

18-2018

**OFFICE OF THE COUNTY EXECUTIVE
ALL-EMPLOYEES MEMORANDUM**

DATE: November 2, 2018

Deferred Compensation Plan Update & 2019 Contribution Limits

Enrollment

All County employees are eligible to participate in the Suffolk County Public Employees Deferred Compensation Plan, a 457(b) retirement plan. All information, including the *Plan Summary Guide*, can be found on the Plan's website. Online Enrollment is now available as well.

The Deferred Compensation Plan's website can be accessed via the County Intranet site, under "Resources", or by visiting www.scdeferredcomp.org.

Contribution Limits

The Internal Revenue Service has announced the 457(b) plan deferral limits for 2019. Deferred compensation annual contributions limits have increased to:

\$ 19,000 Normal Contribution Limit

\$ 6,000 Age 50 Plus* Supplement (for a total of \$25,000)

\$ 19,000 Retirement Catch-Up* † (for a maximum total of \$38,000)

*Participants cannot combine Age 50 Plus contributions and Retirement Catch-Up contributions in the same calendar year.

† Retirement Catch-Up is subject to eligibility requirements. Please contact your Board Representative for more information.

For those who wish to contribute either the maximum **Normal** amount or, if eligible, the **Normal and Age 50 Plus** amount, in substantially equal contributions over 26 payroll periods during the year, please note:

- The **Normal** bi-weekly amount is approximately \$731.
- The **Normal and Age 50 Plus** bi-weekly amount is approximately \$962.

The payroll system is programmed not to exceed the applicable annual limit. In 2019, that limit will be set at \$19,000 for participants under age 50 (born January 1, 1970 or later) and \$25,000 for participants age 50 and above (born December 31, 1969 or earlier). All Participants are responsible for ensuring that the amount they wish to contribute, whether it is the maximum or less than the maximum, is communicated to T. Rowe Price.

It is possible to contribute the maximum annual amount in a shorter period of time (less than 26 payrolls) and Participants who would like to do so should notify T. Rowe Price of the specific bi-weekly amount that they want to contribute to reach the maximum deferral limit in less time.

Participants wishing to **increase or decrease their bi-weekly contribution amount** must contact T. Rowe Price directly. Changes can be made by either calling 1-888-457-5770, logging into your account at rps.troweprice.com or logging into your account using the T. Rowe Price Personal® App. It takes approximately 2 payroll periods for the change to take effect, as the IRC 457(b) rules mandate that all deferral changes must be filed prior to the first of the month in which the deferral will be deducted. For example, if a Participant contacts T. Rowe Price on January 2nd to increase/decrease the bi-weekly deferral amount, the change cannot go into effect until the February 14th, 2019 paycheck. Please plan ahead!

If you do not change your bi-weekly deduction amount, your bi-weekly deferral in 2019 will be the same amount as you deferred bi-weekly in 2018, subject to the annual maximum noted above.

Contributions, whether Normal or Normal Age 50 Plus or Catch-Up, will be reflected with the payroll deduction code of 0608.


Distributions from the Plan

Generally, distributions are not permitted until you completely separate from County service. If you retire or resign from one position and take another position in any County department, whether it be full time, part time or seasonally, you have not separated from County service for Plan purposes and are not permitted to begin distributions, per the IRS. The Plan does offer a loan option for those who are still in service. Please refer to the *Plan Summary Guide* for more information regarding certain in-service distribution options.

Fee Disclosure

As previously announced, the Department of Labor has issued regulations regarding the disclosure of fees charged in the administration and investment management of private sector defined contribution plans, such as a 401k. These regulations do not apply to the Suffolk County Deferred Compensation Plan because it is a public employer plan under IRC 457b. However, the New York State Deferred Compensation Board has issued its own rules and regulations relative to fee disclosure requirements based on the premise that it is in the best interest of plan participants and plan sponsors such as the Suffolk County Deferred Compensation Plan. Fee disclosure information is posted on the Plan's website, www.scdeferredcomp.org, and updated each year. We encourage all participants to read the disclosure and contact T. Rowe Price or your Board representative if you have any questions.

Board Members' contact information, Plan forms and the *Plan Summary Guide* are available at www.scdeferredcomp.org.



Dennis M. Cohen
Chief Deputy County Executive



T.RowePrice 



Start saving for
retirement. Enroll
online today.

RETIRE WITH CONFIDENCE®

Suffolk County Deferred Compensation Plan

Take the first step toward a secure future.

By investing in your retirement you can:

- Help your pension keep up with inflation
- Save tax-deferred through pretax contributions

SAVE AS LITTLE AS...	REDUCES YOUR TAKE HOME PAY BY APPROXIMATELY...
\$10 per paycheck	\$7
\$50 per paycheck	\$35
\$100 per paycheck	\$70

It goes a long way.

Here's how to enroll online:

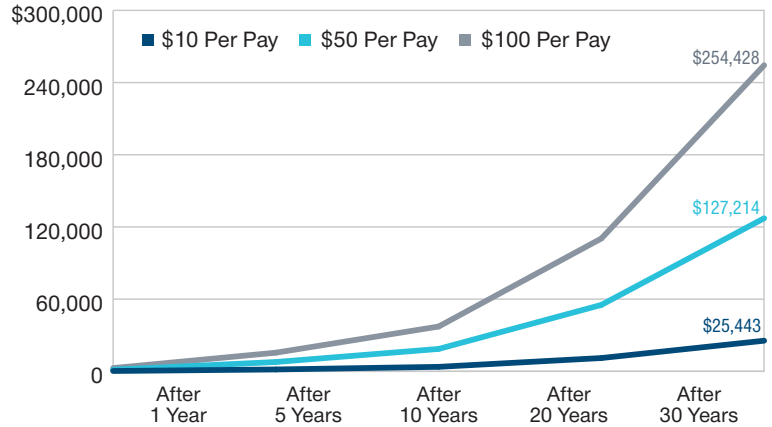
1. Go to www.scdeferredcomp.org or access via the County Intranet
2. Click on Enroll Today

NEED HELP?

If you want to speak to a T. Rowe Price retirement specialist, call **1-888-457-5770**.

T. Rowe Price Retirement Plan Services, Inc.

IN TIME, EXTRA CONTRIBUTIONS PER PAY CAN GO A LONG WAY*



*The chart assumes a 7% annual return net of fees, with earnings compounded biweekly. This chart is for illustrative purposes only and does not represent the performance of any of your plan's investment options.

Biweekly contributions are assumed to be invested at the beginning of each period.

All investments involve risk, including possible loss of principal.

rps.troweprice.com | 1-888-457-5770 |

