



SUFFOLK COUNTY

PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN

Quarterly Newsletter

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Four New Funds Added to AIG VALIC Line-Up

The January 10, 2006 AIG VALIC funds transition was successfully completed. As mentioned in the last newsletter, eight funds were eliminated and four funds were added. The four new funds and their asset category are:

FUND NAME	ASSET CATAGORY
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

Participants interested in any of the above funds should contact AIG VALIC at 1-888-568-2542.

T Rowe Price Retirement Fund Series

The T Rowe Price Retirement Fund Series has been a popular choice for Participants seeking target date allocation funds. The Plan now offers T. Rowe Price Retirement Funds 2005, 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045 and the Retirement Income Fund.

The funds in the Retirement Series are a diversified portfolio of T Rowe Price stock and bond funds and the allocation of stock and bonds changes over time. Because of the long-term nature of this investment approach, there are no redemption fees associated with the T Rowe Price Retirement Funds, even though some of the underlying funds charge redemption fees.

Participants who are interested in any of the above funds should contact T Rowe Price at 1-888-457-5770.

Dual-Provider Program

The Suffolk County Deferred Compensation Plan has two providers: T Rowe Price Retirement Plan Services, Inc and AIG VALIC. Employees are eligible to enroll with one or both companies and may contribute to one or both companies at the same time. However, whether you contribute to one or both providers, the maximum annual normal deferral limit in 2006 remains at \$15,000 for employees born on or after January 1, 1957 and \$20,000 (includes Age 50+ Contributions) for employees born on or before December 31, 1956.

Participant Meetings

The Deferred Compensation Board will hold Participant Meetings this spring. The tentative dates and times are as follows:

Wednesday

May 31, 2006

Noon to 2 p.m.

William Rogers Legislative Bldg
Legislative Auditorium
North County Complex
Hauppauge

Thursday

June 1, 2006

Noon to 2 p.m.

Evans K. Griffing
Legislative Auditorium
County Center
Riverhead

Final details will be included with the March and April monthly Deferred Compensation Plan statements.

New Board Member

Bill Mulligan, SOA president, has appointed Larry Faraone as the Deferred Compensation Board's new SOA representative.

We welcome Larry and thank Bill for his past participation on the Board.

Year End Assets

The December 31, 2005 Plan balance was \$513,107,440, up from \$455,626,825 as of December 31, 2004.

Q & A

The following questions were recently posed to the Board:

I'm planning on retiring this summer and have 457 accounts with both providers. Once I retire, do I have to notify both companies I am no longer employed?

No, the County forwards a monthly automated report to both providers listing employees who terminated during the prior month and had contributed to one or both companies while employed. Once the information is received, your status in the provider's (or providers') database will be changed from active employee to terminated employee. This change in status will trigger a mailing from the provider(s) of an informational distribution options packet.

I'm retired and thinking about withdrawing money from my account. Is there a minimum federal withholding on plan distributions?

Yes, the minimum federal withholding on distributions from our Plan is 20%, effective 2002. There are limited exceptions, including Required Minimum Distributions, which have a 10% federal withholding minimum.

I contributed to my three-year catch-up when the total annual deferral limits were \$15,000. Now that the total deferral limits are higher, can I make up the difference?

No, unfortunately, the legislation that increased the annual deferral limits made no provision for adjusting for prior years.

I started a three-year catch-up in 1997 but stopped in 1998. May I now resume and complete the catch-up contributions I was originally approved for?

No, unfortunately once you start catch-up, you have a three-year window of opportunity. If you started contributing anytime in 1997, you only had until the end of 1999 to complete it.

I've heard that I do not need to supply W-2s for prior years when submitting an *Application for Catch-up Contributions*. Is that true?

Yes, the Board is now using an automated report on under-utilization of deferred compensation contributions, covering 1990 to present. This report documents eligibility for most applicants without requiring them to attach copies of their prior W-2s. To request an *Application for Catch-up Contributions* form, please contact your Board rep or leave a message at 853-5424. If you need to review a copy of your automated report before you submit your application, please contact your Board rep directly.

Deferred Compensation Plan Board Members

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

Larry Faraone
Superior Officers Association

Brian Herrington
Office of the County Executive

Douglas Miller
Office of the County Executive

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