

Advantages of Adopting the New York State Deferred Compensation Plan

As a local public employer in New York State, you are eligible to participate in the New York State Deferred Compensation Plan. By adopting the Plan, you can offer your employees an important benefit that can help them to better plan for retirement.

This material is designed to give you an overview of the Plan, its investment options, and the costs and charges associated with participating in the Plan. There are many advantages to adopting the New York State Deferred Compensation Plan:

No Cost To You, The Employer

There are no costs or charges for offering the Plan to your employees. The Plan's expenses are paid by the participants in the Plan and interest on Plan trust accounts. The New York State Deferred Compensation Board has negotiated with some of the mutual fund companies within the Plan to pay administrative reimbursements which are credited to the participant's accounts who hold the mutual funds. The only expenses you may incur with respect to the Plan will be the cost of transmitting contribution information to the Plan's Administrative Service Agency on an ongoing basis.

Services To You, The Employer

In addition to the Employee Communications and Services described in this material, the Plan provides a toll-free HELPLINE (1-877-334-3424) to answer administrative questions related to your participation in the Plan.

Easy to Understand Fees

The New York State Deferred Compensation Plan is one of the lowest cost deferred compensation programs in the country. The administrative fee is a combination of a \$20 annual fee, paid in two \$10 semiannual installments, and an asset-based fee calculated on a percentage of the participant's account balance. The asset-based fee will be charged only on accounts with balances in excess of \$20,000. Account assets subject to the asset-based fee are capped at \$200,000. These fees are

subject to change. These fees are deducted from participant's accounts in April and October of each year. Administrative reimbursements paid by some of the Plan's mutual fund investment options are paid to participants who are invested in the mutual funds that pay the reimbursements. Some mutual funds may impose a short-term trade fee. Participants need to read the underlying prospectuses carefully.

No Need To Establish A Trust

Eligible employers who adopt the New York State Deferred Compensation Plan are not required to establish their own individual trust agreements. The Plan already has a trust agreement in place.

Simplified Administrative Procedures

Over 1200 local employers participate in the Plan. In order to make their job as easy as possible, the Plan's Administrative Service Agency has designed procedures to take most of the administrative burden off the employer. Basically, all you have to do is send Plan contributions and instructions to us each pay period. We take care of the rest.

Wide Variety of Investment Options

The Plan currently offers participants numerous investment options to choose from including the Stable Income Fund, custom international equity funds, and mutual funds offered by a diverse group of mutual fund families, including: Davis,

Eaton Vance, Federated, Fidelity, Hartford, Janus, Columbia, Morgan Stanley, Pax, Principal, T. Rowe Price, Vanguard, and Wells Fargo.

Additional Investment Options

In addition to offering a diversified menu of core investment options, the Plan permits participants to invest a portion of their account in mutual funds and ETFs outside the Plan's core investment options through a Mutual Fund Window. This is not a core service and participants who utilize this service are subject to additional participation fees.

Loans

The Plan permits participants to take a loan against their Plan account. Loans must be repaid, cannot exceed 50% of the participant's account or \$50,000, whichever is less, and comply with other Plan restrictions and fees.

Offering An Important Benefit To Your Employees

The New York State Deferred Compensation Plan is a quality, lower cost retirement investing program. Participants can choose between traditional pre-tax and Roth contributions to maximize their tax advantages in retirement savings. The Plan can help your employees plan for a financially secure retirement and offers a wide variety of participant services, many of which are described in this material. The Plan can be an important part of the employee benefits package you offer.