



Your Plan, Your Future



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Dear Participant:

On behalf of the Nevada Public Employees' Deferred Compensation Program, I would like to congratulate you for taking advantage of this great opportunity to invest in your financial future. This is one of the most important steps you can take in preparing for your retirement. By beginning your pre-tax and/or after-tax contributions now, you will be able to participate in potential immediate and future tax benefits. Additionally, you will be building a savings plan that will eventually supplement your PERS Pension and/or your Social Security benefits that you will receive upon retirement.'

Attached is the Summary Plan Document which explains the provisions, policies, and rules that govern the plan. We encourage you to read through this Summary Plan Document. The decisions you make today about your financial future will be enhanced by understanding how this plan can benefit you and your family. Should you desire to have a full copy of the Plan Document, need more information, have any questions or concerns, please feel free to contact our office directly at **(775) 684-3398** or **775-684-3397**; you can also visit our website at <http://defcomp.nv.gov/>.

In conclusion, please allow me to formally welcome you to the NDC Program. We look forward to working with you now and in the future, and helping you to supplement your retirement. Again, thank you, and if you have questions or would like any further information, please do not hesitate to contact us.

Regards,

A handwritten signature in black ink, appearing to read 'Rob Boehmer', with a long horizontal flourish extending to the right.

Rob Boehmer
Program Coordinator

Summary Plan Document

This Summary Plan Document explains the provisions, policies and rules that govern the Nevada Public Employees' Deferred Compensation Plan (NDC or the Plan). The NDC Plan document contains details of the provisions of the Plan. If a conflict exists between this Summary and the Plan document, the Plan document governs.

NDC is a voluntary retirement savings Plan (offered by your employer) designed to increase your personal savings for retirement and lower your current taxable income. This Plan has been adopted pursuant to Nevada Revised Statute (NRS) 287.250 – 287.370, and Title 26 Internal Revenue Service (IRS) Code, Section 457(b).

Joining the Plan

Enrolling in NDC is one of the most important decisions you can make while working for the State of Nevada or a participating employer. You can receive all the necessary enrollment information by calling Voya Financial at **866-464-6832** or at NDC@voya.com.

Eligibility

All current State of Nevada and Nevada System of Higher Education (NHSE) employees are eligible to participate in the Plan. Public employees of other local governments that have executed a written agreement to participate in the Plan are also eligible.

Contributing to the Plan

You may contribute from \$12.50 per pay period up to \$18,000 in 2015. Contributions to the plan may be made as before-tax contributions, after-tax contributions (Roth) or a combination of both. Please note maximum contribution amounts apply to the total yearly contribution amounts (see chart on the right) regardless of whether you choose before-tax, Roth or a combination.

Age 50 and Over Catch-Up Contributions

In the calendar year you reach age 50, and each year thereafter, the law permits you to make Age 50 and Over Catch-Up contributions. The Age 50 and Over Catch-Up limit is \$6,000 in 2015. These amounts are in addition to the regular contribution limit. The Age 50 and Over Catch-Up cannot be used simultaneously with the Special Catch-Up.

Special Catch-up Contributions

Under specific circumstances you may contribute more than the \$18,000 in 2015. This is known as Special Catch-Up (or Three-year Catch-Up) provision. If you have contributed less than the maximum amount allowed by law during your participation in the Plan, you may make additional contributions up to twice the regular contribution limit to the Plan in the three consecutive years prior to your selected Retirement Catch-Up Age. However, a calculation worksheet is required to be submitted to Voya Financial for review prior to using this provision. Additionally, a copy of the worksheet must be attached to the payroll contribution form when submitted to your payroll center. If you need assistance, you may call Voya at **866-464-6832**. Please contact your provider for assistance with the investment provider calculation sheet.

You cannot make Special Catch-Up contributions in the calendar year in which you attain your Retirement Catch-Up Age, so planning ahead is essential.

Year	Regular Contribution Limits	Age 50 & Over Catch-up Contribution Limits	Special Catch-up Contribution Limits
2015	100% of compensation up to: \$18,000	For participants age 50 older, 100% of compensation up to: \$24,000	The total of the regular limit plus missed contributions up to: \$36,000

Tax Saver's Credit

The Adjusted Gross Income (AGI) limit for the saver's credit (also known as the retirement savings contributions credit) for low-and moderate-income workers is \$61,000 for married couples filing jointly in 2015; \$45,750 for heads of household; and \$30,500 for married individuals filing separately and for singles

Choosing Where to Invest Your Money

You can choose to invest your contributions, in 1% increments up to 100%, in any combination of the following:

Tier 1 – Do-It-For-Me with Vanguard Target Retirement Date Funds

It's estimated that the majority of retirement investors don't have the time or desire to select and track their investments. Retirement Date Funds are designed to help those Plan participants who are unsure how to allocate their investments or want to select an investment approach that automatically incorporates an asset allocation strategy.

To select the appropriate Retirement Fund, simply determine the Fund with the 10-year increment that is closest to the year you plan to begin withdrawing funds in retirement, or simply complete the Easy Enrollment form which determines the most appropriate Retirement Fund for you based on an assumed retirement age of 65.

Tier II – Do-it-Yourself by actively or passively managing your investments

Participants may design their own asset allocation from the core menu of individual investment options. In each asset class an index fund is available for participants who desire a passive investment strategy.

For additional information on the investment options, or, for a fund prospectus you can contact Voya Financial® at **866-464-6832**. Before investing, carefully consider the fund's investment objectives, risks, and charges and expenses. The fund prospectus contains this and other important information.

Transferring Money Among the Funds

You may transfer existing assets in your NDC account from one plan investment option to another, depending on restrictions imposed by the Plan. Transfers may be requested by Voya® at **800.584.6001**. All transfer requests received prior to the close of the NYSE (normally 1PM PT) will be processed at the business day's closing price.

Restrictions on exchanges from International Equity funds (Redemption Fees)

Frequent trading has an impact on the return of any investment option. This has been a particular problem in the international equity investment options. Therefore, these options may have a limit on all re-purchases or exchanges (generally 60-days). This means that you may exchange assets out of the options at any time, however, you may be restricted on re-purchasing shares in that particular fund for a period (generally 60-days) after the last outgoing exchange from that fund.

Coordinated Trading Policy with Mutual Funds

In addition to the restrictions previously described, each mutual fund may impose exchange limitations. These restrictions are generally included in the prospectus of each mutual fund. Exchanges in excess of the exchange limitations imposed by a mutual fund may result in restrictions being placed on the account of the participants or rejection of an exchange request.

Withdrawing Money From Your Account

You are able to withdrawal money from your account while you are working and after you separate from service. The following section outlines the distribution options and the circumstances for both instances.

Distribution Options – While Still Working

Generally, you cannot withdrawal money from your NDC account before you leave employment with the State of Nevada, NSHE or an Alliance Partner. However, there are specific circumstances under which a withdrawal may be taken prior to leaving public employment. The conditions under which benefit payments can be made while you are still working are:

- Severe financial hardship – Unforeseen Emergency Withdrawals;
- Small Inactive Account provision;
- Absence due to qualified military service, and
- Purchase Retirement Service Credit (i.e. Nevada Public Employees' Retirement System (PERS)).

Unforeseen Emergency Withdrawals

You may request an Unforeseen Emergency Withdrawal to pay for expenses related to a severe financial emergency. Payments can only be made to the extent that insurance or money available from other sources does not cover your hardship expenses. To qualify, the emergency must result from:

- A sudden and unexpected illness or accident not reimbursed by insurance
- A loss of property due to casualty not reimbursed by insurance, or
- Another similar extraordinary and unforeseen circumstance arising as a result of events beyond your control.

Small Inactive Account Withdrawal

You may take advantage of a one-time provision to withdraw up to \$5,000 of your NDC account if you meet the following requirements:

- You are still working for your employer;
- You have an NDC account value of less than \$5,000 excluding any assets you may have in a rollover account; AND
- You have not contributed at any time in the last two years; AND
- You have not used this provision before.

Using Plan Assets to Purchase Retirement Service Credit

You may use your NDC plan account assets to purchase retirement service credit, such as credit in Nevada Public Employees Retirement System (PERS).

You must obtain documentation from PERS or a similar retirement system affirming your eligibility to purchase the service credit. Please contact Voya to obtain the necessary forms to liquidate your NDC account at the desired amount. The Plan will liquidate plan assets to purchase the retirement service credit and send a check directly to the appropriate retirement system.

Distribution Options – When you separate from service

When you permanently leave work with the State of Nevada, NSHE, or a participating employer for a variety of reasons, you may decide either to begin to receive payments or defer payments to a future date, but to an age not later than age 70½. If you choose to defer payments, you will continue to accumulate earnings until benefits are paid to you.

There are three conditions under which benefit payments can be made to you:

- Reach the age of 70½
- Separation of service, including regular retirement
- Death

Special Provisions for Military Personnel

Participants who are absent from employment due to qualified active duty military service and receive differential wage payments are treated as active employees for the purpose of participation in the Plan. This means that differential wage payments are treated as compensation that is eligible for contribution into the Plan.

To Begin Distribution

To initiate a payout for any of these reasons, call Voya Financial at **800-584-6001** for the forms to complete. You may receive benefits under the eligible circumstances in a variety of ways.

1. You may take a one-time full withdrawal of your NDC account
2. Establish a regular period payment of benefits to be paid monthly, quarterly, semi-annually or annually
3. Take a partial withdrawal of your NDC account
4. Defer receiving your benefits to a later date

As long as there is a balance in your account, you may change your benefit payment option.



Taxes on Distributions

The amount of federal and state income taxes (if applicable) that are withheld from benefit payments is dependent on which benefit payment option you select.

- Lump sum distributions and periodic payments of less than ten years (except when this is a Required Minimum Distribution) are subject to a mandatory 20% federal income tax withholding.
- Period payments scheduled to continue ten years or more, Required Minimum Distributions, and withdrawals for Unforeseen Emergencies are subject to 10% federal income tax withholding.

Distributions are reported annually on IRS form 1099R, which is sent in January following the calendar year in which the distribution was issued. You are encouraged to talk with your tax advisor before deciding to take your distribution.

Early Distribution Penalties

Unlike other retirement plans, distributions from an IRC 457(b) plans, such as NDC, are NOT subject to any early withdrawal penalties, regardless of age.

Minimum Required Distributions

Participants must begin receiving minimum distributions from the Plan by April 1 of the calendar year following the later of:

- The year in which they reach age 70½, or
- The year in which they leave employment

Participants who do not receive minimum distributions by the required dates, or who receive less than the minimum amount the law requires, must pay a nondeductible 50% excise tax on the difference between the amount that should have been received and the amount received.

Minimum required distributions are not eligible for rollover and are calculated in accordance with Treasury Regulations.

Designation of Beneficiary

You should designate a beneficiary to receive your money in the Plan in the event of your death. You may name more than one beneficiary and specify the percentage of the Plan balance that each beneficiary is to receive. A beneficiary may be a person, trust, or organization.

Plan Fees

The Plan's administrative expenses are funded by participant fees. All revenues, except record-keeper revenues, are used to pay the Plan's administrative expenses.

Mutual fund companies pay reimbursements (revenue sharing) to the Plan's record-keepers. Each of the investment options offered by the plan has a fund operating expense and either a revenue sharing agreement or an administrative fee (wrapper). These fees are deducted directly from the fund's daily price. These fees vary based on the investment option selected. For a complete description, please refer to the fund prospectus or visit the NDC website at <http://defcomp.nv.gov>.

The administrative costs for participating in NDC are competitive when compared to other public employer-sponsored deferred compensation plans throughout the country. The NDC Committee has and will continue to control Plan expenses and maximize value to participants.

Keeping Track of Your Account

There are three primary ways to track your account information. First, you will receive a quarterly statement of your NDC account, mailed to your address of record. Each quarterly statement shows the contributions received during the period and how your plan account is performing. You may also call Voya at **866-464-6832** to obtain Plan account information. You may also access your account information through nevada.beready2retire.com.

Additional Information

For additional information, visit the NDC website at <http://defcomp.nv.gov>.

