



SUFFOLK COUNTY

PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN

Quarterly Newsletter

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Changes to the AIG VALIC Lineup of Options

After a thorough review, the Board has voted to replace eight of the funds in the current AIG VALIC lineup. Effective January 10, 2006, current plan assets and future contributions will be automatically transferred from the funds being eliminated to funds with similar investment objectives.

FUNDS TO BE CLOSED		RECIPIENT FUNDS
American Century Ginnie Mae	to	American Century Govt Bond
American Funds New Economy	to	American Funds Growth
Vanguard Growth Index	to	American Funds Growth
Dreyfus S&P 500 Index	to	Vanguard 500 Index
SunAmerica Bio/Health	to	Allianz RCM Global Health
Vanguard Treasury Money Market	to	Vanguard Prime Money Market
Credit Suisse Sm Growth	to	Fidelity Adv Small Cap A
Davis Financial	to	AmerCentury Equity Income

In addition, the Board has determined that the following four funds (shown with their asset category) will be added to the lineup, effective January 10, 2006.

FUND	CATEGORY
Fidelity Adv Diversified Intl	Foreign Large Growth
Dodge & Cox International	Foreign Large Value
Pioneer Mid Cap Value	Mid Cap Value
Fidelity Adv Small Cap	Small Growth

There will be a limited blackout period from approximately the close of the market January 9 to noon January 10. Immediately following this transfer period, AIG VALIC account holders will have full access to their accounts.

No Roth Contributions for our Plan

There has been a lot of publicity about a new provision for corporate supplemental retirement plans. Scheduled to go into effect in 2006, 401(k) plans may permit participants to treat some or all of their 401(k) salary deferral contributions as "Roth" contributions.

To clarify for the Participants who have expressed an interest, our government 457(b) plan is not eligible to offer a Roth component.

2006 Deferred Compensation Plan Contribution Limits

Effective January 1, 2006, deferred compensation annual contribution limits are increased as follows:

\$15,000 Normal
 \$5,000 Age 50 Plus
 \$15,000 Catch-up

\$30,000 Maximum Total Annual Contributions (Normal and Catch-up combined)

As a reminder, Participants cannot combine Age 50 Plus contributions and Catch-up contributions in the same calendar year.

An All-Employee Memorandum with further details will be distributed with a December payroll.

Board Goal

The Board has established a goal of increasing the participation rate of our Plan.

We are working with both providers to increase the Plan's exposure to all prospective participants, especially the new hires.

If you are a Participant and believe in this program, talk about it with your fellow employees. We frequently hear, "I wish I had signed up sooner" or "I wish I had known about it sooner" from new enrollees.

Any help in getting the word out would be greatly appreciated.

Q & A about Plan Loans

The following inquiries were received by the Board recently and we are sharing the information in an effort to clarify the loan rules under which the Board operates.

Q. If I take a Plan loan to buy a principal residence, is the interest I pay myself tax-deductible?

A. Although the Board cannot give legal or tax advice, in general, there is no tax deduction for loans secured by elective deferrals, which is the method by which with our Plan loans are secured, whether residential or nonresidential.

Q. If I have an account with T. Rowe Price and AIG VALIC, can I take out two separate Plan loans?

A. No, the limit is one loan at a time, regardless of whether you have an account with one company or both.

Unforeseeable Emergency Procedures

The federal 457 regulations issued in July 2003 clarified the criteria that must be used to determine a participant's eligibility for approval of an Unforeseeable Emergency (UFE) withdrawal from our Plan. Plan participants who wish to apply for an UFE must submit an application which is available from either your union representation or by leaving a message at 853-5424.

The Board recently adopted a procedure to vote on submitted UFE applications at monthly Board meetings only. To ensure privacy, incoming applications are coded to replace the applicant's name and identifying personal information is removed before the material is distributed to the Board.

Changes on the Board

Bill Rathjen, the Detectives Association representative, has been elected Board Vice-Chair, replacing long-time Vice-Chair Ed Erickson who retired in July.

Bill Mulligan, SOA President, is the new SOA Board Representative.

We now have three "Bills" on the Board and are fortunate to have each one of them.

Welcome Bill Mulligan! And congratulations Bill Rathjen!

Alan Schneider

Chair
County Personnel Director

Bill Rathjen

Vice Chair
Suffolk Detectives Association

John Della Rocca

Treasurer
Deputy Sheriff's Police Benevolent Association

Anne Abel

Association of Municipal Employees

Lynne Bizzarro

Law Department

Brian Herrington

Office of the County Executive

Douglas Miller

Office of the County Executive

Bill Mulligan

Superior Officers Association

Michael Polchinski

Correction Officers Association

Joan Sikorsky

Audit and Control Department

Jeffrey Szabo

Office of the County Executive

William Tricarico

Police Benevolent Association

Debbie Troise

Civil Service Department

Jack Weishahn

Detective Investigators Association

Marion Smith

Secretary
Civil Service Department

Program Providers

T. Rowe Price	1-888-457-5770
AIG VALIC	1-888-568-2542