



# SUFFOLK COUNTY

## PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN

### Quarterly Newsletter

May  
2004

Volume 9  
Issue 2

#### To All Deferred Compensation Participants:

Recently, the Deferred Compensation Board sent out a questionnaire to all participants in anticipation of our undergoing the mandatory five-year bid process for providers. To date, over 2,300 participants have responded. Most of the responses have been read and we are now in the process of compiling the information. We will read all responses and when this process is completed, we will report back to you with all our statistical findings.

At this point, we are gratified that most of the participants are very satisfied with the plan, although many of you made some very useful suggestions. Some items that many participants mentioned were: that they would like to have more funds to select from, that they would like to retain monthly statements (especially many of the retired employees who do not have access to a computer) and that many would like investment advice, although a sizable group indicated they do not want to pay for it.

As of a few days ago the Board has added eight additional funds to the AIG VALIC lineup and we hope to soon announce the names of additional T. Rowe Price funds that we expect to add as well. Based on the responses, I want to assure all the individuals who expressed concern about losing their monthly statements, that the Board will continue the inclusion of monthly statements as a requirement when we go out for bid. All participants who don't have computers or who do not like to use the Internet for financial transactions will continue to receive monthly statements. Regarding the investment advice, the Board will be addressing this subject in the next few months.

I hope that all of you are aware that your Board of seven union president appointees and seven County Executive appointees and your Administrator work together for the good of all. We are the only Board in the state that runs a Deferred Compensation program without any dollars from the county or taxpayer. This enables the Board to continue to make independent decisions that we believe are in the interest of only the participants. All Plan expenses are paid for by the \$5 annual fee. This \$5 fee is the only direct fee that anyone pays, unlike many other deferred compensation programs in which participants are charged significant administrative and recordkeeping fees in the hundreds of dollars annually.

Lastly, I want to inform all individuals who took the time to write specific comments about our two providers that although the Board will be required to begin the bid process later this year, we will be taking into account all the comments you have made available to us.

Over the past year or so, many changes have taken place in your deferred compensation program. There have been significant changes in the law and the IRS Code mandate that we make certain changes to the Plan. Whenever possible, the Board is receptive to participants' requests (the addition of loans is just one example of the Board's responsiveness). In addition, there have been increased amounts of contributions, we have had to deal with the mutual fund scandals and there have been many changes in the members of this Board. But we are still able to handle all of the above challenges as well as undertake a revision of our By-Laws, bring our Admin Manual up to date, prepare the questionnaire and get ready for the bid process. The fourteen members of the Board and your Board Administrator work extremely hard on your behalf. We believe we have provided you with an outstanding plan to invest in, a choice of two reliable providers, and an extensive menu of options.

As part of that plan, I would also like to point out that over the past four years of declining interest rates to record lows, your Board has been able to provide you with a Stable Value Fund and a Fixed Interest Option in which the interest rate of the Stable Value Fund has been maintained at a rate above 4%. We have been able to do this despite interest rates of money market funds and bank savings rates presently at less than 1%. This is another example of the Board establishing and maintaining the best possible investment opportunities for all participants.

To all of you who took the time to respond and write so many obviously well thought out and helpful comments, we greatly appreciate it. The more information we have concerning your feelings, the better job we can do for you. If any of you who did not respond wish to still do so, we will be happy to receive and read your comments.

Thank you again and best wishes,

*Alan Schneider*

**Alan Schneider, Chair**  
Suffolk Compensation Board

## More Funds

As stated in the Chair's letter, many of the participants who took the time to complete the survey asked for more funds in our plan. Please be assured that the Board is looking into adding additional T. Rowe Price funds. One specific series of T. Rowe Price funds that was requested and had already been researched by the Board is the T. Rowe Price Retirement Fund series. The Board anticipates that additional T. Rowe Price funds will be added to your menu of choices some time this summer. Once a decision is made regarding what funds will be added, if you have a T. Rowe Price account, you will receive a letter announcing the new funds. If you do not currently have a T. Rowe Price account, the Board's final decision regarding which funds to add will be covered in the next newsletter.

Effective April 5, 2004, the following funds were added to AIG VALIC's fund lineup:

### Large-Cap Value

Oppenheimer Value Fund

### Small-Cap Value

American AAdvantage Small Cap Value Fund

### Small-Cap Growth

Credit Suisse Small Cap Growth Fund

### Speciality

American Century Inflation Adjusted Fund

Oppenheimer Developing Markets Fund

Davis Financial Fund

AIG SunAmerica Biotech/Health Fund

Dreyfus Greater China Fund

Although the funds were just added, there was an immediate response from participants who opted to allocate their future payroll contributions or reallocate existing deferrals toward these new funds.

#### Alan Schneider

Chair  
County Personnel Director

#### Edmund M. Erickson

Vice Chair  
Superior Officers Association

#### John Della Rocca

Treasurer  
Deputy Sheriff's Police Benevolent Association

#### Anne Abel

Association of Municipal Employees

#### Lynne Bizzarro

Law Department

#### Ron Cohen

Suffolk County Legislature

#### Peter Falcetta

Suffolk Detectives Association

#### 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