

A person is silhouetted against a vibrant sunset sky, climbing a vertical rock face. The sky transitions from deep purple at the top to bright orange and yellow near the horizon. The rock face is textured and brown. The person is positioned on the right side of the frame, reaching up. The overall scene conveys a sense of challenge and achievement.

# Financial Education Workshop: Basics and Beyond

# Your Plan, Your Future

## Nevada Public Employees Deferred Compensation Program (NDC)

*We are located in the*

### **Nevada State Library and Archives Building**

100 North Stewart Street, Suite 100 | Carson City, Nevada 89701

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**Phone:** (775) 684-3397 or (775) 684-3398

**Fax:** (775) 684-3399



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or [rboehmer@defcomp.nv.gov](mailto:rboehmer@defcomp.nv.gov)



**Website:** <http://defcomp.nv.gov>



# What is the NDC Program?



- The Nevada Public Employees Deferred Compensation Program (NDC Program), is a voluntary tax-deferred supplemental retirement savings plan
  - Created pursuant to section **457(b)** of the Internal Revenue Code.
  - Provides participants and their beneficiaries with a supplement to their PERS Pension.
  - Is one of the most valuable **Voluntary Benefits** offered through the State of Nevada.
  - A **supplemental retirement savings** plan that will help you save in the amount of income tax you pay bi-weekly, annually, and when you retire.

# Who Governs our Program??? NDC Committee



**Steve Woodbury, Chair**

Governor's Office of Economic Development

**Mark Stevens**

Retiree Representative

**Audrey Brooks-Scott**

Conservation and Natural Resources

**Kent Ervin**

Nevada System of Higher Education

**Karen Oliver**

Gaming Control Board

*Five members appointed by the Governor pursuant to NRS 287.325:*



# Committee Responsibilities

- Meet quarterly or more frequently as necessary to review investment options, ensure Plan compliance according to state and federal guidelines, establish and maintain operational goals, and develop outreach efforts to various employees and retirees.
- Contract with an outside Investment Consultant to provide professional assistance with investment review, selection, and compliance audits.
- Contract with an outside accounting firm to conduct periodic financial audits of the Plan investments to ensure accuracy.
- Contracts with Recordkeeper(s) to assist the program with Plan administration, participant services, and custodial trustee services.



- One full-time Program Coordinator - **Rob Boehmer**
- Part-time Administrative Assistant - **Micah Salerno**
- Maintains website – <http://defcomp.nv.gov>
  - Tools and Paycheck Calculator
  - Retirement Savings Estimator
  - Forms
  - Administrative Manual
  - Plan Document
- Provide participant education - workshops, etc.
- Assist in program facilitation to participants
- Provide all of the day-to-day administration of the Agency
- Monitor & evaluate contractor performance

- Recordkeeper – also sometimes referred to as provider\*
- Voya Financial® (formerly ING U.S.)



- All program expenses are paid by the plan participants which are subsidized through a portion of the fund expenses of individual investment options.

**NOTE:** We are mandated through Statute to go out to bid for our Recordkeeper contract every five years

*\* In January 2015, we moved from having two Record-keepers to a single Record-keeper providing the Program's sole Record-keeping*

- Minimum contribution is **\$12.50** per paycheck
- Maximum contribution is **\$18,000** in **2015**
  - Equals \$666.67 per bi-weekly paycheck
- Age 50+ Catch-Up
  - If you reach age 50 before the end of 2016, you can contribute an additional \$6,000 for a maximum contribution of \$24,000
- Special Pre-Retirement 3-Year Catch-Up
  - Available in the three years prior to your normal retirement age, maximum is \$36,000 in 2016. However, participants cannot use both Catch-Up provisions in same year (\*\*Participants must qualify through their Recordkeeper, and complete and submit a 457b Special Catch-Up Calculation Worksheet)



# How Much Will I Need to Retire?

Experts agree  
you should  
prepare to have  
70% to 90% of  
your current  
income.

70%

to

90%



# Retirement may not cost as much as you think...



	Without NDC	With NDC
Bi-Weekly Salary	\$1,970.00	\$1,970.00
NDC Contribution	\$0.00	<\$100.00>
Net Taxable Income	\$1,970.00	\$1,870.00
Federal Income Tax (28% tax bracket)**	\$552.00	\$524.00
Take Home Pay	\$1,418.00	\$1,346.00
Reduction in Take Home Pay	N/A	\$72

*\*\*Assumes Employee is claiming 4 exemptions*



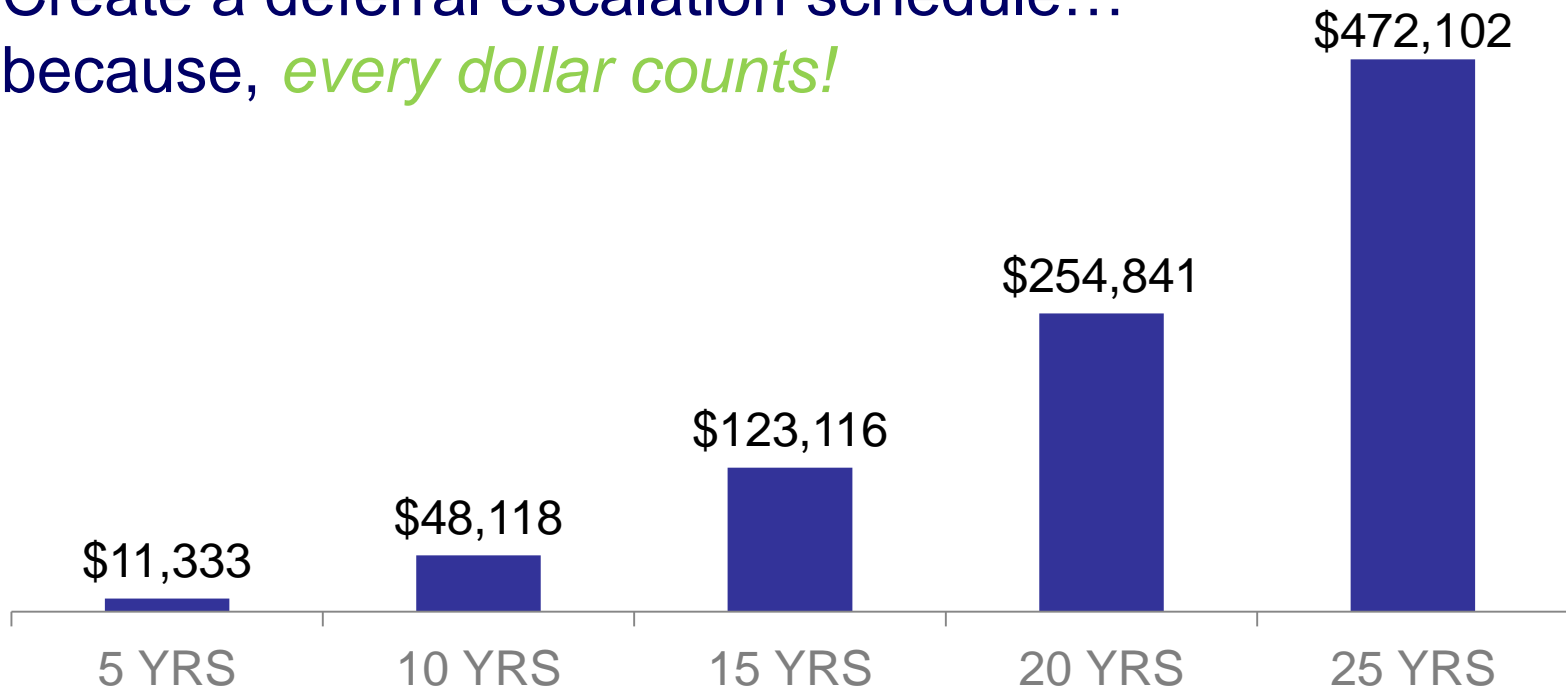
**Bottom Line:**  
**\$100** in retirement savings only  
costs you **\$72**

**\*\*Based on 28% Tax bracket 2014 tax table \*\***

# Every Dollar Counts!

The chart below assumes you start contributing **\$25** per check and each year increase this amount by **\$25**.

Create a deferral escalation schedule...  
because, *every dollar counts!*



*Chart assumes a hypothetical 8% return on your account*

# Paycheck Comparison\*

	Before Raise	After Raise
Gross Pay	\$2,000.00	\$2,080.00
Minus Contributions to Plan (Before Tax)	-\$50.00	-\$100.00
<b>Taxable Pay</b>	\$1,950.00	\$1,980.00
Minus Estimated Tax Withheld	-\$293	-\$297
<b>NET or Spendable Pay</b>	\$1,657.00	\$1,683.00

*\* For illustrative purposes only.  
Assumes federal income tax  
withholding of 15% and does not  
account for Social Security or  
Medicare taxes.*



It's a **Win-Win**: You're getting **\$26** more per month and you're contributing **\$50** more a month for retirement -- which you haven't seen yet!

# How Much Should You Save?

- Saving for retirement can be overwhelming and frustrating
- Here's a simple "rule of thumb" according to financial planners in the industry:
  - In your 20s, save 7% of your salary
  - In your 30s, save 10% of your salary
  - In your 40s, save 15% of your salary
  - In your 50s, save 20% of your salary



**The important thing  
is to pay yourself  
first and start saving  
as much as you  
can right now!**

# How Do You Compare?

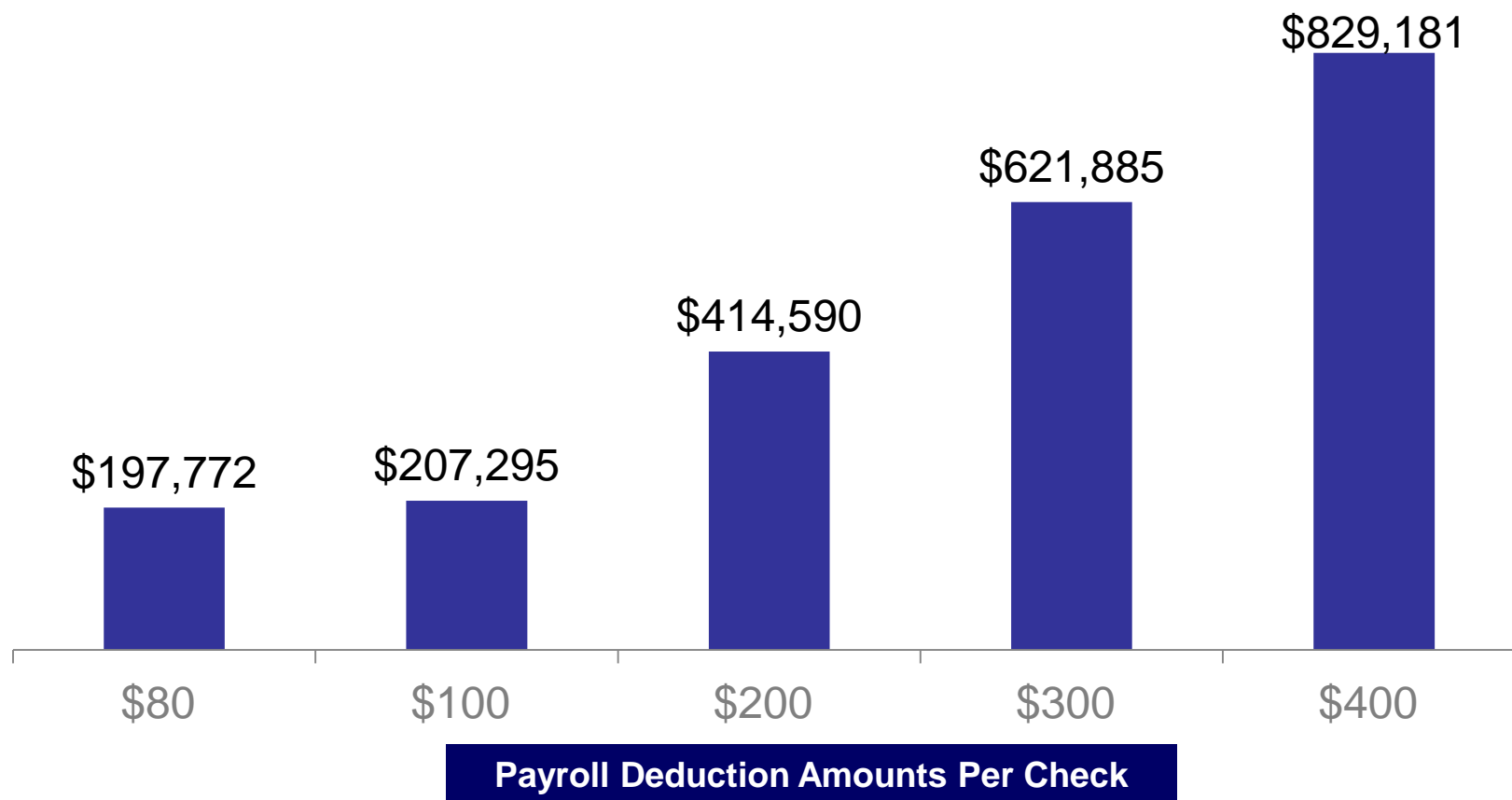


Age Range	# of Peers Participating in NDC	NDC Average Account Value	Avg. Paycheck Contribution Bi-Weekly
Age 30 and Under	1,592**	\$4,270**	\$71**
Ages 31 – 40	2,110**	\$12,633**	\$125**
Ages 41 – 50	3,999**	\$30,606**	\$160**
Ages 51 – 60	4,501**	\$51,568**	\$250**
Over age 60	3,286**	\$95,729**	\$312**

\*\* Eligible Employees as of 9/30/2014



# What Does NDC Contributions Look Like Over 25 Years???



*Chart assumes a hypothetical 8% return on your account*

# Distribution of NDC/457b Account



- May start withdrawing upon separation from State service
- At age 70½ (even if still employed)
- For an approved unforeseen financial emergency\*
- Cash out provision for a small inactive account
  - If you have not contributed for 2 or more years and have less than \$5,000 in your account
- For beneficiaries at your death
- For service credit purchase (if qualified)
  - If you have verified with NVPERS the cost of your additional years of service, you may use pretax NDC money to purchase these additional years of service credit - this is considered a rollover and is nontaxable

*\* Participants must qualify through their Record-keeper and are subject to IRS guidelines outlined in the NDC Plan Document)*

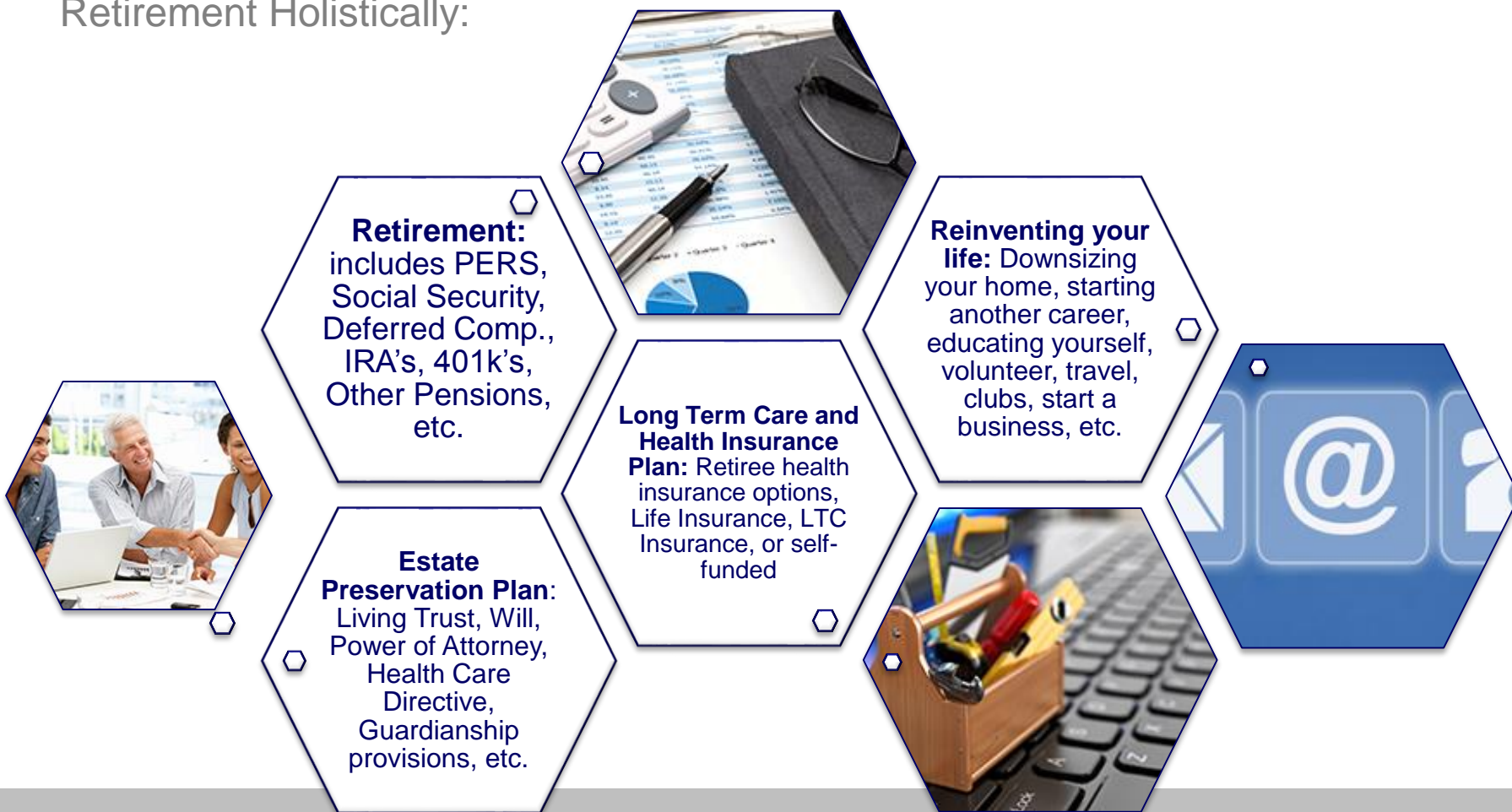
# Flexibility- Getting started is EZ

- Enrollment is a cinch – use the EZ Enrollment Form on the NDC website <http://defcomp.nv.gov>
- You may enroll online <https://nevada.beready2retire.com/>
- Meet in person with an Account Representative
- You may change the following at any time:
  - Payroll deduction amount
  - Investment options
  - Personal/Beneficiary Information



# Take a Holistic Approach Planning for Your Retirement Date

Participants should look at the big picture when preparing for Retirement. Retirement isn't all about financial decisions: Consider looking at Retirement Holistically:



# It Pays to Stay Invested in NDC



- Contributions and earnings stay tax deferred- Don't pay tax on money you are not using
- Take advantage of the institutional pricing of a \$700 Million Dollar Program
- Changes in investments can be made at any time
- Assets remain liquid with no restrictions or fees for distributions
- You don't have to pay excessive administration cost or commissions to Agents or Financial Planners
- Rollovers into NDC are allowed at any time
- NDC's Investment Consultant will be providing continuing investment oversight on all of the investment options in the NDC Core Line-up

# Contact Information



## **NDC Administration Office**

100 N. Stewart Street, Suite 100  
Carson City, NV 89701

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**Website:** [www.defcomp.nv.gov](http://www.defcomp.nv.gov)

## **Voya Financial®**

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Carson City, NV 89703

(775) 886-2400 | (866) 464-6832

Fax: (775) 882-9758

3960 Howard Hughes Pkwy, 5th Fl.  
Las Vegas, NV 89169

(702) 990-3720

Fax: (702) 990-3721

(By Appointment ONLY)

**Email:** [NDC@Voya.com](mailto:NDC@Voya.com)

**Website:** <https://nevada.beready2retire.com>



# Now is the Time!

- **Enrolling is easy** – use the EZ Enrollment Form, enroll online, or enroll with a representative
- **Increase or change** your contribution – use the NDC Payroll Contribution Form
- **Do it TODAY!** Don't procrastinate

