



# Suffolk County Deferred Compensation Plan

## Plan Participants Separating from County Service – What to Know

### Prior to Separation from County Service

If you have been a participant in the Plan for at least 3 months, some or all of your **SCAT** (vacation/sick accruals) check can be put into the Plan to defer income tax. Contact your Board Representative at least a month prior to your last day of work if you'd like to do so.

Do you have an outstanding Plan **Loan**? You have 90 days from the date of your first missed payment to pay the outstanding loan balance in full. If you do not, a 1099 will be issued and the outstanding balance (including interest) will be reported as taxable income. Contact T. Rowe Price for loan payoff information.

### Once you Separate from County Service

 You have many options available to you in the Plan!

The County will notify T. Rowe Price of your separation from service, approximately 15 days after your separation. After that occurs, you will be eligible to take money out of the Plan if you'd like to do so.

**Distributions** can be in the form of a single or partial lump sum withdrawal; monthly, quarterly or annual installment payments; or a rollover to another plan. If you would like to do any of these things, just call T. Rowe Price.

Please remember that distributions are not permitted until you completely separate from County service. If you retire or resign from one position and take another position in any County department, whether it be full time, part time or seasonally, you have not separated from County service for Plan purposes.

### Should I roll my money out of the Plan?

You may want to speak to a tax advisor and you should compare the following *very* important aspects of the Suffolk County D.C. Plan to the plan or investment vehicle you're considering:

Suffolk County D.C. Plan:

- No plan administration fee. There are no quarterly or annual fees withdrawn from your account.
- The salary you've contributed to the Plan is exempt from the I.R.S. 10% early withdrawal penalty if it remains in the Suffolk County D.C. Plan.
- Offers a large variety of funds with low expense ratios (investment fees) due to the amount of assets - over \$1 billion - in the entire Plan. What will the expense ratios be in another investment vehicle (IRA, 401k plan, etc.)? Compare the funds' expense ratios, as well as the funds' performance. All of these figures can be obtained by calling T. Rowe Price or logging into [rps.troweprice.com](https://rps.troweprice.com) or the T. Rowe Price App.

## Distributions – Tax Withholding

Contributions to the Plan have not yet been taxed by the federal or state government. When you take a distribution, federal tax withholding rates will be as detailed below and state withholding rates will be based on the requirements of your state of residence.

20% Federal Tax Withholding	<ul style="list-style-type: none"><li>• Lump sum distributions</li><li>• Partial withdrawals</li><li>• Periodic payments of less than 10 years (except when it is a required minimum distribution)</li></ul>	The Plan does not allow participants to reduce or eliminate the 20% federal tax withholding on these distributions.
10% Federal Tax Withholding	<ul style="list-style-type: none"><li>• Required minimum distributions (RMDs)</li><li>• Periodic payments scheduled to continue for ten years or more</li></ul>	The 10% federal tax withholding on these distributions can be increased or decreased.

## New York State Tax Exemption

If you are over 59.5 years old, a New York State Resident and are taking pre-scheduled periodic distributions that extend beyond one year, the first \$20,000 you withdraw from the Plan each year is eligible for a New York State Income Tax Exemption. Contact your tax advisor for more information.

## Retired Public Safety Officer Insurance Premiums

If you are an eligible retired Public Safety Officer, you may withdraw up to \$3,000 annually from the Plan, free from income tax, to pay for qualified health insurance premiums for accident, health or long-term care for yourself, your spouse or your dependents.

For more information, review the Retired Public Safety Officer Health Insurance Premium Payment Request Form on [scdeferredcomp.org](http://scdeferredcomp.org).

## Address & Beneficiaries

Be sure to keep your address and beneficiary information up-to-date. Address changes can be made by calling T. Rowe Price or by completing the Participant Maintenance Form found on the Plan's website. Changes to your beneficiary information can only be made using the Designation of Beneficiary Form, which can be found on the Plan's website – [scdeferredcomp.org](http://scdeferredcomp.org).

## Required Minimum Distributions (RMDs)

Once you turn 70.5 years old, the I.R.S. requires you to begin taking distributions/withdrawals from the Plan. The amount you are required to take each calendar year is based on your age and account balance. Contact T. Rowe Price the year you turn 70.5 to find out your RMD amount for the year. Be sure to withdraw the required amount each year to avoid a 50% I.R.S. penalty!

This information is intended to inform you of the Plan's guidelines and not intended to provide financial advice. For more information, refer to the Plan Summary Guide on the Plan's website.  
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