(k) accounts will be distributed proportionally among contributions and earnings as opposed to a Roth IRA where distributions are first taken from contributions and then from earnings.

Can I get better returns if I move my money from the Deferred Compensation Plan to outside investments?

The performance of the Plan's funds is competitive with the performance of investments offered outside the Plan. In addition, the Plan's total asset size has allowed it to utilize separate accounts, which means you may pay less in investment management fees than you would pay if you bought similar

fund shares outside of the Plan. Remember, fees count. Every dollar paid in higher fees reduces your return by that dollar. Before you consider moving your money into any new plan or an IRA, other than the NYCE IRA, where you may be paying higher individual retail rates, you may wish to consult with an investment advisor or tax consultant and compare the applicable surrender fees, mortality and expense risk fees, administrative fees and investment management fees, as well as the initial investment requirements.

After I terminate City employment, should I take my money or leave it in the Plan?

	<i>BENEFITS</i>	<i>CONSIDERATIONS</i>
<i>Leave assets in the 457 Plan or roll assets into another Plan</i>	<ul style="list-style-type: none"> • There is no tax penalty on withdrawals made before age 59½ on both pre-tax and Roth portions. At age 59½, you can begin taking withdrawals from the 457 Plan, without penalty, even if you are still working for the City. • Extremely low investment management fees and quality investment options competitively chosen and independently reviewed regularly • A Self-Directed Brokerage Option which allows participants to invest in any of over 10,000 mutual funds, including no-load/no-transaction fee funds and ETFs • Annual \$20,000 exemption from NYS and NYC taxes on most pre-tax periodic withdrawals after age 59½ 	<ul style="list-style-type: none"> • Rolling over 457 assets to a 401(k), 403(b), or 401(a) plan will mean losing the 457 exemption from the early withdrawal penalty.
<i>Leave assets in the 401(k) Plan or roll assets into another Plan</i>	<ul style="list-style-type: none"> • Extremely low investment management fees and quality investment options competitively chosen and independently reviewed regularly • A Self-Directed Brokerage Option which allows participants to invest in any of over 10,000 mutual funds, including no-load/no-transaction fee funds • Annual \$20,000 exemption from NYS and NYC taxes on most pre-tax periodic withdrawals after age 59½ • Rollovers accepted from other 401(k), 403(b), 401(a), and 457 plans, and from rollover IRAs and final pension payments/loans 	<ul style="list-style-type: none"> • 10% tax penalty on most withdrawals before age 59½ • Rolling over 457 assets to the 401(k) Plan will mean losing the 457 exemption from the early withdrawal penalty.
<i>Roll assets into the NYCE IRA (Both Traditional and Roth available)</i>	<ul style="list-style-type: none"> • Ability to continue making contributions post City employment with includible income • Ability for spouse to open his/her own Spousal NYCE IRA • Extremely low investment management fees and quality investment options competitively chosen and independently reviewed regularly • Annual \$20,000 exemption from NYS and NYC taxes on most pre-tax withdrawals after age 59½ • Rollovers accepted from other 401(k), 403(b), 401(a), and 457 plans, and from rollover IRAs 	<ul style="list-style-type: none"> • 10% tax penalty on most withdrawals before age 59½ • Rolling over 457 assets to the NYCE IRA will mean losing the 457 exemption from the early withdrawal penalty.
<i>Roll assets into a retail IRA</i>	<ul style="list-style-type: none"> • Ability to continue making contributions post employment with includible income • Annual \$20,000 exemption from NYS and NYC taxes on most pre-tax withdrawals after age 59½ 	<ul style="list-style-type: none"> • 10% tax penalty on most withdrawals before age 59½ • Rolling over 457 assets will mean losing the 457 exemption from the early withdrawal penalty. • Generally higher fees and expenses • Investment options may not be competitively selected or regularly reviewed.
<i>Purchase annuity in an IRA</i>	<ul style="list-style-type: none"> • An annuity generally provides a guaranteed income for life • Annual \$20,000 exemption from NYS and NYC taxes on most pre-tax withdrawals after age 59½ 	<ul style="list-style-type: none"> • Generally higher fees and expenses, and surrender charges • Payment amounts can be small. • 10% tax penalty on most withdrawals before age 59½ • Rolling over 457 assets will mean losing the 457 exemption from the early withdrawal penalty.
<i>Take the money</i>		<ul style="list-style-type: none"> • Most distributions will be subject to a mandatory 20% federal tax withholding • 10% tax penalty on most 401(k) withdrawals before age 59½



Your Account After You Leave City Service

You are not required to begin withdrawing any portion of your account until you attain age 73 (see Required Minimum Distributions on page 15 for more information). After your severance from City employment, you may no longer make contributions to the Deferred Compensation Plan.

Employees whose payroll status is Pending Lump Sum Payout

An amount equal to your current deferral percentage will be deducted from your Pending Lump Sum Payout as a contribution to your Deferred Compensation Account(s), subject to the 457/401(k) annual contribution limit and required payroll deductions. The Pending Lump Sum Payout payment must be received by the Plan within 2.5 months after separation from City service, or by the end of the year in which you separated from City Service, whichever is later. Any payments received after that time are not eligible for deferral to the Deferred Compensation Plan, in accordance with IRS regulations. You may wish to increase your deferral percentage to take advantage of the Plan's annual maximum contribution amount.

If you wish to have a Deferred Compensation Plan deduction taken from your Pending Lump Sum Payout, you cannot submit a distribution request until the deduction is completed.

If you do not wish to have a deduction taken from your Pending Lump Sum Payout and would like your distribution request to be processed, you must suspend your deferral percentage.

You will be eligible for distribution after forty five days from the ceased date indicated on the City payroll system or last contribution date if, if contribution was received after your severance date.

Aggregating Your Retirement Accounts

You can aggregate your retirement accounts by rolling over all of your other 401(k) plans, 403(b) plans, 401(a) plans, 457 plans, and rollover IRAs into the NYCE IRA (where you can continue to make contributions with includible income) or the pre-tax portion of the City's 401(k) Plan. In addition, as long as you have a balance in your account, you can transfer money from one investment option to another, and designate or change beneficiaries. Your account will continue to be subject to market fluctuations and you will also continue to receive quarterly statements, newsletters, annual reports, and

have the opportunity to attend financial planning seminars. The quarterly administrative fees will continue to be withheld from your account while you have money remaining in the Deferred Compensation Plan.

Will I continue to have flexibility with, or control over, my money once I leave City service?

Yes. So long as you have money in the Deferred Compensation Plan, you can continue to enjoy the same benefits you enjoy now. For example, you can continue to make transfers among investment options and receive significant price breaks on management fees through the Plan's use of institutional funds and separate accounts, breaks you probably would not be eligible for if you rolled over your account to an IRA.

Your Income Tax Consequences

Pre-Tax 457 and 401(k) Plan Accounts

Distributions from your Pre-tax 457 and 401(k) accounts are classified as either "eligible rollover distributions" (ERD) or "non-eligible rollover distributions."

ERDs paid directly to the participant will be includible as income in the year distributed and will be reported on Form 1099-R and are subject to the 20% mandatory federal tax withholding.

Non-eligible rollover distributions, such as Required Minimum Distributions or certain long-term distributions (see pages 13 and 15 for further explanation), will be includible as income in the year distributed, will be reported on Form 1099-R, and are subject to 10% federal tax withholding unless you indicate otherwise.

The Plan will only withhold state taxes and local taxes based on the requirements of your state of residency. All other participants, not subject to required withholding, may elect state and local taxes by completing the applicable section on the Distribution Form or by accessing their account online. Your Form 1099-R will reflect the state of your address at the time of your distribution.

US Citizens or US Residents living abroad are subject to mandatory 30% federal tax withholding unless they submit a Form W-9.

Roth 457 and Roth 401(k) Plan Accounts

Distributions from your Roth 457 and Roth 401(k) accounts are classified as either “Qualified Distributions” or “Non-Qualified Distributions.”

A Qualified Distribution is not subject to federal, state or local taxes if the distribution is made:

- (1) After a period of five consecutive taxable years that begins with the first day in which the participant makes a Roth contribution and ends when five consecutive taxable years have been completed; and
- (2) On or after the date the participant attains age 59½.

A Non-Qualified Distribution from your Roth 457 or Roth 401(k) account is made either before age 59½ or before the five-taxable-years period of participation has been completed. The earnings from Non-Qualified Distributions from the Roth 457 are subject to all applicable income taxes. The earnings from Non-Qualified Distributions from the Roth 401(k) are subject to all applicable income taxes and penalties. The Roth 457 and 401(k) accounts will be distributed proportionally among contributions and earnings.

The final amount of tax that you will owe on any distribution will depend on your individual circumstances for the applicable year of distribution.

New York State Residents

Distributions from the Plan are eligible for a \$20,000 annual New York State and New York City income tax exemption for pensions and annuities paid to New York residents. This \$20,000 exemption is applied against the cumulative distributions a participant receives from a private employer retirement plan, a 401(k), 457 plan or 403(b) plan, or a traditional IRA. The exemption applies only to distributions taken as periodic payments to New York residents who are at least age 59½ and is in addition to the state income tax exemption for benefit payments received from the state or local employee’s public retirement system.

The final amount of tax that you will owe on any distribution will depend on your individual circumstances for the applicable year of distribution.

Social Security Payments Not Affected

Your right to receive Social Security payments will not be affected when your Deferred Compensation Plan account is distributed. The Social Security Administration does not include the distributions from your deferred compensation account in the maximum income a Social Security recipient can earn before his Social Security is reduced. However, distributions from your deferred compensation account are includible in your adjusted gross income for determining whether a portion of your Social Security payments may be taxed.

Purchasing an Annuity

If you are considering purchasing an annuity by rolling over your Deferred Compensation account to an annuity in a retail IRA, make sure you consider the following:

- (1) You will lose the 457 exemption from the early withdrawal penalty;
- (2) You may incur certain costs for administration of the annuity, and be subject to commissions and surrender charges; and
- (3) If you are a vested member of a pension plan, you already have guaranteed income.

The Deferred Compensation Plan’s distribution options allow you to choose an annuity-like payment schedule if you choose to receive installment payments that extend through your life expectancy.

Transfer to Another City Agency

If you have not severed from City employment, but have only transferred to another agency eligible to participate in either the City’s 401(k) Plan or 457 Plan, please contact our office immediately to ensure that there is no lapse in contributions to the Plans. Transferring between City agencies does not constitute a severance* from employment and, therefore, does not make a participant eligible for distribution.

Return to City Service

If you return to City service after a severance period of at least 45 days and choose to enroll in the Deferred Compensation Plan again, a new account will be established for you. However, you may take a distribution from your original account. You will receive a combined account statement reflecting activity on contributions made prior to your leaving City service and the current contributions and earnings. If you return to City service within 45 days of being off City payroll and later resume contributions, you will have a single account to which you will not have access until severance from employment.

Adjustments to Your Account

The Deferred Compensation Plan reserves the right to recover any amount erroneously distributed to you.

If you have any questions, or would like additional information or assistance, please call the Plan’s Administrative Office at (212) 306-7760.



Installments vs. Full Withdrawal

You'll probably be using your Deferred Compensation Plan account either as your sole source of retirement income or to supplement your pension and/or Social Security income. Because what you do with this nest egg is critical, you should consider carefully the pros and cons of taking either a full withdrawal or installments, regardless of whether the full withdrawal is taken immediately or at some future time.

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

What are the advantages of installment payments?

There are several advantages to choosing installments over a full withdrawal:

Deferring Taxes:

It is important to remember that the IRS considers deferred compensation distributions from your pre-tax 457 or 401(k) account includible as income in the year in which your distributions are paid to you. By taking installments, you would be able to spread your tax liability over the years that you receive distributions. Consequently, you would not have the immediate potential tax burden you would have if you were to elect a full withdrawal.

Retirement Income:

By joining the Deferred Compensation Plan, you made the decision to supplement your retirement income. Choosing installments will allow you to utilize your deferred compensation account for years to come.

Opportunity for Continued Growth of Your Account:

Until you decide to withdraw the money from your pre-tax 457 or 401(k) account, you will not pay taxes on that money. Earnings on Roth contributions are tax-free after age 59½ and after the five-taxable-years period of participation has been completed. If you elect installment payments, money will remain in your deferred compensation account and continue to have the opportunity to grow, tax-favored, through interest and/or appreciation. Your account will continue to be valued daily and you will continue to receive quarterly statements. Of course, depending on the investment options you select, your deferred compensation account could also be subject to losses from market fluctuations.

Immediate Distribution vs. Future Payout

The decision of when you should take distributions from your Deferred Compensation Plan account is a personal one. When you decide to withdraw funds from your account, it will be as simple as accessing your account online for a partial withdrawal, a one-time payment, or a full withdrawal.

You must submit a Distribution Form, however, if selecting periodic payments, or if this would be your first distribution due to separation of employment. This is so that your employment status can be verified. After your first distribution, future non-periodic distributions can be requested online.

Like most City employees, you joined either or both the 457 Plan or 401(k) Plan to supplement other sources of retirement income, like pension and Social Security. If you are leaving City service prior to retirement, you may be tempted to withdraw your account immediately and risk losing your retirement nest egg. Keep in mind that the Plan's flexible distribution options allow you to access your money at any time so that you could consider taking any portion as needed.

Rollovers into the Deferred Compensation Plan

Participants in the Deferred Compensation Plan are able to aggregate all their other 401(k) plans, 403(b) plans, 401(a) plans, 457 plans, and rollover IRAs in the City's 401(k) Plan or the NYCE IRA. The Roth 401(k) Plan will only accept rollovers from other Roth 401(k) plans. The Roth 457 Plan can accept rollovers from other Roth 457 plans only.

In addition, participants can roll over their final pension payment/loan from their defined benefit plan (NYCERS, Police Pension Fund, Fire Department Pension Fund, BERS, TRS) and eligible union annuity fund (403(a) programs) into the City's 401(k) Special Rollover Account. Participants should retain copies of their pension withdrawal documents, as they will need them to determine their New York State and local income tax liability when they take withdrawals from the Special 401(k).

The 457 Plan will continue to accept rollovers from other 457 plans. The 457 Plan will not accept rollovers from 401(k) plans, 403(b) plans, 401(a) plans or IRAs. Any required minimum distributions must be paid to you by the prior provider before the funds are rolled into the Deferred Compensation Plan. You must establish a Deferred Compensation account prior to making a rollover.

Rollovers out of the Deferred Compensation Plan

Upon severance from City employment or upon reaching age 59½, participants in the 457 Plan can roll over their account to the NYCE IRA or another eligible retirement plan (457, 401(k) or 403(b)) or a retail IRA. The NYCE IRA is available as both a Traditional and Roth IRA and is for the exclusive benefit of current and former employees of the City of New York and their spouses. Caution: 457 Plan participants who choose to roll over their account to a 401(k) or 403(b) plan or to an IRA will become subject to the 10% early withdrawal penalty when they take a distribution from the other plan or IRA before age 59½, unless an exception applies.

Pre-tax 401(k) Plan participants, either upon severance from City employment or upon reaching age 59½, can roll over their account to the NYCE IRA or another eligible retirement plan (457, 401(k) or 403(b)) or a retail IRA.

Roth 401(k) Plan participants, either upon severance from City employment or upon reaching age 59½, can roll over their account to either another Roth 401(k) plan or a Roth IRA, such as the Roth NYCE IRA. Rollovers to the 457 plan or any Roth 403(b) are not permitted. Roth 457 Plan Participants, either upon severance from City employment or upon reaching age 59½, can rollover their account to either another Roth 457 plan or a Roth IRA, such as the Roth NYCE IRA. Caution: Roth 457 and Roth 401(k) Plan participants who choose to roll over their Non-Qualified account to a Roth IRA are advised that the period that the rolled-over funds were in the Roth 457/401(k) Plan account will NOT count towards the five-taxable-years period.

Participants are not required to withdraw their account balances upon severance of employment with the City. Participants in the Deferred Compensation Plan can instead continue to participate in the Plan and their accounts will continue to have the opportunity to grow and they will also continue to receive quarterly statements, newsletters, annual reports, and have the opportunity to attend financial planning seminars. The quarterly administrative fees will continue to be withheld from a participant's account while funds remain in the Plan.

Remember that the Deferred Compensation Plan is large enough to qualify for significant price reductions on investment management fees through the use of separate accounts, reductions participants probably would not be eligible for on their own. To roll over to another City retirement plan or the NYCE IRA, you are required to submit a completed Distribution Form and an Incoming Plan Transfer Form to the Deferred Compensation Plan's Administrative Office.

Below is a comparison of fees incurred in the City's Deferred Compensation Plan versus the fees incurred in similar institutional and retail class funds.

Fee Advantages of the Deferred Compensation Plan vs. Median Expenses Ratio				
Fund	DCP Expense Ratio ¹	Institutional Expense Ratio ²	Retail Expense Ratio ²	¹ The DCP expense ratios shown include the Plan's annualized asset-based administrative fee of 0.04%. ² Screening was done using the Morningstar mutual fund database updated through 12/31/2023 for the institutional and retail groups ³ Ultra-short bonds were used as a proxy for stable value funds in this comparison.
Stable income fund	0.26%	0.45% ¹	0.75% ¹	
Bond index fund	0.06%	0.46%	0.74%	
Equity index fund	0.04%	0.20%	0.44%	
Socially responsible index fund	0.10%	0.87%	1.03%	
Mid-cap index fund	0.05%	0.85%	1.16%	
International equity fund	0.27%	0.84%	1.05%	
Small-cap equity fund	0.42%	0.89%	1.20%	

Chart Prepared by Segal Marco Advisors

* Severance is defined as retirement or being off City payroll for 45 or more days and does not include leaves of absence such as terminal leave, child care leave, sick leave, unpaid leave, workers' compensation, etc.

Before making any decision to move money into any new retirement plan or retail IRA, research the applicable surrender fees, mortality and expense risk fees, administrative fees and investment management fees, as well as the initial investment requirements.

Fees are applied to the assets in an investment account. They are calculated in “basis points”
(1 basis point = 100th of 1 percent).

Basis Points	1 bps: $0.0001 \times \$10,000 = \1.00
--------------	--

Assuming a \$30,000 Plan account balance:

Deferred Compensation Plan Total Cost (includes annual \$80 fee): 23 bps $.23\% \times \$30,000 = \69

Median Institutional Costs (Other Defined Contribution Plans): 47 bps $.61\% \times \$30,000 = \141

Median Retail Costs (e.g., IRA): 71 bps $.91\% \times \$30,000 = \212
--

The expense ratios shown in the above chart, expressed in basis points, have been calculated assuming the same weighted average as the dollars invested in the Deferred Compensation Plan investment options on 12/31/23.

If you are leaving the City and considering rolling over your Deferred Compensation Plan assets to a retail IRA, or if you are taking a final pension loan/payment and rolling it into a retail IRA, compare those fees to ours. All fees are required to be disclosed by the plan or IRA. You can find those fees in the investment prospectus or by asking the plan or IRA representative. Remember: The more you save in investment management fees, the more money you have for retirement.

Direct Rollover

If you are eligible and wish to roll over distributions from your deferred compensation account directly to another outside retirement plan or IRA, you can either access your account online or submit a completed Distribution Form to the Deferred Compensation Plan’s Administrative Office.

You must provide Plan account information to the retirement plan or financial institution that is to receive the rollover. Only certain types of investment vehicles are eligible to receive rollovers and it is solely your responsibility to ensure such eligibility. The Plan will not be held responsible for any tax penalties that may occur for the transfer of Plan funds eligible for rollover treatment which are transferred to an ineligible investment vehicle.

Please be advised, the Plan does not allow for transfer-in-kind. The funds being rolled over are liquidated and a check is issued for the rollover amount and made payable to the financial institution or retirement system for the benefit of the Plan participant. The check is mailed to the participant’s address on file. The Plan participant must then deliver the check to the applicable financial institution. Writing on the face of the check may result in it being voided.

If you are rolling over a distribution from your Roth account to another Roth plan, accompanied with your rollover check will be a statement indicating either the first year of the 5-taxable-years period or that the distribution is a Qualified Distribution.

Any required minimum distributions must be paid to you by the Plan before the funds are rolled out of the Plan.

Indirect Rollover of Direct Payments and Outstanding Loans

If you receive a direct payment in your own name that was eligible for rollover treatment, you have 60 days from receipt of payment to roll over that distribution into another eligible retirement plan or IRA (an “indirect rollover”). However, any distribution from the pre-tax 457 or 401(k) that is eligible for rollover treatment that is directly distributed in your own name is subject to a 20% mandatory federal tax withholding. In order to roll over 100% of the distribution, you would then need to contribute other cash in the amount of the 20% tax withholding to the retirement plan or IRA. You can then request a refund of the 20% tax that was withheld when you file your federal income tax return. If you do not contribute the additional cash to make-up for the 20% withholding, the amount withheld will be treated as a taxable distribution. Roth 457 and 401(k) participants who choose to indirectly roll over their Non-Qualified account to a Roth IRA are advised that the period that the rolled-over funds were in the Roth 457 or 401(k) account will NOT count towards the 5-taxable-years period.

Upon severance from City service, all Plan loans become immediately due and payable. The loan may be repaid by certified check, bank check or postal money order. Your loan will be offset automatically, if you are requesting a distribution of your account. If your retirement is due to disability, you will need to complete a separate Loan Offset Form. Once offset, the outstanding loan amount will be subject to all applicable income taxes and will be reported on Form 1099-R.

Before deciding to roll over your deferred compensation account, attend a Deferred Compensation Plan Distribution Planning Seminar to learn more about Plan fees and your distribution choices.

Your Distribution Choices



You do not have to decide how to distribute your entire account immediately upon severance from City employment. When you are ready to take a distribution from the Plan, you can access your account online or complete a Distribution Form. The Distribution Form is attached to the end of this guide. The Plan can only accept Distribution Forms for payments that are scheduled to begin within the next 90 days.

Direct Payment, Rollover, or Transfer

Payments may be made directly to you, rolled over to another plan, or transferred to another plan. A rollover is a non-taxable, trustee to trustee distribution to a different plan type. An example of a rollover would be rolling 457 monies into an IRA. A transfer is a non-taxable, trustee to trustee distribution to a similar plan type, for example, transferring from the 457 plan to another 457 plan.

Direct rollovers or transfers will not be taxed in the current year and no income tax will be withheld at the time of the rollover or transfer.

Any withdrawals eligible for rollover or transfer from the pre-tax 457 Plan and 401(k) Plan paid directly to the participant will be includible as income in the year distributed and will be reported on Form 1099-R. Distributions that are eligible for rollover are subject to a 20% mandatory federal tax withholding. There is a 30% mandatory withholding that applies to residents of Puerto Rico, Guam and the U.S. Virgin Islands. Furthermore, in some cases, the Plan will withhold mandatory state taxes. Otherwise, participants will be responsible for payment of all applicable state and local taxes. These amounts may not be sufficient to cover a participant's full tax liability. Therefore, participants should speak to an accountant or tax advisor.

Pre-tax 457 and 401(k) participants are eligible to convert their account, or a portion thereof, to an eligible Roth IRA, such as the Roth NYCE IRA. Conversions to a Roth IRA are subject to applicable income taxes.

Qualified Distributions from the Roth 457 and 401(k) Plan are not subject to federal, state, or local income taxes. The earnings from a Non-Qualified distribution are subject to all applicable income taxes. Non-Qualified Distributions from the Roth 401(k) Plan are also subject to a penalty. Non-Qualified Distributions will be made proportionally among contributions and earnings.

The following types of distributions are not eligible rollover distributions and may be subject to tax withholding:

- 1) Payments spread over long periods (Installments): you cannot roll over a payment if it is part of a series of

payments that are made at least once a year and that will last for (a) your life expectancy, (b) your life expectancy and your beneficiary's life expectancy, or (c) a specified period of ten years or more.

- 2) Required Minimum Distributions (beginning in the year you attain age 73 and are severed from City service): a portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you. (See page 15 for details.)
- 3) 457 Unforeseeable Emergency Withdrawals and 401(k) Hardship Withdrawals.

Payment/Rollover/Transfer Start Date

You can specify on the Distribution Form when you want to begin receiving your distribution or affect your rollover. Please note that online withdrawal requests cannot be future dated. Remember, if you set up a distribution schedule, you always have the option to cancel or change it at anytime within Plan parameters.

Please allow approximately 30 days for your paper distribution request to be processed. The distribution of your account cannot begin prior to the 45th day after your severance from City employment or last contribution date, if a contribution was received after your severance date.

Method & Length

Each Distribution request submitted must specify in what form you want the funds distributed to you from your account.

- 1) **Full Withdrawal** – a distribution of your entire remaining deferred compensation account in a single lump sum payment;
- 2) **Partial Withdrawal** – a distribution of the portion of your deferred compensation account that you specify (minimum request of \$1,000, up to five (5) paper Distribution Form requests per calendar year; each additional request may be subject to a nominal fee);
- 3) **Installments** – distributions made over regular intervals totaling your entire deferred compensation account (Installments may not be less than \$100);
- 4) **Partial Withdrawal with Installments** – an initial distribution of an amount that you specify followed by distributions made over regular intervals totaling your entire remaining deferred compensation account.

Installments can be made monthly, quarterly, semi-annually, or annually. You must determine the interval of the distributions and either (1) the exact number of installment payments you want to receive; (2) the gross dollar amount of the installments you want to receive; (3) whether your distributions should be paid over your life expectancy; or (4) the joint life expectancy of you and your beneficiary. Options (1) and (2) must be completed within a period not extending beyond your life expectancy. If you elect options 1, 3 or 4, the distribution amount will be "recalculated" annually.

Once you have selected a method of distribution, that distribution will continue until either your account is depleted or you make a change. You can choose to have your distributions taken proportionally from each of your investment options or, if you prefer, you can specify the investment option from which your distributions are to be taken.

Keep in mind, however, that if you elect to have your distribution come from a particular investment fund, you must ensure that there is money in that fund. Otherwise, your distribution payment amount may be reduced or delayed and funds will be taken proportionately from all available investment options.

If you have funds in the Self-Directed Brokerage Option and are including these funds in your distribution amount, you must first transfer these funds to one or more of the core investment options, or to a pre-arranged portfolio, before the funds can be distributed to you.

Electronic Fund Transfers

Payment will be made in the form of a check unless you request an electronic fund transfer (EFT) for your payments. An electronic fund transfer allows your bank account to be credited for each payment, thereby providing quicker access to your funds.

If you have Electronic Fund Transfer (EFT) information on file with the Plan all subsequent distributions will be sent to that account. To initiate your first direct deposit transaction or to update existing EFT information, you must submit an

Authorization Agreement for Electronic Fund Transfers (EFT) Form or complete the EFT section of the Distribution Form and provide a voided check or letter from your financial institution with your account information. If we do not have valid EFT information on file when your distribution is processed, a paper check will be sent to your address on file.

Funds will be made available to your bank account 3-5 business days after the date the funds are withdrawn from your Deferred Compensation Plan account. You will receive a payment stub by mail for your records.

There is no fee for electing this option.

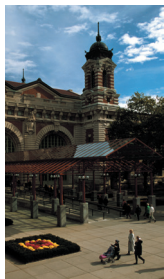
Please contact the Plan's Administrative Office to request an EFT form or you may download the form from the Plan's website. By requesting EFT of your distribution, you are authorizing the Plan's recordkeeper to debit/credit your bank account. Notice of cancellation must be made in writing at least 30 days prior to a payment start date for the cancellation to be effective with respect to subsequent payments.

Address Changes

It is important to make sure your address is correct before submitting your distribution request. Making address changes online within ten (10) days of your distribution date may result in 1) the check being mailed to your old address, and 2) your tax withholding being based on your old address.

Required Minimum Distributions

What are the Required Minimum Distributions?



The Deferred Compensation Plan is meant to provide retirement income, hence there are certain minimum levels of distributions you are required to take from your account once you reach a certain age. The Internal Revenue Code requires you to begin taking minimum distributions (or greater amounts) from your Deferred Compensation Plan account no later than your "required beginning date." Your "required beginning date" is April 1st of the calendar year following the later of the calendar year in which you attain age 73 or the calendar year in which you retire from City service. **It is your responsibility to initiate required minimum distributions by the "required beginning date."**

You may take your first required minimum distribution during the year you become age 73, or you may defer this first distribution to not later than the April 1st of the following year. However, if you elect to defer your first distribution up until April 1st of the following year, you will be required to take an additional minimum distribution payment that year.

After your "required beginning date," you must take at least the required minimum distribution every calendar year. Please check the Plan's website for the last disbursement date of each calendar year. Your required minimum distribution will be recalculated by the Plan each year based on your age and account balance.

Please remember that required minimum distributions are the smallest distribution you are permitted to take. You may choose to take larger distributions and do not need to wait until your "required beginning date."

How is minimum distribution calculated?

As of your "required beginning date," you will be required to take at least the yearly minimum distribution calculated using the Uniform Table issued by the IRS. This table can be found on page 18. For each "Distribution Year" (i.e., a year for which a distribution is required), determine: (A) the account balance as of the preceding calendar year end; (B) the participant's age on his or her birthday in the Distribution Year; and (C) the "applicable divisor" for that age. "A" divided by "C" equals the minimum required distribution for the Distribution Year.

The Uniform Table is to be used by all participants with one exception. If your spouse is more than ten years younger than you, and your spouse is your sole beneficiary, your distribution will be based on a joint and survivor calculation using the Ordinary Joint Life and Last Survivor Annuities Table on page 19.

If you are participating in more than one type of plan within the Deferred Compensation Plan, or if you have an outside 457 or 401(k), your minimum distributions must be calculated and taken separately from each plan.

Please note that if you are required to receive Required Minimum Distributions (RMD), and you request a one-time partial payment distribution that exceeds your RMD, you cannot subsequently elect to receive an installment of your RMD in that same calendar year.

What does it mean that my minimum distribution will be “recalculated”?

The term “recalculated” simply means that, at the start of each new year, the Plan’s Administrative Office will determine the amount of your required minimum distributions in accordance with the Uniform Table.

What happens to my minimum distributions if any of my beneficiaries die before I do?

Your minimum distribution is determined in accordance with the table you select and is not affected by the death of your beneficiaries, unless the beneficiary is your spouse and you were using a joint and survivor calculation.

What happens to my minimum distribution amount if I change my beneficiary?

Your minimum distribution amount will not change if you change your beneficiary unless the beneficiary is your spouse and you were using a joint and survivor calculation.

What are the conditions for using joint and survivor life expectancy calculation?

Your spouse is (1) your sole beneficiary and (2) more than ten years younger than you.

What if the required minimum distributions are not taken?

It is your responsibility to initiate minimum distributions (or distributions in greater amounts) no later than April 1st of the calendar year following the later of the calendar year in which you attain age 73 or the calendar year in which you retire from City service. It is also your responsibility to ensure you receive payments meeting the minimum distribution requirements each year. If you fail to take the minimum distribution amount required each year, the Internal Revenue Service may impose a penalty equal to 25% of the amount you should have taken but did not. For example, if you should have taken a distribution equal to \$2,000 during the year and you did not take any distributions, the Internal Revenue Service may assess a penalty equal to \$500. If the amount you were required to take during the year was \$2,000 and you only took \$1,000, the 25% penalty would equal \$250.

Beneficiaries

Distribution of a deceased participant’s account is paid out in the following order:

The participant has the opportunity to choose both primary beneficiaries and contingent beneficiaries. Upon the death of the participant, any amount payable under either the 457 Plan or the 401(k) Plan shall be paid only to the primary beneficiary(ies) who survive the participant. If any of the primary beneficiaries predecease the participant, their share will be distributed proportionately among the remaining primary beneficiaries. Only if all the primary beneficiaries predecease the participant will the contingent beneficiary(ies) be entitled to any amount payable under the Plan. If any of the contingent beneficiaries predecease the participant their share will be distributed proportionately among the remaining contingent beneficiaries. If no beneficiary designation is in effect at the time of the participant’s death, or if no primary or contingent beneficiary survives the participant, any amount payable under the Plan will be paid to the participant’s surviving spouse, or, if there is no surviving spouse, to the participant’s estate.

How divorce affects your beneficiary election

Participants are advised to review their beneficiaries if they are divorced. If a participant is divorced after 2008, and their named beneficiary is still their ex-spouse, as matter of law, the ex-spouse is no longer the beneficiary. The account will pass to either the remaining primary beneficiaries or the contingent beneficiaries, or to the participant’s estate, if no contingent beneficiaries are named.

If the participant either has agreed as part of his or her divorce settlement to name the ex-spouse as the beneficiary to the Deferred Compensation account or wishes to have the ex-spouse remain as a beneficiary, the participant must file a change of beneficiary renaming the ex-spouse as the beneficiary, updating the relationship to “Other”.

Distribution options for beneficiaries

The following is a brief synopsis of some of the options for beneficiaries. For further information, please review The New York City Deferred Compensation Plan Beneficiary Guide.

Subject to the required minimum distribution rules, your beneficiary will be permitted to choose how to receive distributions from your account. The distribution options vary depending on whether you had started receiving distributions before your death, whether your beneficiary is an individual or a non-individual and whether or not the beneficiary is your surviving spouse.

Effective January 1, 2022, if the participant named an “eligible designated beneficiary,” (such as a spouse, minor child or beneficiary less than 10 years younger than the participant), he or she may be able to receive distributions over his or her life expectancy. If the participant named a “designated beneficiary” (such as an adult child or grandchild), he or she must complete distribution by the end of the tenth (10th) calendar year following the year of the Plan participant’s death.

In addition, both designated beneficiaries and eligible designated beneficiaries have the option to roll over their account to an IRA. Only spouses who have established a Spousal NYCE IRA prior to the participant’s death can roll over their Inherited Distribution Accounts to the NYCE IRA.

If your beneficiary is not an individual, distribution of the entire account balance must be completed by December 31st of the year following the 5th anniversary of your death. If your beneficiary is a trust, special rules may apply which would permit the beneficiaries of that trust to be eligible for the distribution options available to individual beneficiaries. In order to be eligible, you must submit to the Administrative Office either a copy of the trust, which complies with the applicable Internal Revenue Service rules, or a list of the beneficiaries with certification that the applicable trust complies with such rules.

Changing your beneficiary

In order to change your primary or contingent beneficiary, you must a) submit a Change Form, b) access the Plan’s Web site at nyc.gov/deferredcomp and make the desired change by accessing your account, or c) indicate your beneficiary election directly on the enclosed Distribution Form. Forms should be submitted to the Deferred Compensation Plan’s Administrative Office. The change will replace the last beneficiary election you filed with the Deferred Compensation Plan, **so long as the requested change is received by the Plan’s Administrative Office prior to your death.** You will receive a confirmation letter in the mail indicating your requested change.

Single Life Expectancy Table

Ordinary Life Annuities

- One Life -

Table for Determining Applicable Divisor			
Age	Applicable Divisor	Age	Applicable Divisor
01	83.7	38	47.7
02	82.8	39	46.7
03	81.8	40	45.7
04	80.8	41	44.8
05	79.8	42	43.8
06	78.8	43	42.9
07	77.9	44	41.9
08	76.9	45	41.0
09	75.9	46	40.0
10	74.9	47	39.0
11	73.9	48	38.1
12	72.9	49	37.1
13	71.9	50	36.2
14	70.9	51	35.3
15	69.9	52	34.3
16	69.0	53	33.4
17	68.0	54	32.5
18	67.0	55	31.6
19	66.0	56	30.6
20	65.0	57	29.8
21	64.1	58	28.9
22	63.1	59	28.0
23	62.1	60	27.1
24	61.1	61	26.2
25	60.2	62	25.4
26	59.2	63	24.5
27	58.2	64	23.7
28	57.3	65	22.9
29	56.3	66	22.0
30	55.3	67	21.2
31	54.4	68	20.4
32	53.4	69	19.6
33	52.5	70	18.8
34	51.5	71	18.0
35	50.5	72	17.2
36	49.6	73	16.4
37	48.6		

For each "Distribution Year" after the initial year, determine: (A) the account balance as of the preceding calendar year end; (B) the participant's age on his or her birthday in the Distribution Year; and (C) the "applicable divisor" for that age from the above table. "A" divided by "C" equals the approximate distribution for the Distribution Year.

Participant distributions after age 73 are in accordance with the Uniform Table on page 18.

The “Uniform” Table
 (Formerly known as the “MDIB Rule Divisor Table”)
 for determining lifetime required distributions for (almost) everyone

Table for Determining Applicable Divisor					
Age	Applicable Divisor	Age	Applicable Divisor	Age	Applicable Divisor
72	27.4	89	12.9	106	4.3
73	26.5	90	12.2	107	4.1
74	25.5	91	11.5	108	3.9
75	24.6	92	10.8	109	3.7
76	23.7	93	10.1	110	3.5
77	22.9	94	9.5	111	3.4
78	22.0	95	8.9	112	3.3
79	21.1	96	8.4	113	3.1
80	20.2	97	7.8	114	3.0
81	19.4	98	7.3	115	2.9
82	18.5	99	6.8	116	2.8
83	17.7	100	6.4	117	2.7
84	16.8	101	6.0	118	2.5
85	16.0	102	5.6	119	2.3
86	15.2	103	5.2	120+	2.0
87	14.4	104	4.9		
88	13.7	105	4.6		

For each “Distribution Year” (i.e., a year for which a distribution is required), determine: (A) the account balance as of the preceding calendar year end; (B) the participant’s age on his or her birthday in the Distribution Year; and (C) the “applicable divisor” for that age from the above table. “A” divided by “C” equals the minimum required distribution for the Distribution Year.

For use by participants whose spouses are more than 10 years younger and are the sole beneficiaries of their account. To determine your remaining joint life expectancy: 1) Find your age in the column on the left and go across until you find your beneficiary's age from the top row. 2) Select the corresponding divisor. If your beneficiary is older than you, you cannot use joint life expectancy. Next, for each "Distribution Year," determine: (A) the account balance as of the preceding calendar year end; and (B) the "applicable divisor" from the table below. "A" divided by "B" equals the approximate distribution for the Distribution Year.

- Page 19 -



DEFERRED COMPENSATION 457, 401(k) & 401(a) PARTICIPANT DISTRIBUTION FORM

- Please Print - Black Ink Preferred -

See Page 4 for instructions
on how to submit this form.

Page 1 of 4



If you are requesting a Required Minimum Distribution, do not complete this form.
You must complete the Required Minimum Distribution Form.

I. Personal Information ☐ If you live outside the U.S., please provide proof of citizenship and submit IRS Form W9 with this form.

PARTICIPANT ID OR LAST 4 DIGITS OF SSNO	DATE OF BIRTH	AREA CODE	DAYTIME PHONE NUMBER	AREA CODE	MOBILE PHONE NUMBER
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
LAST NAME			FIRST NAME		
<input type="text"/>			<input type="text"/>		
HOME MAILING ADDRESS - NUMBER AND STREET			APT. NO.		
<input type="text"/>			<input type="text"/>		
CITY	STATE	ZIP CODE	E-MAIL ADDRESS		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		
DATE OF SEVERANCE*	FORMER AGENCY NAME				
<input type="text"/>	<input type="text"/>				

*Severance is defined as retirement or being off City payroll and does not include leaves of absence such as terminal leave, child care leave, sick leave, unpaid leave, workers' compensation, etc.

Distribution request from my (Choose only one from choices 1 - 4 below. Please complete a separate form for each Plan and Money type.):

- ☐ 457 Plan: ☐ Pre-tax **or** ☐ Roth Specify account type: ☐ 01 ☐ 02
- ☐ 401(k) Plan: ☐ Pre-tax **or** ☐ Roth Specify account type: ☐ 03 ☐ 04
- ☐ 401(k) Plan Special Rollover Account (account type: 05)
- ☐ 401(a) Plan (account type: 06)

☐ Check here if this is an in-service withdrawal. (You must be at least age 59½ to receive an in-service withdrawal from your 401(k), 401(a) or 457 account.)

☐ Check here if you have a loan that you wish to offset.

This form represents: ☐ Direct Payment ☐ Direct Rollover ☐ Change of current Distribution request ☐ Cancellation of current Distribution Request
☐ Additional Partial Withdrawal while maintaining current Distribution schedule* ☐ Change to Tax Withholding

Notes: (1) If you have an outstanding Plan loan and have severed from City service, the loan will be offset automatically. If you are retiring due to disability, please complete a Loan Offset Form. (2) Separate Distribution Forms must be completed if you are requesting both a direct payment and a direct rollover. (3) Please allow approximately 30 days for your distribution request (including cancellations) to be processed. (4) Submit an RMD Form when requesting Required Minimum Distributions (RMDs) from your account.

*This option is not available if you are receiving RMD installments.

II. Payment/Rollover/Transfer Start Date (You MUST check only one box below. If no box is checked, the distribution will be processed as soon as possible.)

☐ As soon as possible, **or** ☐ Future date: Indicate month **only** _____ and Year _____ (Date must be within 60 days of submission of this form.)

- Please do not submit this form more than 60 days before your requested distribution date if you are choosing a Future Date.

- Please allow approximately 30 days from receipt of this form for your distribution request to be processed.

- Please note that distribution may commence no sooner than 45 days after severance from City service.

III. Method of Distribution (Check only one): Specify length of distribution in Section IV if choosing options 3 or 4 below.

- You are permitted up to five (5) Partial Withdrawal paper form requests per calendar year, additional requests may be subject to a nominal processing fee.
- Applicable taxes will be withheld from your disbursements, therefore, please indicate a gross amount below.

1) ☐ Full Withdrawal (Do not complete section IV. Length of Distribution.)

2) ☐ Partial Withdrawal (one-time partial payment) of \$ _____ (minimum dollar amount request is \$1,000) **or** _____ % of balance.

Payment to be taken from the following investment option(s)*: _____

3) ☐ Installments: ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Annually (Specify length in Section IV.) Payments will automatically be prorated across all

investment options unless otherwise specified: Payment to be taken from the following single investment option*: _____

4) ☐ Partial Withdrawal (one-time partial payment) of \$ _____ (minimum dollar amount request is \$1,000) **or** _____ % of balance.

Payment to be taken from the following investment option(s)*: _____

with the remaining balance in Installments: ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Annually (Specify length in Section IV.)

Installments to be taken from the following single investment option*: _____

starting: Month _____ Year _____ (If left blank, Installments will begin approximately 30 days after the Partial.)

*If you do not elect an investment option or there are insufficient funds in the option you elected, this will result in the disbursement being taken proportionately from all available investment options or receipt of a lower amount than originally requested or a delay in distribution.

Return all pages of this application, even if some sections are left blank.
Please include the last 4 digits of your SS number and your name on all pages.



IV. Length of Distribution (Check only one)

- 1) ☐ Number of Installments: _____ (Not to exceed your life expectancy)
- 2) ☐ Gross Dollar Amount of Installments: \$ _____ (Minimum payment amount is \$100. Not to exceed your life expectancy.)
- 3) ☐ Life Expectancy - Upon reaching age 73, you will receive **only** the minimum distribution amount that is required by law.
- 4) ☐ Joint Life Expectancy (If you have chosen this option, you must complete section VII. Beneficiary Election naming your beneficiary, even if you have provided beneficiary information previously. Please attach proof of birth for the beneficiary.)

Note: If you are required to receive minimum distributions and your spouse is your sole beneficiary and is more than ten years younger than you, your payment will be calculated based on a joint life.

V. Electronic Fund Transfer (EFT)

Attach a preprinted
VOIDED check here

Only complete this section if you are requesting direct deposit of your payments. You must include a voided check if your distribution is being sent to your checking account. If distribution is being sent to your savings account, attach a letter on financial institution letterhead, signed by a representative of the financial institution, that includes payee's name, savings account number and ABA routing number. EFT is available at no charge. You can only have one account for EFT on file with the Plan at a time.

Note: You must be a named person on the account. You may not designate a business account, brokerage account, or an IRA.

- ☐ Checking Account
☐ Savings Account

UNITED STATES FINANCIAL INSTITUTION	ACCOUNT NUMBER	ABA NUMBER
ADDRESS		
CITY	STATE	ZIP CODE

VI. Rollover DO NOT COMPLETE THIS SECTION IF YOU SELECTED DIRECT PAYMENT. Indicate Rollover Start Date in section II.)

Direct Rollover to: ☐ NYCDGP 401(k) Plan* ☐ Traditional NYCE IRA* ☐ Roth NYCE IRA*

Direct Rollover/Transfer to: ☐ 457 Plan ☐ Roth 457 Plan ☐ 403(b) Plan ☐ Roth 403(b) Plan
☐ 401(k) Plan ☐ Roth 401(k) Plan ☐ Traditional IRA ☐ Roth IRA
☐ Other** _____

Amount of Rollover/Transfer (choose one): ☐ Partial \$ _____ ☐ Full Account

Trustee or custodian for Plan or IRA Information (You must be enrolled in the other plan or IRA before the transfer can be made.)

NAME OR TRUSTEE OR CUSTODIAN FOR THE PLAN OR IRA	
NAME ON ACCOUNT	ACCOUNT NUMBER
CONTACT NAME	TELEPHONE NUMBER

Please note: Your rollover check will be made payable to the new trustee or custodian and mailed directly to you via regular mail. If you would like the check to be sent via express mail, there is a \$25 fee. Writing on the face of your check may result in it being voided.

☐ Check this box if you would like your check sent via express mail (additional \$25).

* If you are rolling your funds to the NYCDGP 401(k) or NYCE IRA, you must first establish an account before the rollover can take place. Monies will be allocated in accordance with your NYCDGP 401(k) or NYCE IRA investment allocation.

** Only certain types of investment vehicles are eligible to receive rollovers and it is solely the participant's responsibility to ensure such eligibility. The Plan will not be held responsible for any tax penalties that may occur for the transfer of Plan funds eligible for rollover treatment which are transferred to an ineligible investment vehicle.

Please note: If you are age 73 or older, and you are severed from City service, you are required to receive all missed required minimum distributions prior to a rollover of your account.

VII. Beneficiary Election

- **Important:** *Only* complete this section if you are updating or changing your previous beneficiary election or selecting joint life expectancy.
- The beneficiary(ies) you name below will replace any beneficiary named at the time of your enrollment, on a prior Change Form or online for the purpose of receiving death benefits.
- If you are divorced and are renaming your ex-spouse as your beneficiary, please check "Other" as the Relationship.
- You must also indicate the percentage you wish each beneficiary to receive upon your death. The total must equal 100%.
- If you elect a Trust you must have already created the Trust (or arranged for one to be created under your will). The Plan cannot establish a trust for you.

☐ Please check this box if you are attaching additional beneficiaries on a separate piece of paper.

1ST	THIS BENEFICIARY IS (CHECK ONE)		BENEFICIARY'S SOCIAL SECURITY NUMBER		DATE OF BIRTH	
	<input type="checkbox"/> A Person <input type="checkbox"/> My Estate <input type="checkbox"/> A Trust <input type="checkbox"/> A Charity/Organization					
BENEFICIARY'S (OR SUCCESSOR TRUSTEE'S) LAST NAME (INCLUDE ADDITIONAL INFORMATION BELOW)			BENEFICIARY'S (OR SUCCESSOR TRUSTEE'S) FIRST NAME			MI.
BENEFICIARY'S (OR SUCCESSOR TRUSTEE'S) HOME MAILING ADDRESS - NUMBER AND STREET						APT. NO.
CITY			STATE	ZIP CODE	COUNTRY	
PERCENTAGE TO BE RECEIVED		RELATIONSHIP	STATUS	ADDITIONAL TRUST OR CHARITY/ORGANIZATION INFORMATION		
		<input type="checkbox"/> Spouse <input type="checkbox"/> Daughter <input type="checkbox"/> Son <input type="checkbox"/> Mother <input type="checkbox"/> Father <input type="checkbox"/> Sister/Brother <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Primary			

2ND	THIS BENEFICIARY IS (CHECK ONE)		BENEFICIARY'S SOCIAL SECURITY NUMBER		DATE OF BIRTH	
	<input type="checkbox"/> A Person <input type="checkbox"/> My Estate <input type="checkbox"/> A Trust <input type="checkbox"/> A Charity/Organization					
BENEFICIARY'S (OR SUCCESSOR TRUSTEE'S) LAST NAME (INCLUDE ADDITIONAL INFORMATION BELOW)			BENEFICIARY'S (OR SUCCESSOR TRUSTEE'S) FIRST NAME			MI.
BENEFICIARY'S (OR SUCCESSOR TRUSTEE'S) HOME MAILING ADDRESS - NUMBER AND STREET						APT. NO.
CITY			STATE	ZIP CODE	COUNTRY	
PERCENTAGE TO BE RECEIVED		RELATIONSHIP	STATUS	ADDITIONAL TRUST OR CHARITY/ORGANIZATION INFORMATION		
		<input type="checkbox"/> Spouse <input type="checkbox"/> Daughter <input type="checkbox"/> Son <input type="checkbox"/> Mother <input type="checkbox"/> Father <input type="checkbox"/> Sister/Brother <input type="checkbox"/> Other	<input type="checkbox"/> Primary <input type="checkbox"/> Contingent			

3RD	THIS BENEFICIARY IS (CHECK ONE)		BENEFICIARY'S SOCIAL SECURITY NUMBER		DATE OF BIRTH	
	<input type="checkbox"/> A Person <input type="checkbox"/> My Estate <input type="checkbox"/> A Trust <input type="checkbox"/> A Charity/Organization					
BENEFICIARY'S (OR SUCCESSOR TRUSTEE'S) LAST NAME (INCLUDE ADDITIONAL INFORMATION BELOW)			BENEFICIARY'S (OR SUCCESSOR TRUSTEE'S) FIRST NAME			MI.
BENEFICIARY'S (OR SUCCESSOR TRUSTEE'S) HOME MAILING ADDRESS - NUMBER AND STREET						APT. NO.
CITY			STATE	ZIP CODE	COUNTRY	
PERCENTAGE TO BE RECEIVED		RELATIONSHIP	STATUS	ADDITIONAL TRUST OR CHARITY/ORGANIZATION INFORMATION		
		<input type="checkbox"/> Spouse <input type="checkbox"/> Daughter <input type="checkbox"/> Son <input type="checkbox"/> Mother <input type="checkbox"/> Father <input type="checkbox"/> Sister/Brother <input type="checkbox"/> Other	<input type="checkbox"/> Primary <input type="checkbox"/> Contingent			

4TH	THIS BENEFICIARY IS (CHECK ONE)		BENEFICIARY'S SOCIAL SECURITY NUMBER		DATE OF BIRTH	
	<input type="checkbox"/> A Person <input type="checkbox"/> My Estate <input type="checkbox"/> A Trust <input type="checkbox"/> A Charity/Organization					
BENEFICIARY'S (OR SUCCESSOR TRUSTEE'S) LAST NAME (INCLUDE ADDITIONAL INFORMATION BELOW)			BENEFICIARY'S (OR SUCCESSOR TRUSTEE'S) FIRST NAME			MI.
BENEFICIARY'S (OR SUCCESSOR TRUSTEE'S) HOME MAILING ADDRESS - NUMBER AND STREET						APT. NO.
CITY			STATE	ZIP CODE	COUNTRY	
PERCENTAGE TO BE RECEIVED		RELATIONSHIP	STATUS	ADDITIONAL TRUST OR CHARITY/ORGANIZATION INFORMATION		
		<input type="checkbox"/> Spouse <input type="checkbox"/> Daughter <input type="checkbox"/> Son <input type="checkbox"/> Mother <input type="checkbox"/> Father <input type="checkbox"/> Sister/Brother <input type="checkbox"/> Other	<input type="checkbox"/> Primary <input type="checkbox"/> Contingent			

VIII. Tax Withholding Please choose one or both**Federal Tax Withholding****1) Pre-Tax 457 and Pre-Tax 401(k) Federal Tax Withholding**

For Installments of less than ten years, Full Withdrawals and Partial Withdrawal distributions, the Plan is required to withhold 20% for Federal Income taxes. If you want the Plan to withhold a greater percentage, please indicate percentage amount below.

Note: US citizens or residents residing abroad will be taxed at 30% for federal tax withholding unless they submit an IRS Form W9.

☐ Other – please indicate higher percentage amount _____ % (must be a whole percentage above 20%)

For Installments of ten years or longer or Required Minimum Distributions, the Plan is required to withhold 10% unless you elect out of withholding (if you have a U.S. address) or indicate a certain percentage amount.

☐ Please do not withhold taxes (0% withholding). Attach Form W-4R with this form to request 0%.

☐ Please withhold less than 10% – indicate percentage amount _____ % (must be a whole percentage between 1% and 9%). Attach Form W-4R with this form.

☐ Other – please indicate higher percentage amount _____ % (must be a whole percentage above 10%)

2) Non-Qualified Roth 457 and Roth 401(k) Federal Tax Withholding (See Distribution Guide for explanation regarding non-qualified distributions.)

☐ Other – please indicate percentage amount _____ % (must be a whole percentage above 20%). If left blank 20% will be withheld.

State Tax Withholding

The Plan is not required to withhold income taxes for all states. If you want a portion of your distribution withheld for state income taxes, please complete the following:

☐ I request a withholding rate of _____ % for the state of residency. (Must be a whole percentage.)

Please note that if you reside in a state that mandates state tax withholding, that mandatory amount will be withheld.

Note: If the only change you are making on this form is to your Tax Withholding, it is not necessary to have this form notarized.

IX. Signature (Sign and date in the presence of Notary Public)

I have read and understand The New York City Deferred Compensation Plan Distribution Guide. This guide is provided to Plan participants in order to satisfy Section 402(f) Special Tax Notice of the Internal Revenue Code. I also understand that the Plan reserves the right to recover any amounts erroneously credited to my account. I further understand that if I am rolling my assets into another plan, only certain types of investment vehicles are eligible to receive rollovers and it is solely my responsibility to ensure such eligibility. I understand that rollovers into the NYCDGP 401(k) or NYCE IRA will be allocated in accordance with the investment allocation on file with the Plan. The Plan will not be held responsible for any tax penalties that may occur for the transfer of Plan funds eligible for rollover treatment which are transferred to an ineligible investment vehicle. I affirm that all information I have provided on this form is true and correct.

SIGNATURE (SIGN IN THE PRESENCE OF A NOTARY PUBLIC)

DATE

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This form must be notarized before it will be processed by the Plan's Administrative Office. If this form is being notarized outside of the United States, notarization must be performed by the U.S. Consulate.

X. Statement of Notary To Be Completed by Notary (Notary seal must be visible/legible)

State of _____)

) SS.:

County of _____)

On _____ Date * before me, the undersigned, personally appeared _____ Participant's Name
 personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Signature and office of individual taking acknowledgment

* The date you sign the form must match the date on which the signature is notarized.

Return all pages of this application, even if some sections are left blank. Please include the last 4 digits of your SS number and your name on all pages.

Form
Submission
Instructions

Mail completed form to:
 DEFERRED COMPENSATION PLAN
 Bowling Green Station, P.O. Box 93
 New York, New York 10274-0093

- OR -

Submit your completed form via email to NEWYRK@VOYAPLANS.com.
 Please only include the last 4 digits of your Social Security number,
 along with your name and address on all forms.
 Forms can also be faxed to 844-299-2362



The City of New York Deferred Compensation Plan
A Division of Tax-Favored Benefits & Citywide Programs
within the Mayor's Office of Labor Relations' Employee Benefits Program

Customer Service Center - 22 Cortlandt Street, 18th Floor, New York, NY 10007
(212) 306-7760, 1-888-DCP-3113 (Outside NYC)
nyc.gov/deferredcomp

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