



21-2019

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

DATE: November 8, 2019

Deferred Compensation Plan Update & 2020 Contribution Limits

Enrollment

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

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

Contribution Limits

The Internal Revenue Service ("IRS") has announced the 457(b) plan deferral limits for 2020. Deferred compensation annual contribution limits have increased to:

\$ 19,500 Normal Contribution Limit

\$ 6,500 Age 50 Plus* Supplement (for a total of \$26,000)

\$ 19,500 Retirement Catch-Up* † (for a maximum total of \$39,000)

*Plan 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 Plan Board Representative for more information.

The County's payroll system is programmed not to exceed the applicable annual contribution limits. For 2020, that limit is set at \$19,500 for Plan participants under the age of 50 (born January 1, 1971 or later) and \$26,000 for Plan participants of age 50 and above (born December 31, 1970 or earlier). All Plan participants are responsible for ensuring that the amount they wish to contribute per paycheck, whether it is the maximum or less than the maximum, is communicated to T. Rowe Price.

Plan 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 two (2) payroll periods for the change to take effect, as the Internal Revenue Code (“IRC”) Section 457(b) mandates 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 Plan participant contacts T. Rowe Price on January 2nd, 2020 to increase/decrease his or her bi-weekly deferral amount, the change cannot go into effect until the February 13th, 2020 paycheck. Please plan ahead!

Changes to your bi-weekly contribution amount that are requested between December 1, 2019 and December 15, 2019, should go into effect on your January 2nd, 2020 paycheck.

If you do not change your bi-weekly contribution amount, your bi-weekly deferral in 2020 will be the same amount as you deferred bi-weekly in 2019, subject to the annual contribution limits noted above.

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

Military Catch Up

As a reminder, if you were on a military deployment, you may be eligible to contribute more than the IRS annual contribution limit, to make up for the time that you were deployed. For more information, please contact your Plan Board Representative as soon as possible after you return to work.

Distributions from the Plan

Generally, distributions from the Plan 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. You may continue to contribute to the Plan and 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 401(k) plans. These regulations do not apply to the Plan, as it is a public employer plan under IRC Section 457(b). However, the New York State Deferred Compensation Board has issued its own rules and regulations regarding fee disclosure requirements based on the premise that fee disclosures are in the best interest of plan participants and plan sponsors such as the Plan. Fee disclosure information is posted on the Plan’s website, www.scdeferredcomp.org, and updated each year. We encourage all Plan participants to read the fee disclosure information and contact T. Rowe Price or your Plan Board representative if you have any questions.

The contact information of the Plan Board members, the Plan forms, and the *Plan Summary Guide* are available at www.scdeferredcomp.org.



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Distribution:
One copy per employee