

THE SUFFOLK COUNTY  
PUBLIC EMPLOYEES  
DEFERRED COMPENSATION  
PLAN

# Plan Summary



[WWW.SCDEFERREDCOMP.ORG](http://WWW.SCDEFERREDCOMP.ORG)

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# Suffolk County Employees 457b Deferred Compensation Plan Summary

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***As a new or current employee, it is never too early to start thinking about retirement planning!***

***The Suffolk County Deferred Compensation Board ("Board") designed this booklet as a summary to assist you with your financial choices in planning for your retirement. Depending on your specific financial situation and future needs, you may consider joining the Suffolk County Public Employees Deferred Compensation Plan ("Plan") which is also known as a 457(b) plan.***

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## Plan Basics

The Suffolk County Employees Deferred Compensation Plan is a supplemental retirement plan to help with your future financial needs. Contributions are made before your income tax withholding is calculated, which reduces the amount of your taxes. There are currently two providers of the Plan that offer a wide variety of investment options. The Plan allows you to invest with either one or both providers without any administrative fees. Participant administrative fees are currently being absorbed by the Providers.

Unlike a savings account, the funds that you invest in the Plan are subject to IRS and New York State regulations and therefore are **not** accessible until you leave County employment, with certain exceptions. Before joining the Plan, please make sure that your financial situation enables you to defer money without causing financial hardship. If you have any questions, you may wish to consult your financial advisor.

For additional information that is updated regularly, visit the Plan's website at [www.sdeferredcomp.org](http://www.sdeferredcomp.org).

## Eligibility

All full time and part time employees of Suffolk County are eligible to join the Plan from the initial date of employment.



# How to Get Started

Contact your Board representative or the providers directly to obtain an enrollment kit. Please refer to the Plan's website at [www.scdeferredcomp.org](http://www.scdeferredcomp.org) for the list of Board representatives.



## Your Contributions via Salary Deferral



Contributions can only be made through deferrals from bi-weekly paychecks. You can defer up to the maximum limit established by the IRS, after required deductions such as Medicare and Social Security taxes, retirement contributions, union dues, etc. are made. The minimum contribution is \$10 bi-weekly. The maximum contribution established by the IRS is announced in the Fall for the following calendar year. **Please note, at the current time, the IRS allows an additional deferral amount beginning in the year in which you turn**

**age 50.** The Board will publicize the annual deferral limits in an All Employee Memorandum, on the Plan's website and in the Fall quarterly newsletter.

The Plan allows participants to increase, decrease or suspend the amount being contributed at any time during participation. Changes will be processed by the provider or providers with whom you choose to invest in the Plan as soon as practical, usually within two payroll periods. All deferral changes must be filed prior to the first of the month in which the deferrals will be deducted. For example, if you wish to start your deferral effective with the second paycheck in September, you must file your deferral agreement with the provider prior to September 1<sup>st</sup>. Changes to your contributions or allocation amount can be made at any time by calling the provider(s) directly or by accessing their website.

## Statements

Participants (both active and inactive) currently receive quarterly statements of account activity from the plan providers. Such statements shall include information of all transactions occurring within the participant's account during the time frame of the report. You may elect to view account activity online via the provider(s) individual website. The Plan website has links to both providers' websites.



# On-line Access



The Plan website, [www.sdeferredcomp.org](http://www.sdeferredcomp.org) includes provider links and helpful information such as:

- Board Representative Contact Information
- Calculators – Retirement and Catch-up
- Fund Options in the Plan
- Rollover Chart
- Providers Onsite Schedule
- Forms & Applications– Purchase of Service Credits, Beneficiary Forms, Catch-up, Normal and Age 50 Deferrals from SCAT, Provider Transfer Forms

## Advantages of Investing in a Tax-Deferred Plan

Contributions to the Plan reduce your taxable income while you save for retirement. Taxes on the interest from your account are deferred until withdrawal, which begins after retirement. Here is an example of how your paycheck will be affected by deferring \$200 bi-weekly into the Plan as opposed to depositing \$200 into a traditional savings account:

Deferred Compensation		vs.	Traditional Savings Account	
Paycheck	\$2,000		Paycheck	\$2,000
Pre-Tax Contribution to 457 Account	\$200		Post-Tax Deposit to Savings Account	\$200
Taxable Income	\$1,800		Taxable Income	\$2,000
Federal Income Taxes*	\$504		Federal Income Taxes*	\$560
Take Home Pay**	\$1,296		Take Home Pay**	\$1,240
<b>Cost to Save \$200</b>	<b>\$144</b>		<b>Cost to Save \$200</b>	<b>\$200</b>

\* Assumes a 28% tax rate

\*\* Does not take into account any other deductions from your paycheck.

## Long Range Planning

Plan providers may offer on-line guidance as well as investment advice, although you may want to consult your own financial advisor.

Retirement planning is not something you do a few years preceding your planned retirement date. It is a process that experts *say should be considered during your entire working life. Nothing ever stays the same; there are variables that impact on your planning but you need a framework and goals. You should review your goals and your investments on a periodic basis to make sure you are on track.*



# Withdrawals

Other than a normal distribution, there are three (3) other ways in which to access your money. They are loans, small account withdrawals and unforeseeable emergency withdrawals (UFE) as described below:

## LOANS

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### Eligibility

- Active County employees receiving a bi-weekly paycheck can apply for a loan.
- Participants who are on an approved leave of absence, disciplinary suspension or who are no longer employed are not eligible to take a loan against their account balance.

### Applying For a Loan

A loan can be taken for any purpose. You may wish to speak with your tax advisor for specific tax advice prior to taking a loan. To apply for a loan, you must contact the provider directly. Please note, processing and/or maintenance fees may be charged by the provider.



The principal amount of any loan shall be as follows:

- For an amount equal to or greater than \$1,000; and
- Shall not exceed the lesser of 50% of the value of the sum of the participant's account and the participant's rollover account, if applicable, at either provider; and
- Shall not exceed \$50,000, reduced by the highest outstanding balance of loans in the last 12 months from all qualified employer plans such as a pension loan and any other deferred compensation loans.

### One Loan Rule

You can only have one outstanding loan at a time. This "one loan rule" applies even if you have accounts with both providers. You may not apply for a second loan. **If a second Plan loan is inadvertently processed, the outstanding amount of the second loan will immediately be considered a Deemed Distribution (a taxable distribution).** Participants will be issued a 1099R in January of the year following the deemed distribution for the taxable portion of the unpaid loan balance.

### Terms of the Loan

All loans must be taken for a minimum of one year up to the maximum term allowed as follows:

- Residential loan, which is a loan made for acquiring a principal residence, can be repaid over a fifteen (15) year period;
- All other loans can be repaid over a five (5) year period.

The interest on the loan will be a fixed rate of one percent (1%) above the prime interest rate as published in the Wall Street Journal on the last business day of the month immediately preceding the month in which the loan is granted. The loan payments and interest will be credited to your account. The interest rate of the loan will remain fixed throughout the life of the loan.

## Outstanding Loan Balance

Once your loan is approved by your provider, you will be required to sign a promissory note. Your loan payments will be automatically deducted from your bi-weekly paycheck.

You are obligated to repay the principal and accrued interest on your loan. If you default on a loan that you have not paid back under this plan, you will not be eligible to obtain another loan until the defaulted loan balance and accrued interest is paid.

If you have an outstanding loan balance when you retire or leave County employment, you must satisfy the entire loan balance within 90 days following the due date of the first missed scheduled payment. The County notifies your provider of your separation via a monthly automated report. Upon separating from County service, contact your provider to request the loan payoff figure.

Once you are given the loan payoff amount, you have 30 days from receipt of the loan payoff figure to do one of the following:

- Repay the loan in its entirety in one single installment; or
- Request a rollover to an IRA or another supplemental retirement plan such as a 401(k) or a 403(b) after you have paid the outstanding loan balance. The Plan requires that the outstanding loan balance be satisfied with assets from the participant's account before sending the remaining assets to the new plan.

If you fail to pay off the balance within the required time frame, the outstanding loan amount will be classified as "deemed distribution" and you will receive a 1099R. This information will be forwarded to the IRS resulting in a possible tax liability.

## Extenuating Circumstances

- *Approved Leave Of Absence* - the Board may approve suspending payments on an outstanding loan for a period not exceeding one year.
- *Disciplinary Suspension* - you will have 90 days from the date of your last payment to pay the outstanding loan balance and accrued interest in full. If the full payment is not received by the end of the 90 day period, the outstanding loan amount will be considered a "deemed distribution".
- *Military Leave* - your loan payments can be suspended while performing military service, even if the leave exceeds one year. The payments must resume once you return to work. The entire loan must be repaid within the original term, plus the period of military service performed.



## UNFORSEEABLE EMERGENCY WITHDRAWALS (UFEs)



An unforeseeable emergency is defined under IRS Treasury regulations as a severe financial hardship resulting from:

- An illness or accident of the participant, the participant's beneficiary, or the participant or beneficiary's spouse or dependents;
- Property loss caused by casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g. as a result of a natural disaster) of the participant or beneficiary;
- Funeral expenses of the participant's spouse or dependent; and,
- Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant or his or her beneficiary (for example, imminent foreclosure or eviction from a primary residence, or to pay for medical expenses or prescription drug medication).

The Board is bound by these rules and can only consider requests within these guidelines. All other means must first be utilized before a request for withdrawal of deferred compensation funds can be considered. Examples of other such sources of funds would be loans against the Plan or your pension; home equity or credit union/bank loans; liquidation of assets, etc.

The amount requested cannot exceed the amount of the hardship. Participants who believe they qualify for distribution because of an unforeseeable emergency must complete an Unforeseeable Emergency Withdrawal Application. Contact your Board representative or visit the website for the application.

## SMALL ACCOUNT WITHDRAWAL

If your account balance is \$5,000 or less, you may take an in-service withdrawal provided you have not made any contributions to your account in the last two years and you have not made a prior small account withdrawal from the Plan.

## Name and Address Changes

If you move, change your marital status or change your name, it is your responsibility to keep the provider or providers up to date by notifying them directly or by downloading the provider's form from the Plan's website, [www.scdeferredcomp.org](http://www.scdeferredcomp.org).



# Beneficiary Options

Under the Plan, spousal and non-spousal beneficiary rules are the same as those found in an IRA. Review chart labeled “Determination of Benefit Payments to Beneficiaries as permitted by 401(a) (9), Internal Revenue Code” in Exhibit A.



You must designate a beneficiary or beneficiaries once you are invested in the Plan, and keep this information current. Beneficiary information can be found on your statement. For changes to your primary or contingent beneficiary, contact your provider(s). If you fail to name a beneficiary, your spouse automatically inherits your account. If you have not named a beneficiary and you are single, the balance of your account goes to your estate.

**In the event of a divorce, it is important to update your beneficiary!** In certain states such as New York and Florida, if your ex-spouse is your designated beneficiary, that designation is voided upon your divorce. Contact your provider or download a Designation of Beneficiary Form from our website. See Page 15 for more information. Consult with your tax advisor for the laws in your state.

## ***DISTRIBUTIONS TO BENEFICIARIES UPON PLAN PARTICIPANT'S DEATH***

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Distribution to beneficiaries under the Plan is mandated by the rules under §401 (a) (9) of the Internal Revenue Code. Under these rules, beneficiaries may elect a withdrawal at any time. Most beneficiaries are required to take annual minimum distributions from the account. The basic rule is that the beneficiaries are required to take annual minimum distributions that begin in the year after the participant's death. The amount of the required minimum distribution takes into account the age of your beneficiary and the value of the account. There are two exceptions to this rule. First, if the beneficiary is the surviving spouse of the participant, he or she does not have to take any distribution until the year the participant would have turned age 70 ½. The second exception is if the participant dies prior to reaching age 70 ½. See Chart A for more information.

# Before You Retire or Separate From Service

Please contact your Board representative at least six (6) months before your anticipated date of separation from the County to review your options and complete the necessary forms. Failure to file certain forms in a timely fashion may jeopardize possible tax advantages. See section entitled “Retirement Catch-Up” and “Accruals (SCAT) Check Deferral Form”.

## *RETIREMENT “CATCH-UP”*

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The “Retirement Catch-Up” provision of our Plan permits you to annually defer additional funds that could have been deferred in prior years when you were eligible to participate in the Plan but did not, or when you did not contribute the maximum allowable amount. Catch-up allows you to increase the maximum amount you may contribute in each of the three years before the year in which you reach your “Normal Retirement Age.” Normal Retirement Age (NRA) is any age designated by you beginning no earlier than the age in which you may retire with full pension

benefits up until age 70 ½. If you are not in the pension system, your NRA may not be earlier than age 65 nor later than age 70 ½. Please note, you must be an active member in the Plan for at least three (3) months and must submit a copy of your New York State and Local Retirement System *Member Annual Statement* in order to qualify for catch-up. Contact your Board representative for an application and further information.

## *ACCRUALS (SCAT) CHECK DEFERRAL FORM*

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If you are leaving employment with the County, you may do one of the following:

- Defer the balance of your maximum normal contributions and age 50+ contributions from your County Accruals (SCAT) check. Age 50+ contributions cannot be deferred during the three year period in which you have been approved for retirement catch-up.
- Defer the balance of your normal contributions and retirement catch up from your County Accruals (SCAT) check. If eligible, the maximum deferral for catch up is twice the applicable normal contributions limit for the year. See Retirement Catch up above for eligibility requirements.

You must be an active member of the Plan for at least three (3) months in order to qualify for deferrals from your SCAT check. You may download the form from our website or you may contact your Board representative for more information. You should submit this form 30 days prior to the date you are retiring/separating from service. This form **must** be received on or before the date of separation.

# Following Separation from Service

When you prepare to leave employment with Suffolk County, you will need to decide what to do with your accumulated Plan account balance. Once you retire or leave the County's employ, you cannot contribute to the Plan; however, you can change your existing allocations. Be sure you consult with your tax advisor to help you understand the impact taxes can have in making the choices that are available to you.



You will have a number of options available as follows:

- **If you are retiring and do NOT need your money right now, your choices are:**
  - ✓ Keep your money where it is—in your Plan account, OR
  - ✓ Roll over all or part of your account balance to an IRA
- **If you are changing jobs and do NOT need your money right now, your choices are:**
  - ✓ Keep your money where it is—in your Plan account, OR
  - ✓ Move your money to your new employer's plan, OR
  - ✓ Roll over all or part of your account balance to an IRA
- **If you need your money right now, your choices are:**
  - ✓ You may take part of the money from your Plan account, or
  - ✓ You may take all of the money from your Plan account

*NOTE: The earliest possible date that distribution payments may begin is 30 days after you leave employment. Once you start distribution, you will be taxed on the income you receive. (See page 13 for required tax withholding information.)*

**\*\*Refer to Chart B for the advantages and disadvantages of the choices available to you. \*\***

## ***ACCESSING YOUR FUNDS AFTER SEPARATION OF EMPLOYMENT***

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### **Withdrawing Your Funds**

#### ***1. Allocation Types***

- a. **Total distribution** - This is a one-time distribution of the total value of your account. A check will be issued within five business days of your account's redemption date. Be aware that if you take a total distribution from your account, you will no longer be considered a participant and you cannot roll any funds back into the Plan.
- b. **Partial distribution** - Partial distribution payments are defined as either a single partial payment or periodic partial payments, with the remainder distributed to you in installments. You may take twelve (12) partial lump sum distributions per calendar year at a minimum of \$500 each.

#### ***2. Installment Frequency-*** Distributions can be made monthly, quarterly, semiannually, or annually. You can choose one of two options:

- a. **Time certain** - Definite number of years you want to receive payments; or
- b. **Amount certain** - Request a fixed dollar amount and a fixed frequency (monthly, quarterly, semi-annually or annually) of installment payments. Withdrawals are made on this payment schedule until your account is depleted.

*NOTE: You may not choose either a time certain or amount certain payment schedule that exceeds your life expectancy.*

#### ***3. Allocation Source***

- a. **Pro-rata** - When a distribution is made, the money is taken proportionally from each of your investments. For example, assume that 70% of your money is in Investment A and 30% is in Investment B, and you elect to receive \$1,000 per month. That means \$700 would come from Investment A and \$300 would come from Investment B.
- b. **Fund-specific** - If you indicate that your distribution is to come from a specific investment option; it is your responsibility to ensure that you maintain an adequate balance in your account. Otherwise, your periodic distribution reverts back to pro-rata status.

*NOTE: If you do not select any disbursement option, your distributions will automatically default to pro-rata.*

## **Changing your Distribution Schedule**

You can stop your distribution schedule at any time and resume at a later date. To do this, you must call your provider(s) directly at least 10 business days before your distribution is to be processed. You can also request up to four distributions during a calendar year as long as each individual distribution is at least \$500. Participants who are in Required Minimum Distribution (RMD) status cannot prevent the issuance of their required RMD.

## ***INITIATING YOUR DISTRIBUTIONS PRIOR TO REACHING AGE 70 ½***

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Once you have reviewed your options and made your decision when you wish to receive distributions for the Plan, you can contact your provider's toll-free number and request your payment. If you have accounts with both Providers, you can request a different payment schedule from each company, and you can transfer money between providers even though you are in distribution.

## ***REQUIRED MINIMUM DISTRIBUTIONS (RMD)***

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If you have left county employment, you must begin distributions from your account beginning in the year you turn 70 ½. However, you have the option of delaying your distribution no later than April 1<sup>st</sup> of the following year in which you turn 70 ½. If you delay your first payment until that April 1<sup>st</sup>, you will have to take a second RMD payment later that same calendar year.

However, if you continue working for the County beyond age 70 ½, you do not have to start distributions until you retire.

RMDs must be taken annually in accordance with IRS regulations. The IRS currently uses two tables to calculate your RMD based upon your marital status and the age of your spouse provided he/she is the sole primary beneficiary listed on the account. If the required amount is not taken, the individual participant will be subject to a federal tax penalty. Your Provider will notify you when you reach RMD status. The amount you are required to take annually is automatically recalculated for you at the end of the calendar year.

Please be aware that if you are in RMD status and you request a rollover out of our Plan, you will receive your minimum distribution for that calendar year before your rollover to another institution is processed.

Your RMD for our Plan is based solely on your Plan account balance. Since we are a single Plan with dual providers, if you have accounts with both providers, you will receive two separate RMDs—one from each provider.

However, the assets in your account cannot be “aggregated” with any other supplemental retirement plan or an IRA to determine your RMDs. As stated above, your RMD for our Plan is based solely on your 457 account balance. You cannot take more than your RMD from your IRA and have it “count” toward your RMD for our Plan. Please contact your Provider for additional information.

## ***DIRECT ROLLOVER***

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Once you separate from service, you may choose to rollover your assets directly to the trustee or custodian of the IRA or the new employer's plan. Our standard policy is for your provider or providers to wire or send the money directly to the recipient IRA or plan. However, the provider, at your request, could provide you with the distribution check, but in order to be a direct rollover, it must be made payable to the new trustee or custodian of the recipients IRA. For example, the check you would receive would be made payable to ABC Financial Group, FBO: Joseph H Jones. If the check is made out solely to you, then the check amount is subject to 20% mandatory federal withholding. In order for the money taken out to qualify as a rollover, it must be re-invested within 60 days from the date the Plan account was closed.

Be aware that if you roll a portion of your account balance to an IRA, 401(k) or 403(b), you may roll your distribution back into the Plan. However, the money you roll back into the Plan will be segregated and subject to a 10% penalty (as per IRS regulations) if you withdraw it before you reach age 59 ½. This penalty does not apply to rollovers from another 457(b) plan.

## **Direct Deposit**



For T.Rowe Price Participants, lump sum distributions including loan disbursements, small account withdrawals, and UFE disbursements can be wired to your financial institution. Installment payments can be wired or sent via electronic funds transfer (EFT) to your financial institution. For VALIC Participants, installment payments can be sent via EFT. The option to wire funds is only available on an emergency basis. Please check with the recipient financial institution regarding its fees before contacting your provider to initiate direct deposit.

## **Taxes**

Don't ignore the impact of taxes in making your distribution choice! If you take your entire account balance as a total distribution, you may be subject to a substantial tax bill. Please consult with your tax advisor.



## ***REQUIRED WITHHOLDING TAX***

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One of the most valuable features of our Plan is that it enables employees to reduce their current taxes. As you know, contributions made to this Plan have not been taxed by the federal or state government. When you start distributions, federal and state taxes where applicable will be withheld by your provider.

**The following distributions are subject to the mandatory 20% federal tax withholding unless they are directly rolled into a 457b, a 401k, a 403b or an IRA.**

- Lump-sum distributions;
- Periodic payments of less than 10 years (except when it is a required minimum distribution);
- Partial Withdrawals

*NOTE: The Plan does not allow participants to eliminate or reduce the mandatory federal withholding shown above.*

**The following distribution options are subject to a minimum 10% federal tax withholding (unless otherwise requested):**

- Withdrawals for unforeseeable financial emergencies (UFE);
- Required minimum distributions (RMD);
- Periodic payments scheduled to continue for ten years or more.

The federal withholding tax for UFEs can be increased, but not decreased. The federal withholding tax for RMDs and periodic payments scheduled to continue for ten years or more can be increased or decreased. Since market fluctuations may have an impact on your distribution calculations, you may want to consult your tax advisor.

## ***STATE TAXATION OF PERIODIC PAYMENTS***

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Please note that Plan participant pre-scheduled periodic distribution payments (but not lump sum or non-periodic payments) greater than one year from a 457(b) plan are eligible for the \$20,000 annual New York State income tax exemption. The exemption applies to New York State residents only, who are age 59½ or older. This exemption is in addition to the state income tax exemption for benefit payments received from the state or local employee's public retirement system.

This \$20,000 exemption is applied annually against the combined distributions a participant receives from a private employer retirement plan, a 401(k) or 403(b) plan, an IRA, and any deferred compensation. For example, if you are receiving \$10,000 in periodic distributions from your Plan account and a \$15,000 distribution from an IRA, only the first \$20,000 is exempt from N.Y. State taxes. For more specific information about eligibility for this exemption, please see your tax advisor.

Should you move out of New York State, NYS income tax will not be withheld from your distribution by the provider, however, your distribution will be subject to any applicable withholding tax imposed by the state in which you reside.

## *SOCIAL SECURITY TAX*

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The money in your Plan account has already been taxed for Social Security purposes. When you leave service, your distributions will not be taxed for social security purposes.

## Retired Public Safety Officer Insurance Premium Payments

Retired eligible Public Safety Officers are permitted to withdraw up to \$3,000 annually from the Plan, tax free, to pay for qualified health insurance premiums for accident, health, or long term care for themselves, their spouses or dependents. The amount distributed must be paid directly from the Plan to the insurance provider and must not exceed the amount paid by the participant for such qualified health insurance premiums for the tax year. Contact your Board representative for an application and further information.



## Divorce



If you are going through a divorce, you or your attorney must provide the Plan with a draft Qualified Domestic Relations Order (QDRO). Once the draft is approved and court-ordered, you must provide the Plan with the original signed document which gives the Plan instructions on how your account will be divided. A “hold” will be placed on the assets in your account during this process until a new account is created for your alternate payee and the assets are transferred to his/her name. While the hold is on your account, you will be permitted to rebalance the assets in your account. You will not be permitted to take a loan or a withdrawal until the hold is lifted. You may contact your Board Representative for the Plan’s QDRO guidelines.

**Important:** You should review your beneficiary designations after your QDRO is processed. See page 8 under Beneficiary Options.

# CHART A

## Determination of Benefit Payments to Beneficiaries as Permitted by §401(a)(9) of the Internal Revenue Code

	In Instances Where Benefit Payments Have Not Yet Begun		Payments Began - Participant Is Not Required to Receive Benefits		Payments Began - Participant Is Required To Receive Benefits	
	<i>Required Beginning Date</i>	<i>Maximum Length of Benefit Payments</i>	<i>Required Beginning Date</i>	<i>Maximum Length of Benefit Payments</i>	<i>Required Beginning Date</i>	<i>Maximum Length of Benefit Payments</i>
<b>Spouse</b>	The latter of - 12/31 in year after death; or - 12/31 in the year the participant would have turned age 70 1/2.	Life expectancy of the spouse.	The latter of - 12/31 in year after death; or - 12/31 in the year the participant would have turned age 70 1/2.	Life expectancy of the spouse.	No later than 12/32 in the year after death.	Life expectancy of the spouse.
<b>Non-Spouse</b>	No later than 12/31 in the year after death.	Life expectancy of the beneficiary.	No later than 12/31 in the year after death.	Life expectancy of the beneficiary.	No later than 12/31 in the year after death.	The longer of: 1)The remaining life expectancy of the beneficiary, or 2)The life expectancy of the participant
	If election was not made prior to 12/31 in the year after death.	Must be paid within 5 years after death.	If election was not made prior to 12/31 in the year after death.	Must be paid within 5 years after death.		
<b>Non-Individual</b>	May be deferred until 12/31 of the year that is 5 years after the death of the participant, at which time the entire interest must be distributed.	No more than 5 years and last payment must be made no later than 12/31 of the year which is 5 years after the death of the participant.	May be deferred until 12/31 of the year that is 5 years after the death of the participant, at which time the entire interest must be distributed.	No more than 5 years and last payment must be made no later than 12/31 of the year which is 5 years after the death of the participant.	No later than 12/31 in the year after death.	The remaining life expectancy of the participant.

## **CHART B**

### **Your Options When Leaving Suffolk County Employment**

<b>OPTIONS</b>	<b>ADVANTAGES</b>	<b>DISADVANTAGES</b>	<b>STEPS TO TAKE</b>
Keep your money in the Suffolk County Public Employees Deferred Compensation Plan	<ul style="list-style-type: none"> <li>▪ Retirement savings continue to grow tax deferred</li> <li>▪ Start distributions when it is convenient for you or when you reach age 70 1/2</li> <li>▪ Low fees</li> <li>▪ Choice of two providers with over 97 investment options</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> <li>▪ You are limited to investment options of the Plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ No action is required</li> <li>▪ You will continue to receive account statements and can make transactions by calling your providers</li> </ul>
Roll over to an IRA	<ul style="list-style-type: none"> <li>▪ Retirement savings continue to grow tax deferred</li> <li>▪ Consolidation</li> </ul>	<ul style="list-style-type: none"> <li>▪ There may be higher fees associated with an IRA</li> <li>▪ A 10% premature penalty may apply for distributions taken prior to age 59 1/2</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contact your provider</li> </ul>
Move your money to your new employer's plan	<ul style="list-style-type: none"> <li>▪ Retirement savings continue to grow tax deferred</li> <li>▪ Consolidation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not all plans are required to take rollovers from other plans</li> <li>▪ You will not have access to your money until you separate from your new employer</li> <li>▪ A 10% premature penalty may apply for distributions taken prior to age 59 1/2 (unless rolled over to another 457(b) plan)</li> <li>▪ You are limited to the investment options offered through the new plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ Check with your new employer to see if the plan accepts rollovers from a 457(b) plan, such as the Suffolk County Public Employees Deferred Compensation Plan</li> <li>▪ Contact your provider</li> </ul>
Take your money now	<ul style="list-style-type: none"> <li>▪ You have access to your money for immediate expenses</li> </ul>	<ul style="list-style-type: none"> <li>▪ Most distribution options are subject to 20% federal withholding</li> <li>▪ The amount you withdraw will be taxed as current income when you receive it</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contact your provider</li> </ul>