



# SUFFOLK COUNTY

## PUBLIC EMPLOYEES DEFERRED COMPENSATION BOARD

### Labor and Management Working as One

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**Alan Schneider**  
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Deputy Sheriff's Police Benevolent Assoc.

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Detective Association

**Kathy Engelhardt**  
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Probation Officers Association

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**Douglas Miller**  
Director of Management Information Serv.

**Michael Polchinski**  
Correction Officers Association

**Beth Reynolds**  
Assistant Budget Director

**Kristine Sciangula**  
Department of Civil Service

**Vacant**

**Marion Smith**  
**Secretary to the Board**  
Sr. Assistant to the Personnel Officer

**PROGRAM PROVIDER**  
T. Rowe Price  
1-888-457-5770

**Kristine Sciangula**  
Plan Administrator

June 2015 Newsletter

#### Change in Plan Administrator

##### Debbie Troise

Debbie Troise, the Plan's Administrator for over 6 years, retired effective June 5th. Debbie was appointed as the Plan Administrator in 2009 and served as a Board member since 2002. Debbie's dedication and hard work has undoubtedly made a lasting impression on our Plan, the Plan Participants and the Board. We wish her the very best in retirement!

##### Kristine Sciangula

Kristine was appointed as the Plan Administrator upon Debbie's retirement. Kristine has worked in the Department of Civil Service since 2005, most recently as a Senior Personnel Analyst, and was appointed by the County Executive to serve on the Deferred Compensation Board in 2013. Since that time, Kristine has worked closely with Debbie to ensure a smooth succession.

The Administrator is the primary contact to the Plan's provider(s), as well as to the union representatives that serve on the Board. The Administrator is responsible for keeping the Board informed of any changes to the New York State Model Plan, as well as any changes at the Federal level, which may impact the rules of the Suffolk County Deferred Compensation Plan. The Administrator makes sure that the Plan stays in compliance with all rules and regulations adopted by the Board.

#### Why the Change from Two Providers to One?

As you know, the Board recently conducted an extensive RFP process and chose T. Rowe Price to be our sole plan provider. One of the greatest benefits the Board saw in moving from a dual provider plan to a sole provider plan was the ability to secure lower cost mutual funds, as well as common trust funds, from T. Rowe Price as a result of the \$1.2 billion dollars in assets that they will be managing for Suffolk County.

While our Plan will continue to have no administrative fee, no asset based fee and no front end or back end load fees, all mutual funds directly deduct investment fees from your investment returns. This amount can be determined by looking at the fund's "expense ratio".

Of the 38 non-T. Rowe Price stock and bond funds that were being offered by VALIC, 27 of those funds have been added to the T. Rowe Price platform, 22 of which are being offered at a less-expensive share class. This means that the funds now have lower expense ratios, or lower fees for you. On average, participants in these funds will see an expense ratio that is 0.4% lower than what they had prior to this change.

## How do fees and expenses impact you?

Assume that you are an employee with 25 years until retirement and a current account balance of \$50,000. If returns on investments in your account over the next 25 years average 7 percent and fees and expenses reduce your average returns by 0.5 percent, your account balance will grow to \$241,000 at retirement, even if there are no further contributions to your account. If fees and expenses are 1.5 percent, however, your account balance will grow to only \$190,000. The 1 percent difference in fees and expenses would reduce your account balance at retirement by 21 percent!

The higher your account balance, the more you'll save as a result of the lower fees.

## What are Common Trust Funds?

Those invested in any of the 21 different T. Rowe Price funds that are changing to Common Trust Funds, will benefit from lower fees as well. Mutual funds and common trust funds are pooled investment vehicles that pursue specific financial goals by investing in various types of securities, including stocks, bonds, and short-term investments. Common trust funds, however, cannot be sold to the general investing public. While there are different types of common trust funds, the laws under which common trust funds are organized allow only certain types of employer-sponsored retirement plans to invest in them.

Fees for common trust funds are generally lower than those charged for mutual funds. There are several reasons for the lower fees, including the fact that they are not traded publicly and are only available to certain types of retirement plans. Unlike mutual funds, the daily valuations for common trust funds are not published in the newspaper. Participants can check daily valuations online at [rps.troweprice.com](http://rps.troweprice.com). You can also sign up for the T. Rowe Price E-mail Subscription, which automatically sends you updated daily pricing information about the investments that you select. For additional information regarding the trusts (including performance), or to sign up for the Email Subscription, visit [rps.troweprice.com](http://rps.troweprice.com) or call T. Rowe Price at 1-888-457-5770.

## Beneficiary Designation

Beneficiary Designation is an important document that must be filed with T. Rowe Price to ensure that in the event of your death, your Plan assets will be handled the way you would want. **If your Plan assets were invested with VALIC and transferred to T. Rowe Price earlier this month in the Plan's Transition, a new beneficiary designation must be completed!** You may download the beneficiary form from our website, [www.sdeferredcomp.org](http://www.sdeferredcomp.org)

## Installment Distributions for Participants Separated from Service

Please note, if you have elected to receive installment distributions monthly, quarterly, semi-annually, or annually, they will be processed by T. Rowe Price on the 11th of each month and you will receive the funds around the 15th of each month.

Please note, the information contained in this newsletter is intended to inform you of the Suffolk County Public Employees Deferred Compensation Plan guidelines and is not intended to provide financial advice.