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THE DEFERRED WORD

Nevada Public Employees' Deferred Compensation Program (NDC)

Summer Edition 2014

NDC Program UPDATE: Recordkeeper RFP/Contract Details

Pursuant to statute, the NDC Committee must go out to bid for Recordkeeper services at least once every five years. Prior to going out to bid, extensive discussions were held, and participants were surveyed regarding the benefits of going out to bid for a single provider rather than two, as we have had for some time. Historically, programs which utilize a single Recordkeeper obtain better bid prices, and this is clearly the trend nationally. Over the last eight months, the Committee, as required of the regulations which govern the program, began the Request for Proposal (RFP) process for a single Recordkeeper contract. State Purchasing organized an Evaluation Committee to evaluate and score each company's bid based on scoring criteria developed by the Committee. These criteria were based on both industry standards and the result of the statewide survey which was sent out near the end of the 2013. The outcome of this scoring process resulted in the highest scoring bidder being ING/Voya Financial.

On June 23rd, State of Nevada Purchasing made the announcement to the NDC Committee in a special Committee Meeting, and the NDC Committee authorized State Purchasing to enter into contract negotiations with ING/Voya Financial. Additionally, the NDC Committee authorized the NDC Chairman to submit the aforementioned contract to the Nevada Board of Examiners should State Purchasing be able to negotiate a successful contract. The Contract is scheduled for final approval at the October 14, 2014 Board of Examiners Meeting.

What will the new contract mean for current and future NDC participants and retirees in the NDC Program? We were able to negotiate a contract that includes a significant decrease in expense, an increase of minimum interest guarantees for our General Account, a guarantee to significantly increase service and participation in the Program, and over-all better program pricing for participants and retirees in the program.

What can Participants and Retirees expect from the new Contract with ING/VOYA Financial as our Program's sole Recordkeeper? Participants and Retirees that utilize the General Account Stable Value Investment option can expect an increase in minimum guaranteed interest accreditation of 3.50% starting in 2015, averaging a minimum guarantee of 2.88% over the five year contract, or guaranteed earnings of \$46,139,775 (based on cur-

rent asset total in the Plan). Additionally, we have been able to negotiate lower pricing on the Plan as a whole from 11bps (basis points) and 35bps per the current two Recordkeeper contracts, down to 8bps which represents a savings to our core 457(b) Program participants of \$474,647. We were also able to negotiate a number of service guarantees for our participants, from employing a minimum of five ING/Voya Financial representatives statewide, to more particularly a guarantee for ING/Voya Financial to increase participation in the NDC program by 10% over the term of the 5 year contract or pay \$100,000 to the NDC program. Under the new contract with ING/Voya Financial, FICA Alternative Plan participants will pay a \$0.65 per month administrative fee.

What can Participants and Retirees expect going forward in the Transition period over the next 4 months? Upon the new Recordkeeper contract being approved by the Nevada Board of Examiners, the NDC Administration, in partnership with our contracted investment consultant, and ING/Voya Financial, will begin the transition process over to the single Recordkeeper. Multiple communications will go out to existing participants and retirees explaining the transition, and we will be conducting multiple workshops throughout the State to assist in educating Participants and retirees on the transition. Communications will go out to Participants and Retirees regarding mapping each investment over to the new investment lineup. We plan a seamless transition as accounts are transitioned over to the new Recordkeeper.

Will our current investments change? Many of our investment options will remain the same as they were prior to the transition, although there will be some necessary mapping of funds to similar funds to insure a solid investment line-up.

If you have further questions, please feel free to contact the Program Coordinator, Rob Boehmer, at 775-684-3397 or email at rboehmer@defcomp.nv.gov.

Upcoming Meeting Dates

September 14-17, 2014 — NAGDCA, National Conference, San Antonio, Texas

November 4, 2014 — Q3 Quarterly Meeting

DO IT
Today
OR
REGRET IT
tomorrow

NEW TO THE PLAN

Save More for Your Retirement as Early as You Can

One of the best and simplest ways to save for your retirement is to take full advantage of the Nevada Public Employees' Deferred Compensation Program as soon as you are hired.

Contributing steadily to your Deferred Compensation Plan account puts the power of compounding on your side. Compounding occurs when interest is added to the principal amount of a contribution. Each year's gains may build on those of the past, potentially increasing the value of an investment over time.

The process of compounding is often compared to the way a snowball grows as it rolls downhill. The longer the hill, the larger the snowball becomes. And thanks to the potential role of compounding, increasing your contributions by even a small amount each year could provide significant long-term benefits.

By contributing more as soon as you can to your Deferred Compensation Plan account, your money has more time to grow. If you contribute only a minimal amount or delay increasing your contribution level, you lose out on the maximum benefit of compounding. In fact, waiting 10 or 20 years could force you to

contribute much larger amounts to your Deferred Compensation Plan account later on to try to reach your retirement income goal.

Whatever your age, it's never too soon to contribute as much as you can afford. In 2014, the IRS maximum limit is \$17,500. If you will be age 50 or older this year, you can take advantage of catch-up contributions that allow you to save even more for retirement!

Of course, systematic investing does not ensure profit or guarantee against loss in declining markets, and investments in the markets fluctuate over time, which can result in gains as well as losses. You should always consider your ability to consistently invest in up and down markets.

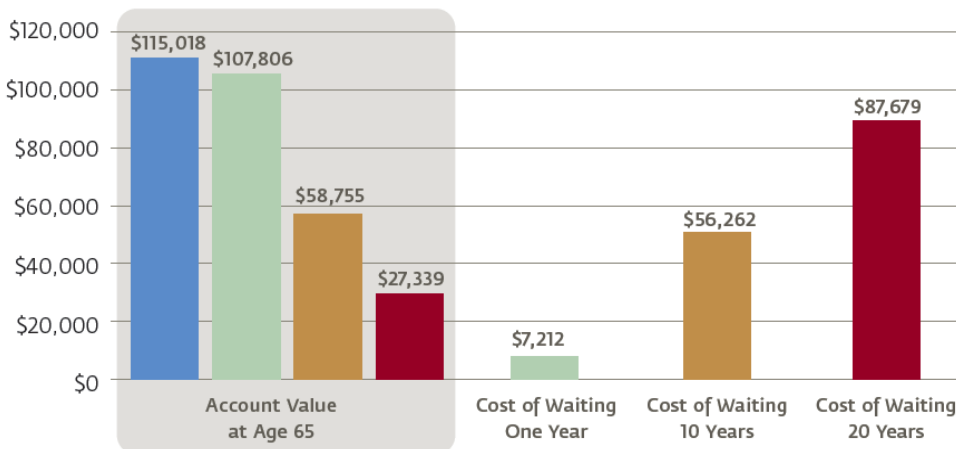
Be sure to review your contribution level regularly to check your progress toward saving enough for retirement.



To change your contribution amount, download and complete the [Payroll Contribution Form](#) and fax it to the NDC office.

The Cost of Waiting

A 25-year-old who joins the Plan immediately accumulates \$7,212 more in account value than someone who waits until age 26 to begin. Delaying participation by 10 or 20 years means giving up thousands of dollars more for retirement.



This hypothetical example assumes \$60 contributions made at the beginning of each month, a 6% effective annual interest rate compounded monthly, no withdrawals and retirement at age 65. For illustrative purposes only to show how the number of years invested in the Plan could affect participant account values. Not intended as a guarantee of past or future performance of any security. Actual rate of return may be more or less than shown and will depend upon a number of different factors, including a participant's choice of investment options. Any fees, expenses or charges that may be associated with the Plan are not considered in this illustration. Plans having these charges would reflect lower net returns.

ACTIVELY PARTICIPATING IN THE PLAN

The Seven Habits of Effective Retirement Investors



Habits influence our daily lives and our futures. A habit starts with motivation. If you want a more secure retirement someday, you may want to consider imitating these habits of effective retirement investors.

> 1 Learn what to do.

NDC gives you access to valuable educational updates, webinars and information throughout the year. Select [Educational Opportunities](#) on the NDC website.

> 2 Make a plan.

Without a plan, you may not know which investments are right for you or whether you are saving enough to reach your goals. Try the retirement planning tools and calculators available through both of our current record keepers. Log into your account online at [MassMutual](#) or [Voya \(formerly ING\)](#).

> 3 Save more.

You may contribute any amount to your Deferred Compensation Plan account, from the minimum of \$12.50 per pay period up to the annual limit set by the IRS. In 2014, the maximum annual contribution is \$17,500. Beginning in the year in which you will reach age 50, you are allowed to contribute an extra \$5,500 with the Age 50+ Catch-Up option, for a total of up to \$23,000. If you are within three years of retirement, you may be eligible to contribute up to \$35,000 for three years with the 457 Catch-Up. Since this catch-up option takes into account your prior contributions, contact the service provider for your account for help with calculating the amount available to you, MassMutual or ING (becoming Voya Financial™ in 2014). **NOTE: You may not use both catch-up options in the Deferred Compensation Plan in the same year.**

> 4 Diversify.

Don't put all your eggs in one basket. That's the idea behind diversification and asset allocation, spreading your money across different types of investments. Your Deferred Compensation Plan account gives you access to different options across the asset classes to help you create a well-diversified investment mix for your account.

> 5 Review at least annually.

Over time, changes in market conditions can push your investment mix out of alignment with your asset allocation strategy. So give your account a checkup periodically, or at least once a year.

> 6 Read your statements.

Your account statement contains valuable information that can help you track your investments' performance against your savings goals.

> 7 Keep improving.

Good habits take time to develop. After you have mastered the investment basics, continue to sharpen your skills. Take advantage of everything the Deferred Compensation Plan offers to help you stay in the habit of saving and planning for your future.



Welcome to Voya Financial™

VOYA
FINANCIAL™

As of September 1, 2014, ING U.S. is now Voya Financial

NEARING RETIREMENT?

Ready to Retire? Your Next Moves...

As you enter this phase of life, you may have more questions than answers. Remember, we are here to help you every step of the way. This section will kick off a series of articles over the coming months that will help you identify steps to take as the big day draws near. You have some important steps to follow before you can officially retire. Here's some advice on what to focus on in the final months on the job.

6-12 months prior: take inventory

Be sure you know how much is available to fund your retirement. Review your assets from the Nevada Deferred Compensation Plan, personal savings accounts such as IRAs, mutual funds, CDs, annuities and any other sources.

Contact your prior employers to learn what benefits will be available to you when you retire, including retirement plan assets and pension payments. It's not too early to learn what the process will be so you can complete forms and get the money you're entitled to as soon as possible.

Create a retirement income plan. Review your resources and budget. Use the calculators and other planning tools available online from [MassMutual](#) and [Voya \(formerly ING\)](#). You may want to work with a financial adviser on an appropriate asset allocation and distribution options available upon separation from service.

Retirement... The next great adventure!

ENJOYING RETIREMENT?

Should I Delay Taking My First RMD?

Tax laws require you to begin withdrawing at least a minimum amount, known as Required Minimum Distributions (RMDs), from your retirement accounts annually, starting in the year you reach age 70½, or in the year you retire, whichever is later.

You can always take more than the minimum in any year, but if you don't take at least your annual RMD by December 31 of each calendar year, the Internal Revenue Service imposes a 50% excise tax on the amount that should have been withdrawn.

However, a special rule applies to your first RMD. You have the option of delaying your first distribution until April 1 following the year in which you reach age 70½ or retire, whichever is later.

You might prefer to wait if you expect to be in a lower tax bracket in the following year. However, keep in mind that your second distribution must be made on or by December 31 of that same year.

Receiving your first and second RMDs in the same year may increase your taxable income for the year. So before you decide when to take your first RMD, consider consulting with your financial or tax adviser about your personal situation.

You could
be here!



Your MassMutual Team

Toll Free 1-800-875-9218



Northern Nevada	Southern Nevada
<p>9850 Double R Blvd., Suite 201 Reno, NV 89521 1-855-553-2177 Fax: (775) 827-5482</p> <p>Anita Westfield, RES Support, ext. 1</p> <p>Tom Verducci, Retirement Ed. Specialist, ext. 2</p>	<p>8871 West Flamingo Road, Suite 202 Las Vegas, NV 89147 1-855-553-2176 Fax (702) 457-0033</p> <p>Robert Trenerry, Regional Manager, ext. 2</p> <p>Janet Corral, Retirement Ed. Specialist, ext. 3</p> <p>Marisa Lopez, Retirement Ed. Specialist, ext. 4</p> <p>Tracey Pulsipher, Administrative Support, ext. 1</p>

Your Voya Team (formerly ING)

Toll Free 1-800-584-6001



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<p>844 West Nye Lane, Suite 101 Carson City, NV 89703 Phone (775) 886-2400 Fax (775) 882-9758 Toll Free: (866) 464-6832</p> <p>Steve Platt, APRC, Regional Vice President (775) 886-2400</p> <p>Eric Honea, Registered Representative (775) 886-2403</p> <p>Dianna Patane, Regional Business Coordinator (775) 886-2401</p>	<p>3960 Howard Hughes Parkway, Suite 520 Las Vegas, NV 89169 (702) 990-3720 Fax: (702) 990-3721 By Appointment</p> <p>Carrie Onorato, Investment Adviser Representative (702) 990-3720</p>

READY TO SIGN UP?

If you are interested in saving for retirement and have not enrolled in the Nevada Deferred Compensation Program, now is the time! Go to one or both of these links to fill out the form to set up your account. Fax or email it to our office and we will get you set up!

[MassMutual EZ Enrollment Form](#)

[Voya \(ING\) Enrollment Form](#)



WANT TO CHANGE YOUR PAYROLL DEDUCTION?

If you already have a Deferred Compensation account and wish to increase (or decrease) your payroll deductions, please complete the form at the link below and fax it to the NDC office and we'll take it from there.

[Payroll Contribution Form](#)

If you have questions about the program please call our office or contact one of the recordkeeper representatives and we will be happy to assist you.

ATTENTION

ALL RETIREES or FORMER STATE EMPLOYEES

NDC is going PAPERLESS!

This will be the LAST newsletter you will receive unless you subscribe.

If you are a Retired or former State of Nevada employee, and would like to continue receiving our Quarterly Newsletter and other important NDC correspondence, please SUBSCRIBE to our secure electronic system.

We have provided three easy ways for you to Subscribe:

1. Subscribe on our website: <http://defcomp.nv.gov> - look for the "SUBSCRIBE HERE" link
2. Email us at: deferredcomp@defcomp.nv.gov
3. Call us at the office (775-684-3398) to subscribe

If you have already given us your email address you do not need to do so again.

Thank you for your consideration and for helping us to save money for ALL NDC account holders by decreasing the Plan's operating expenses.

****NOTE: If you DO NOT have access to email correspondence, and would like to continue receiving a paper copy of our Quarterly Newsletter, you need to contact our office and provide your mailing address.****

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