

Beneficiary Guide for the 457 & 401(k) Plans



**New York City
Deferred Compensation Plan**



Effective January 1, 2022



Office of Labor Relations Deferred Compensation Plan & NYCE IRA

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Dear Beneficiary:

Please accept our condolences for your loss. As a named beneficiary of a New York City Deferred Compensation Plan participant, you may be entitled to receive funds from his or her account.

This booklet will explain the distribution and rollover choices available to you so that you can make an informed decision about what is best for your personal situation. You should, however, seek the advice of a financial planner or tax consultant before making your choices.

The date when you must begin to receive benefit payments and the maximum period over which you may receive benefits depends on:

- The age of the Plan Participant when he or she died;
- Whether the Plan Participant was receiving benefits from the Plan;
- Whether you are the Participant's spouse, another individual, or the representative of a non-individual (charity, trust, institution).

If you have any questions, or would like additional information or assistance, please call our office at (212) 306-7760 between the hours of 9 a.m. and 5 p.m., Monday through Friday, or visit us 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 Plan's Client Service Department between the hours of 9 a.m. and 5 p.m., Monday through Friday, at (212) 306-7760 or visit the Plan's Web site at nyc.gov/deferredcomp.

Also available:

- ◆ New York City Deferred Compensation Plan Summary Guide of 457 & 401(k) Plan Provisions
- ◆ Internet site: <http://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 a professional financial planner, 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 law or regulations, then the applicable laws and regulations shall govern.

The New York City Deferred Compensation Plan Beneficiary Guide is provided to beneficiaries in order to satisfy Section 402(f) of the Internal Revenue Code.

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This guide is effective as of January 1, 2022.

Beneficiaries' Frequently Asked Questions About Distributions

As a beneficiary, when must I submit a request for withdrawal?

If you are eligible to receive a distribution, then a beneficiary is required to submit a Beneficiary Distribution Form to establish an Inherited Distribution Account by the end of the year after the year in which the participant has died.

Not submitting a timely Beneficiary Distribution Form will result in an eligible designated beneficiary (see definition below) having to complete distribution by the end of the year which contains the 10th anniversary of the date of the participant's death. For specific timing of the distribution, see the chart on page 7 of this Guide.

As a beneficiary, must I take a full withdrawal of the account?

No. As a beneficiary of a Deferred Compensation Plan participant, you are entitled to establish an Inherited Distribution Account and choose from an array of distribution options and services. For specific timing of the distribution, see the chart on page 7 of this Guide.

Can I maintain the tax-favored advantage of the participant's account by rolling the account into an Individual Retirement Account or another plan?

All beneficiaries can maintain their tax advantage by leaving their funds in the Deferred Compensation Plan with the opportunity to grow on a tax-favored basis until distributions are required to begin. However, a spousal beneficiary can maintain the tax advantage of the participant's account by rolling over his or her Inherited Distribution Account to an eligible retirement plan or Individual Retirement Account (IRA) in his or her own name. If the spousal beneficiary has a NYCE IRA account, they may be eligible to roll over their Inherited Distribution Account into their NYCE IRA (contact the Plan's Administrative Office for more information). A non-spousal beneficiary can also maintain the tax advantage by rolling over his/her Inherited Distribution Account, but only to an inherited IRA. Please note that certain payments will not be eligible for rollover, including (i) certain payments spread over a period of at least 10 years or over your life or life expectancy and (ii) required minimum distributions.

What happens to an outstanding loan upon the death of the participant?

All outstanding loan principal and accrued interest shall be treated as a distribution from the Plan on the date of the participant's death. The loan cannot be transferred to, or assumed by, the beneficiary. If the loan was not repaid prior to the date of death, any distribution from the Plan will be made net of any outstanding loan obligation. In addition, the amount of the outstanding loan will be reported as a distribution to the participant's estate, subject to applicable taxes.

Since I cannot make contributions to my Inherited Distribution Account, can the value of the account change?

Depending on how your Inherited Distribution 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.

What administrative fees and services are associated with the 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.

Administrative fees are currently \$20 per quarter. In addition, the Plan's investment funds are assessed an annualized administrative fee of .04%. Fees will be taken from your Inherited Distribution Account while funds remain in the Plan. Beneficiaries will receive quarterly statements, have access to the Plan's annual report and can make investment changes (transfer among the Plan's investment options). Beneficiaries are also welcome to attend any financial wellness webinars and seminars offered by the Plan. Visit the Plan's website for registration details.

Can I change the investment fund options the participant selected previously?

Initially, your Inherited Distribution Account will be established based on the participant's investment fund balances. However, you may elect to transfer funds among the Plan's investment options as if you were the participant.

Why might it be advantageous for a spousal beneficiary to roll over a Qualified Inherited Roth 457 or Roth 401(k) into their own Roth IRA?*

The Internal Revenue Code requires non-taxable Required Minimum Distributions (RMDs) from both the Roth 457 and Roth 401(k) beginning at age 72. There is no such requirement from a Roth IRA. Assets can remain in the Roth IRA and passed on to named beneficiaries. If you are still working, you may be able to continue making contributions into the account. You are encouraged to consult with a tax advisor about what is best for your own personal situation.

* A Qualified Roth 457 or Roth 401(k) is one that has been established for five consecutive taxable years which began with the first day the deceased participant made a Roth contribution and ends when five consecutive taxable years have been completed. The deceased participant must also have attained age 59½.

As a beneficiary, can I select my own beneficiary?

A spousal beneficiary is permitted to designate a subsequent beneficiary of an Inherited Distribution Account, while a non-spousal beneficiary of an Inherited Distribution Account is not permitted to designate a beneficiary. If a non-spousal beneficiary dies prior to receiving a complete distribution of their Inherited Distribution Account, or the spousal beneficiary dies prior to designating a subsequent beneficiary, the remaining amount will be paid to their estate.

Can I get better returns if I move my money from the 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 convert all

its mutual funds to 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. Visit the Plan's website for more information on Plan fees.

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 retail IRA, if applicable, where you may be paying higher individual retail rates, seek the advice of an independent financial planner 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.

Distribution Rules



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. Upon the death of the participant, the determination of beneficiaries is final.

Types of Beneficiaries

The Internal Revenue Service (IRS) classifies beneficiaries as:

- 1) "eligible designated beneficiaries" (EDB),
 - 2) "designated beneficiaries" and
 - 3) "non-designated beneficiaries."
- 1) There are four types of EDBs:
- Surviving Spouse
 - Minor child of Plan participant who has not reached age of majority

- Individual who is no more than 10 years younger than the Plan participant
- Disabled/chronically ill individual (as defined under the applicable sections of the Internal Revenue Code)

2) A "designated beneficiary" is an individual other than the above such as an adult child, grandchild, nephew, etc.

3) A "non-designated beneficiary" is a non-individual, such as a trust, charity or non-profit organization.

Where the beneficiary is a trust for the benefit of an individual or individuals, the beneficiaries of the trust can, in some cases, be treated as EDBs or designated beneficiaries, even though the trust is the actual beneficiary. Special requirements apply in order to get this treatment, however, and you should consult with an estate planner to see if this treatment applies to you.

Disclaim all or part of your assets:

If you find that you will not need all or some of your inherited assets during your lifetime, you may want to disclaim—or refuse to inherit—all or part of your inheritance. A disclaimer is an irrevocable decision to give up your right to inherit the assets.

Important: You must disclaim assets within nine months of the participant's death and before you've actually taken possession of those assets. Contact the Plan Administrator for the necessary form to disclaim assets.

Your disclaimed inheritance would then be passed on directly to the next eligible beneficiary(ies) **that were designated by the participant**. Any required distributions would be based on the other beneficiary's age, rather than your own.

Spousal Distribution Options

If you are a spousal beneficiary you can choose to:

- Leave your money in the Plan: Establish an Inherited Distribution Account by submitting a Beneficiary Distribution Form and begin taking required distributions by December 31st of the year following the participant's death or December 31st of the year in which the participant would have turned age 72;
- Roll over your inherited 457 or 401(k) plan assets into your own new or existing eligible retirement plan or IRA. If you already have a NYCE IRA, you may be eligible to roll over your inherited assets into your own NYCE IRA (contact the Plan's Administrative Office for more information);
- Disclaim all or part of your assets within nine months of your spouse's death so they pass to the next eligible beneficiaries.

Designated Beneficiary Distribution Options

If you are a designated beneficiary who is not a spouse (including an EDB), you have the following options:

- Leave your money in the Plan: Establish an Inherited Distribution Account by submitting a Beneficiary Distribution Form;
- Roll over your inherited 457 or 401(k) Plan account to an inherited IRA and then the assets will be subject to the distribution rules applicable to that IRA;
- Disclaim all or part of your assets within nine months of the participant's death so they pass to the next eligible beneficiaries.

For the distribution start date and duration, see the chart on page 7 of this Guide.

Minor Beneficiaries

The submission of a Beneficiary Distribution Form by a beneficiary who is under the age of majority requires the authorization and signature of the parent or legal guardian. Evidence of guardianship of person and/or property must be provided. The check will be made payable to the "parent or guardian for the benefit of the minor or as directed by a court order." Checks cannot be made payable directly to the minor.

A minor child of a Plan participant who has not reached age of majority is classified as an EDB, and may leave the money in the Plan by establishing an Inherited Distribution Account. However, a minor beneficiary is reclassified as a designated beneficiary and is required to complete distribution of the account by the end of the tenth (10) calendar year after reaching the age of majority.

Additional options include the following:

- Roll over your inherited 457 or 401(k) Plan account to an inherited IRA and then the assets will be subject to the distribution rules applicable to that IRA;

- Disclaim all or part of your assets within nine months of the participant's death so they pass to the next eligible beneficiary(ies).

For the distribution start date and duration, see the chart on page 7 of this Guide.

Multiple Beneficiaries

Beneficiaries are required to establish Inherited Distribution Accounts by the December 31st of the year after the year in which the participant has died. If the participant selected more than one beneficiary, and separate Inherited Distribution Accounts are not established for each beneficiary prior to December 31st of the year immediately following the year in which the participant died, then the length of time over which these beneficiaries **who did not** establish their account, even the spouse, can receive payments is determined by the beneficiary entitled to the shortest amount of time. If neither an EDB or designated beneficiary establishes a separate account, then all beneficiaries must receive the entire account balance by the December 31st which contains the 10th anniversary of the date of the participant's death. If the beneficiary does not complete distribution by December 31st of the calendar year which contains the 10th anniversary of the date of the participant's death, the amount remaining in the Plan account is not eligible to be rolled over and is subject to the 50% excise tax.

To establish an Inherited Distribution Account, a beneficiary must file all required documents with the Plan's Administrative Office as requested on the Beneficiary Distribution Form.

Example:

Participant dies in 2022, prior to age 72 leaving two primary beneficiaries: a spouse and a charity, each entitled to 50% of the participant's account. The spouse is a designated beneficiary and the charity is a non-designated beneficiary. If separate Inherited Distribution Accounts are established for both the spouse and the charity by December 31, 2023, the spouse is entitled to extend distribution payments up to his/her life expectancy. If the spousal beneficiary did not establish a separate Inherited Distribution Account by December 31, 2023, this results in the spouse being limited to receiving the entire account by December 31, 2027.

In order for all beneficiaries to be able to take advantage of the maximum length of time in which to receive distribution payments beneficiaries must establish separate Inherited Distribution Accounts prior to December 31st of the calendar year immediately following the year in which the participant died.

Beneficiary Distribution Chart

Your Distribution Options

You must submit a Beneficiary Distribution Form by the end of the calendar year immediately following the year in which the participant died. Not submitting a timely Beneficiary Distribution Form will result in an eligible designated beneficiary having to complete distribution by the end of the year which contains the 10th anniversary of the date of the participant's death.

The chart below reflects distribution options for beneficiaries of participants who died on or after January 1, 2022. Please contact the Plan's Administrative Office for beneficiary options of participants who died prior to January 1, 2022.

	<i>Surviving Spouse Beneficiary / Eligible Designated Beneficiary**</i>	<i>Other Eligible Designated Beneficiary (EDB)**</i>	<i>Designated Beneficiary**</i>	<i>Non-Designated Beneficiary**</i>
Payment Start Date	Any time after the participant's death, but no later than the later of: a) the end of the calendar year in which the participant would have reached age 72* b) the end of the calendar year immediately following the calendar year in which the participant died if age 72* or older	Any time after the participant's death, but no later than the end of the calendar year immediately following the year in which the participant died	Any time after the participant's death, but no later than the end of the year which contains the 10th anniversary of the date the participant died	Any time after the participant's death, but no later than the end of the calendar year immediately following the year in which the participant died
Method	a) Full withdrawal b) Partial withdrawal (a specified amount) c) Installments (monthly, quarterly, semi-annually, annually) d) Partial withdrawal with installments (a single payment with the balance paid out as installment payments)	a) Full withdrawal b) Partial withdrawal (a specified amount) c) Installments (monthly, quarterly, semi-annually, annually) d) Partial withdrawal with installments (a single payment with the balance paid out as installment payments)	a) Full withdrawal b) Partial withdrawal (a specified amount) c) Installments (monthly, quarterly, semi-annually, annually) d) Partial withdrawal with installments (a single payment with the balance paid out as installment payments)	a) Full withdrawal b) Partial withdrawal (a specified amount) c) Installments (monthly, quarterly, semi-annually, annually) d) Partial withdrawal with installments (a single payment with the balance paid out as installment payments)
Maximum Length	Distributions must be completed within a period not extending beyond the life expectancy of the spouse beneficiary (and, if the spouse has a designated beneficiary, within 10 years of the spouse's death)	Distributions must be completed within a period not extending beyond the life expectancy of the beneficiary For minor beneficiaries: Distribution must be completed by the end of the tenth (10) calendar year after reaching the age of majority	Distributions must be completed by the end of the year which contains the 10th anniversary of the date the participant died	a) Distributions must be completed by December 31st of the calendar year which contains the 5th anniversary of the date of the participant's death b) If the participant died at age 72 or older, then the remaining portion must be distributed using a <i>Method</i> at least as rapidly as would have been distributed to the participant
Rollover	Most payments would be eligible for rollover to the following: • A qualified retirement plan, including a 401(k) plan • A governmental 457 plan • A 403(b) plan • A traditional IRA • A Roth IRA • A Simple IRA (if established for at least 2 years)	Most payments would be eligible for rollover, but only to an inherited IRA	Most payments would be eligible for rollover, but only to an inherited IRA	Not eligible for rollover

* All reference to the age 72 apply to those participants who were born on after July 1, 1949. For those born before July 1, 1949, the age is 70½.

** See definition on page 5

Distribution/Rollover Start Date

Beneficiaries of the pre-tax 457, 401(a), pre-tax 401(k) and Roth 457 and Roth 401(k) can begin receiving distributions as early as 30 days after the establishment of an Inherited Distribution Account, but no sooner than 45 days after the date of death of the participant. Spousal beneficiaries must begin receiving distributions by the later of: (i) the year the participant would have reached age 72; or (ii) December 31st of the calendar year immediately following the calendar year in which the participant died. For the distribution start date for all other beneficiaries, see the chart on page 7 of this Guide.

Length of Distribution

For the distribution period of time, see the chart on page 7 of this Guide.

Investment Options

Initially, your Inherited Distribution Account will be established based on the participant's investment fund balances. However, you may elect to transfer funds among the Plan's investment options, as if you were the participant, as frequently as you wish, subject to Plan rules. Investment changes are made using the Plan's telephone voice response system or through the Plan's website. Your account can continue to have the opportunity to grow, subject to market fluctuations, for as long as you leave money in the Plan. Any appreciation will continue to be reflected in the account on a tax-favored basis. Once your Inherited Distribution Account has been established, you will receive a Personal Identification Number (PIN), via regular mail, which you will need in order to access your account through the telephone or website.

Income Tax Consequences

Distributions to all beneficiaries will be reported on Form 1099-R in the year when paid. Distributions from the pre-tax 457 Plan, 401(a) Plan and the pre-tax 401(k) Plan will be subject to all applicable federal, state and local taxes. The Plan will withhold federal taxes from your distributions. The Plan will withhold state taxes, but only if you live in a state with mandatory state tax withholding. Otherwise, you will be responsible for the payment of all applicable state and local taxes.

Distributions of Roth 457 or Roth 401(k) assets from the beneficiary account 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 after a period of five consecutive taxable years that begins with the first day in which the participant made a Roth contribution and ends when five consecutive taxable years have been completed. A Non-Qualified Distribution of a Roth 457 or Roth 401(k) account is one that is made before the five-taxable-years has been completed. A Non-Qualified distribution from the Roth 457 or Roth 401(k) will be made proportionally among contributions and earnings and the earnings will be subject to applicable income

taxes. A Non-Qualified distribution from the Roth 401(k) is also subject to an early withdrawal penalty. Distributions from the Roth 457 and Roth 401(k) are subject to required distributions.

Spousal Beneficiaries: A spousal beneficiary has the option to receive direct payments from the Plan or perform a rollover into their own new or existing eligible retirement plan or IRA. Full withdrawal, partial withdrawal and installments scheduled for less than 10 years from the pre-tax 457 Plan, 401(a) Plan, and the pre-tax 401(k) Plan are Eligible Rollover Distributions (ERD) which, if not directly rolled over, will be subject to a 20% mandatory federal tax withholding. The selection of installment payments scheduled for 10 years or more are subject to 10% federal tax withholding unless indicated otherwise on the Beneficiary Distribution Form. Distributions of Roth 457 and 401(k) assets from the Inherited Distribution Account are eligible for rollover to a Roth IRA.

Other EDB and Designated Beneficiaries: Beneficiaries have the option to receive direct payments from the Plan or perform a rollover to an inherited IRA account. All direct payments from the Inherited Distribution Account to beneficiaries that are ERD will be subject to 20% federal tax withholding.

New York State residents who are at least age 59½ are entitled to a New York State and City annual income tax exemption of up to \$20,000 on payments received in installments from a pre-tax 457, 401(a) and pre-tax 401(k) Inherited Distribution Account.

Qualified Distributions of Roth 457 and Roth 401(k) assets from the Inherited Distribution Account are not subject to federal, state, or local withholding tax. The earnings on Non-Qualified Distributions from the Roth 457 and Roth 401(k) are subject to a 20% federal tax withholding if it qualifies as ERD.

Installment Payments vs. Full Withdrawal



What are the advantages of installment payments?

There are several advantages to choosing installment payments over a full withdrawal:

Deferring Taxes:

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

Retirement Income:

Choosing installment payments will allow you to utilize your Deferred Compensation Inherited Distribution Account for years to come.

Opportunity for Continued Growth of Your Account:

Until you decide to withdraw the money from your pre-tax 457, 401(a), or pre-tax 401(k) Inherited Distribution Account, you will not pay taxes on that money. If you elect installment payments, the money remaining in your Inherited Distribution Account will continue to have the opportunity to grow, tax-favored, through interest or appreciation. Your account will continue to be valued daily and you will continue to receive quarterly statements.

What are the advantages of taking an partial withdrawal with installment payments?

This option allows you to withdraw a portion of your account and withdraw the remaining balance in installments. You get the benefits of both a lump sum amount (for a major purchase, perhaps) and installment payments (to supplement income, perhaps). Remember, if you set up a distribution schedule you always have the option to change the method of distribution. Of course, once you take money out of the Plan you cannot put it back to select a different distribution option.

Is there any merit to my purchasing an outside annuity with my full lump sum withdrawal?

When making this decision you should consider the following factors: (1) you will be subject to applicable taxes on the full lump sum payment at the time you receive it; (2) you may be incurring certain costs if you choose to reinvest in such a manner; and (3) the Deferred Compensation Plan's distribution options allow certain beneficiaries to choose an annuity-like payment schedule if they choose to receive installment payments that extend through their life expectancy.

What do I have to do to receive installments?

Choosing installments is easy. Simply mark off the "Installments" box on the Beneficiary Distribution Form. Then, specify the number of payments or dollar amount of payments you wish to receive. From there, the Deferred Compensation Plan handles the rest. Your checks will be mailed to you in accordance with the schedule you indicated, or you may choose electronic fund transfers (EFT) of your payments directly into your bank account.

May I change my mind once I choose a distribution schedule?

Yes. If you set up a distribution schedule you always have the option to change the method of distribution with respect to any amounts that have not yet been distributed. However, if you selected life expectancy, your change in the method of distribution cannot make your payments lower.



Your Distribution Choices

To establish and take withdrawals from your Inherited Distribution Account, you must submit a Beneficiary Distribution Form, IRS Form W-9, and a certified copy of the participant's death certificate, along with any other appropriate documentation (e.g., trust documents, guardianship papers, letters testamentary, etc.).

You can decide how much and in what method you wish to receive funds from your account.

- 1) Direct Payment or Rollover – you must choose whether you want the payment(s) made directly to you, or if you want to roll over your account (Designated Beneficiaries only), or a portion thereof, to an inherited IRA account (spousal beneficiaries may also roll over their account into their own new or existing eligible retirement plan or IRA);
- 2) Payment Start Date – when you want to start receiving distributions or initiate a rollover;
- 3) Method – the type of payment(s) you want to receive; and
- 4) Length – the length of time over which you want to receive your distribution payments.

Please Note: The distribution of your account cannot begin prior to the 30th day after the establishment of an Inherited Distribution Account in your name.

Direct Payment

As a beneficiary, once you have established an Inherited Distribution Account, you can decide how much and in what method you wish to receive direct payments from your account. In addition, if you set up a distribution schedule, you always have the option to change the method of distribution. Beneficiaries will be responsible for payment of all applicable state and local taxes.

Distribution/Rollover Start Date

For the distribution start date for all beneficiaries, see chart on page 7 of this guide.

Method

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

- 1) Full Withdrawal – a distribution of your entire Inherited Distribution Account in a single payment;
- 2) Installments – distributions made over regular intervals, not to exceed your life expectancy (if eligible), totaling your entire Inherited Distribution Account;
- 3) Partial Withdrawal with Installments – an initial distribution of an amount that you specify followed by distributions made over regular intervals, not to exceed your life expectancy (if eligible), totaling your remaining Inherited Distribution Account;
- 4) Partial Withdrawal – a distribution of an amount that you specify which will not disrupt your current distribution schedule.

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 exact dollar amount of the installments you want to receive, or (3) whether your distributions should be paid over your life expectancy. If you elect options 1 or 3, the distribution amount will be recalculated annually and your installment amounts will be adjusted accordingly.

Length

For the distribution period of time, see chart on page 7 of this guide.

Spousal Rollovers

A spousal beneficiary is eligible to roll over all or a portion of his/her Inherited Distribution Account to an eligible retirement plan or a traditional or Roth IRA. Spousal rollovers are available only with respect to Eligible Rollover Distributions (ERD). An ERD is any distribution of all or a portion of the account except any distribution that is part of a series of substantially equal periodic payments (i.e., installments) made at least annually that extend for either (i) the life expectancy of the spousal beneficiary or (ii) a specified period of at least 10 years.

Distributions from a Roth 457 or Roth 401(k) account are eligible for rollover to a Roth IRA.

Any ERD from a Inherited Distribution Account, which are not directly rolled over into an IRA, will be includible as income in the year distributed and will be reported on Form 1099-R. Distributions that are eligible for rollover treatment

but are not directly rolled over through a trustee-to-trustee transaction will become subject to a 20% mandatory federal tax withholding.

Spousal beneficiaries can also leave their money in the Plan, once they have established an Inherited Distribution Account. Establishing an Inherited Distribution Account with the Plan can be advantageous if: You're older than your spouse, and your spouse died before age 72, since this option would allow you to delay taking required distributions until the year your spouse would have turned age 72. As a death benefit, your distribution will never be subject to the 10% early withdrawal penalty. There never is an early withdrawal penalty in the pre-tax or Roth 457 Plan.

Rolling over your Inherited Distribution Account assets into an IRA can be advantageous if you have not yet reached age 72, but your deceased spouse had, for it enables you to stretch out the tax-deferral of IRA assets by delaying distributions until you reach age 72. However, if you are under age 59½, and you intend to take a distribution from your own new or existing IRA, you will be subject to the 10% early withdrawal penalty (which would not apply if you take the distribution from the Plan's Inherited Distribution Account).

Non-Spousal Rollovers

A non-spousal designated beneficiary is eligible to roll over the participant's account to only a traditional or Roth inherited IRA. Non-spousal rollovers are available only with respect to Eligible Rollover Distribution (ERD). An ERD is any distribution that is part of a series of substantially equal periodic payments (i.e., installments) made at least annually that extend for either (i) the life expectancy of the non-spousal beneficiary or (ii) a specified period of at least 10 years.

For the distribution period of time, see chart on page 7 of this guide.

Initiating a Rollover

If you are an EDB or Designated Beneficiary and wish to directly roll over all or a portion of your Inherited Distribution Account, please submit a completed Beneficiary Distribution Form and the required documentation to the Deferred Compensation Plan's Administrative Office. You will also need to provide a letter of acceptance or a letter affirming plan type from the financial institution that is to receive the rollover. The applicable portion of your Plan account will then be transferred directly from the Deferred Compensation Plan to the trustee of the eligible retirement plan or IRA. The new provider may require you to complete additional paperwork for them to accept the rollover, but their forms will not substitute for the New York City Deferred Compensation Plan's Beneficiary Distribution Form. No rollover will be processed until a completed Beneficiary Distribution Form and required supporting documentation are received by the Deferred Compensation Plan's Administrative Office.

If you are a spousal beneficiary and receive a direct payment from the Inherited Distribution Account in your own name that was eligible for rollover treatment, you will still have 60 days from receipt of the distribution to roll over that distribution into an IRA (an "indirect rollover"). However, any distribution that is eligible for rollover treatment that is distributed to you in your own name (as opposed to being directly rolled over) 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. Non-spousal beneficiaries are not allowed to perform an indirect rollover.

Before deciding to roll over your Inherited Distribution Account, please seek the advice of a financial planner or tax consultant.

Mode of Payment

Beneficiaries can either receive checks by mail made payable to them or select to have their payment(s) transferred electronically to their financial institution via electronic fund transfers (EFT).

Electronic Fund Transfers

The Deferred Compensation Plan offers electronic fund transfers (EFT) for your direct distribution payments. Funds will be made available to your bank account two business days from the date the funds are withdrawn from your Inherited Distribution Account. You will receive a payment stub by mail for your records.

There is no fee for electing EFT.

EFT can be requested by completing Section V on the attached Beneficiary Distribution Form. If you already have a Beneficiary Distribution Form on file or you are updating EFT information, you must submit an Authorization Agreement for Electronic Fund Transfers (EFT) Form. Please contact the Plan's Administrative Office to request an EFT form or you may download the form from the Plan's Web site. 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. The recordkeeper reserves the right to terminate the EFT for any reason and will notify you in the event of such termination by sending notice to your last known address on file. It is your obligation to notify the recordkeeper of any address or other changes affecting your EFT during your lifetime. You are solely responsible for any liability that may arise out of failure to provide such notification affecting your EFT.

In Summary

Complete the attached Beneficiary Distribution Form and have the affidavit notarized. Forward these forms, IRS Form W-9, a certified copy of the participant's death certificate, and any other appropriate documentation (e.g., trust documents, guardianship papers, letters testamentary, etc.) to the Plan's Administrative Office.

Need Assistance?

Our office will be happy to help you with any questions you may have. Please call (212) 306-7760 between the hours of 9 a.m. and 5 p.m.

Single Life Expectancy Table

ORDINARY LIFE ANNUITIES - ONE LIFE -

Table for Determining Applicable Divisor							
Age	Applicable Divisor	Age	Applicable Divisor	Age	Applicable Divisor	Age	Applicable Divisor
1	83.7	31	54.4	61	26.2	91	5.3
2	82.8	32	53.4	62	25.4	92	4.9
3	81.8	33	52.5	63	24.5	93	4.6
4	80.8	34	51.5	64	23.7	94	4.3
5	79.8	35	50.5	65	22.9	95	4.0
6	78.8	36	49.6	66	22.0	96	3.7
7	77.9	37	48.6	67	21.2	97	3.4
8	76.9	38	47.7	68	20.4	98	3.2
9	75.9	39	46.7	69	19.6	99	3.0
10	74.9	40	45.7	70	18.8	100	2.8
11	73.9	41	44.8	71	18.0	101	2.6
12	72.9	42	43.8	72	17.2	102	2.5
13	71.9	43	42.9	73	16.4	103	2.3
14	70.9	44	41.9	74	15.6	104	2.2
15	69.9	45	41.0	75	14.8	105	2.1
16	69.0	46	40.0	76	14.1	106	2.1
17	68.0	47	39.0	77	13.3	107	2.1
18	67.0	48	38.1	78	12.6	108	2.0
19	66.0	49	37.1	79	11.9	109	2.0
20	65.0	50	36.2	80	11.2	110	2.0
21	64.1	51	35.3	81	10.5	111	2.0
22	63.1	52	34.3	82	9.9	112	2.0
23	62.1	53	33.4	83	9.3	113	1.9
24	61.1	54	32.5	84	8.7	114	1.9
25	60.2	55	31.6	85	8.1	115	1.8
26	59.2	56	30.6	86	7.6	116	1.8
27	58.2	57	29.8	87	7.1	117	1.6
28	57.3	58	28.9	88	6.6	118	1.4
29	56.3	59	28.0	89	6.1	119	1.1
30	55.3	60	27.1	90	5.7	120+	1.0

For each “Distribution 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.

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The City of New York Deferred Compensation Plan
A Division of Tax-Favored & Citywide Programs
within the Mayor's Office of Labor Relations' Employee Benefits Program
(212) 306-7760, 1-888-DCP-3113 (Outside NYC), TTY (212) 306-7707
nyc.gov/deferredcomp

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DEFERRED COMPENSATION PLAN BENEFICIARY DISTRIBUTION FORM

PLEASE PRINT IN BACK INK

See Page 3 for
Submission Instructions
(212) 306-7760
1-888-DCP-3113 (outside NYC)
Web site: nyc.gov/deferredcomp

I. PARTICIPANT INFORMATION

SOCIAL SECURITY NUMBER

DATE OF DEATH (MM/DD/YY)

LAST NAME

FIRST NAME

MI

II. BENEFICIARY INFORMATION ☐ Check here if you are a U.S. Citizen or Resident Alien. Proof required if you live outside the U.S.

TIN / SOCIAL SECURITY NUMBER / EIN

DATE OF BIRTH (MM/DD/YY)

DAYTIME TELEPHONE NO.

RELATIONSHIP TO PARTICIPANT

☐ SPOUSE

☐ OTHER

LAST NAME

FIRST NAME

MI

HOME MAILING ADDRESS - NUMBER AND STREET

APT

CITY

STATE

ZIP CODE

Distribution request from (CHOOSE ONLY ONE): Specify which 457 or 401(k) account, if there is more than one.

- ☐ 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)

This Form represents: ☐ Direct Payment ☐ Change of current Distribution Request ☐ Change to Tax Withholding ☐ Direct Rollover
☐ Additional Partial Withdrawal while maintaining current Distribution schedule (IV - 4 below)

Note: Separate Beneficiary Distribution Forms must be completed if you are requesting both a direct payment and a direct rollover.
Please allow approximately 30 days from receipt of a form received in good order for your distribution request to be processed.
If you are changing your distribution, please complete the appropriate section below.

III. PAYMENT/ROLLOVER 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 _____

- 1) *For Surviving Spouses:* any time up until the end of the calendar year in which the participant would have reached age 72.
- 2) *For Other Eligible Designated Beneficiaries:* any time after the participant's death, but no later than the end of the calendar year immediately following the year in which the participant died.
- 3) *For Designated Beneficiaries:* any time after the participant's death, but no later than the end of the year which contains the 10th anniversary of the date the participant died.

IV. METHOD OF DISTRIBUTION (You must check only one box below.)

- 1) ☐ Full Withdrawal (**Do not complete section V. Length of Distribution.**)
- 2) ☐ Installments: ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Annually (Specify length of payment in section V.)
- 3) ☐ Partial Withdrawal of: \$ _____ **or** Percentage of Balance _____ % (Minimum request is \$1,000)

To be taken from the following investment option*: _____

With remaining balance in installments: ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Annually (Specify length of payment in section V.)

Starting: Month _____ Year _____ (Specify length of payment in section V.)

- *For Surviving Spouses:* Installments must start no later than when the participant would have reached age 72.
- *For Other Eligible Designated Beneficiaries:* Installments must start no later than the end of the calendar year immediately following the year in which the participant died.
- *For Designated Beneficiaries:* Installments must start no later than the end of the year which contains the 10th anniversary of the date the participant died.

- 4) ☐ Additional Partial Withdrawal** of: \$ _____ **or** Percentage of Balance _____ % (Minimum request is \$1,000)

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

*Insufficient Funds will result in the disbursement being taken proportionately from all available investment options.

**Choose this option if you already established a distribution schedule and wish to receive a Partial Withdrawal from your account without disrupting your current distribution schedule.



V. LENGTH OF DISTRIBUTION (If other than a full lump sum withdrawal) Check only one from choices 1 - 3.

- 1) ☐ Number of Installments: _____ (Please refer to the Beneficiary Distribution Chart on Page 7 of the Beneficiary Distribution Guide.)
- 2) ☐ Dollar Amount of Installments (Minimum dollar amount is \$100) \$ _____
- 3) ☐ Life Expectancy (Based on Single Life Expectancy: for Eligible Designated Beneficiaries only.)

VI. 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 NAME

--	--

ACCOUNT NUMBER

ABA NUMBER

--	--

--	--

MAILING ADDRESS

--

CITY

STATE

ZIP CODE + FOUR

--

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--

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VII. TAX WITHHOLDING (State income tax will not be withheld unless you live in a state that mandates state income tax withholding.)**Federeral Tax Withholding**

- ☐ Check this box if this is a change to your Federal Tax Withholding percentage.

1) Pre-Tax 457 and Pre-Tax 401(k) Federal Tax Withholding for Designated Beneficiary

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

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

For distributions of ten years or longer, the IRS does not require a specific withholding rate. 10% will be withheld unless you indicate a rate below:

☐ Please do not withhold taxes

☐ Other – please indicate higher percentage amount _____ % (any whole percentage above 10%)

2) Pre-Tax 457 and Pre-Tax 401(k) Federal Tax Withholding for Non-Designated Beneficiary

The IRS does not require a specific federal tax withholding rate. 10% will be withheld unless you choose a rate below:

☐ Please do not withhold taxes

☐ Other – please indicate higher percentage amount _____ % (any whole percentage above 10%)

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.

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

Other Eligible Designated / Designated Beneficiary

Direct Rollover to: ☐ Traditional Inherited IRA ☐ Roth Inherited IRA

Spousal Beneficiary

Direct Rollover to: ☐ Pre-Tax 457 ☐ Pre-Tax 401(k) ☐ Traditional IRA ☐ Roth IRA
☐ Roth 457 ☐ Roth 401(k) ☐ Traditional Inherited IRA ☐ Roth Inherited IRA
☐ Other:

Amount Rollover (choose one): ☐ Partial Rollover* \$ **or** ☐ Full account

* Please complete another Beneficiary Distribution Form indicating how you want the rest of your account disbursed.

Trustee or Custodian for IRA Information (You must be **enrolled** in the IRA before the transfer can be made.)

NAME OF THE TRUSTEE OR CUSTODIAN FOR THE IRA

[illegible]

M

[illegible]

TELEPHONE NUMBER

--	--	--	--

[illegible]

ZIP CODE + FOUR

--	--	--	--

Please note: You must attach a letter from the trustee or custodian of the IRA affirming plan type or acceptance of rollover.

You may not designate a SIMPLE IRA or educational IRA to receive your 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.

IX. SIGNATURE

I have read the and understand the Plan's Beneficiary Distribution Guide. I have also completed and notarized the Affidavit on page 4 of this form. (Notarization of this form is not required if you are only changing your tax withholding.) I understand that the Plan reserves the right to recover any amount erroneously credited to my account.

DATE _____

	/		/	
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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

**AFFIDAVIT FOR NAMED BENEFICIARY'S
RECEIPT OF DISBURSEMENT OF FUNDS
UNDER THE DEFERRED COMPENSATION PLAN
FOR EMPLOYEES OF THE CITY OF NEW YORK**

I, _____, hereby attest as follows:

1. _____ was a participant in the Deferred
(Print Name of Plan Participant)

Compensation Plan for Employees of the City of New York ("Plan").

2. Said participant died on or about _____, 20_____.

3. _____ is a person/entity named as said participant's
(Print Name of Beneficiary)

beneficiary and is entitled to receive a percentage of the account balance of said participant under the Plan.

SIGNED: _____

PRINT NAME: _____

PRINT TITLE: _____

DATE*: _____

SOCIAL SECURITY NO. OR EIN/TIN: _____

Important: 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.

STATEMENT OF NOTARY (Notary seal must be visible/legible.)

State of _____)

) SS.:

County of _____)

On _____ Date * before me, the undersigned, personally appeared _____ Beneficiary'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 instru-
ment 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 this form must match the date on which the signature is notarized.

[ATTACH A CERTIFIED COPY OF PARTICIPANT'S DEATH CERTIFICATE]