



# NV

your  
retirement

Nevada Public Employees'  
Deferred Compensation Program  
**Summary Plan Document**



**Nevada**  
Deferred  
Compensation



STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

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**PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM**

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Dear Participant:

On behalf of the Nevada Public Employees' Deferred Compensation Program (NDC), I would like to congratulate you for taking advantage of this great opportunity to invest in your financial wellness now and in the future. Establishing an NDC account is one of the most important steps you can take in creating a personal financial wellness plan for you and/or your family. 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 can eventually supplement your NVPERs Pension, Social Security, and/or any other financial resources that you may receive upon retirement or separation from government service.

This Summary Plan Document gives a "Plain English" explanation of the provisions, policies, and rules that govern the NDC Plan. I encourage you to read through it. The decisions you make today about your financial future will be enhanced by understanding how this Plan can benefit you and your family now and in the future. Should you desire to have a full copy of the Plan Document, want more information, or have any further questions or concerns, please feel free to contact the Nevada Deferred Compensation Administrative Office directly at **(775) 684-3398** or **(775) 684-3397**. You can also visit our website at **[defcomp.nv.gov](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 through your financial wellness journey while helping you to supplement and prepare for your retirement. Again, thank you, and if you have questions or would like any further information, please do not hesitate to contact us.

Regards,



**Rob Boehmer**  
Executive Officer  
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## Summary Plan Document

This Summary Plan Document explains the provisions, policies and rules that govern the Nevada Public Employees' Deferred Compensation (NDC) Program (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, serve as an essential supplement to your NVPERS pension or other retirement plan, and possibly lower your current taxable income. This Plan has been adopted pursuant to Nevada Revised Statute (NRS) 287.250 – 287.370, and Internal Revenue Service (IRS) Code Section 457(b).

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### Joining the Plan

Enrolling in NDC is one of the most important and valuable decisions you can make while working for the State of Nevada or a participating employer. You can receive all the necessary enrollment information by visiting **[defcomp.nv.gov](http://defcomp.nv.gov)** and **[nevada.beready2retire.com](http://nevada.beready2retire.com)**, by calling the NDC Administrative Office at **(775) 684-3398**, or by calling the NDC's contracted recordkeeper, Voya Financial, on the Plan Information Line toll-free at **(855) GO-RET-NV** (467-3868).

### Eligibility

All current State of Nevada and Nevada System of Higher Education (NSHE) employees are eligible to participate in the Plan. Public employees of other qualified political subdivisions that have executed an inter-local contract to participate in the Plan are also eligible.

## Contributing to the Plan

You may contribute \$35.00 per biweekly pay period or \$70.00 a month up to the annual IRS contribution limit before any available catch-up contribution. 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 below) regardless of whether you choose before-tax, Roth or a combination.

### Age 50 Catch-Up Contributions

In the calendar year you reach age 50, and each year thereafter, the law permits you to make Age 50 Catch-Up contributions. The Age 50 Catch-Up limit for the year is shown below. These amounts are in addition to the regular contribution limit. The Age 50 Catch-Up cannot be used simultaneously with the Special 457(b) 3-Year Catch-Up.

### Special 457(b) 3-Year Catch-Up Provision

The Special 457(b) 3-Year Catch-Up provision allows you to contribute more than the amount to the Plan permitted under the regular contribution limit to “catch up” for earlier years of service when you may not have contributed the maximum amounts allowed.

Using this Catch-Up provision takes advanced planning. You should call to schedule a meeting with a member of the NDC Administrative Staff or a representative from NDC’s contracted recordkeeper, Voya Financial, four (4) to five (5) years prior to the year that you expect to elect as your retirement year to discuss using the 3-Year Catch-Up provision and to ensure proper planning.

Facts you should know about the Special 457(b) 3-Year Catch-Up provision:

- To be eligible, you must have satisfied the criteria to receive a benefit (without reduction) from NVPERS.
- You are within three (3) years before the year that you expect to elect as normal retirement age.
- You must have amounts underutilized/unused from previous years you were eligible to participate in the 457(b) plan in order to qualify.
- This provision allows you as an employee to contribute more than the regular contribution limit (up to double the current year’s declared contribution limit each year for three (3) consecutive years), based on the amount of prior underutilized contributions from previous years.
- Contributions must be made through payroll deductions only.
- The window of opportunity to take advantage of the 3-year Catch-Up is within the three (3) consecutive calendar tax years prior to the year that you have elected as your Normal Retirement Age.
- The 3-Year Catch-Up is a “Once in a Lifetime” opportunity that may be used one (1) time only.

### Tax Saver’s Credit

This year’s 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 listed in the chart below.

Year	Regular Contribution Limits	Age 50 & Over Catch-Up Contribution Limits*	Special Catch-Up Contribution Limits*	Adjusted Gross Income (AGI) Limits
2023	100% of compensation up to: \$22,500	For participants age 50 or older, 100% of compensation up to: \$30,000	The total of the regular limit plus missed contributions up to: \$45,000	\$73,000 for married filing jointly \$54,750 for heads of household \$36,500 for singles or married filing separately

\* Participants eligible for both catch-ups in the same year cannot only use both in the same year. They can use the catch-up that permits the greatest contribution.

# 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. Target 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 Target Retirement Date Fund, simply determine the Fund with the 5-year increment that is closest to the year you plan to begin withdrawing funds in retirement, or complete the NDC EZ Enrollment Form which determines the most appropriate Target Retirement Date 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 the Plan Information Line toll-free at **(855) GO-RET-NV** (467-3868). Before investing, carefully consider the fund's investment objectives, risks, charges and expenses. The fund prospectus contains this and other important information.

## Stability of Principal Investment

The Voya Fixed Account – 457/401 II is offered at the crediting rate of **3.00%** for 2023. The Voya Fixed Account is available through an annuity contract issued by Voya Retirement Insurance and Annuity Company ("VRIAC"). The Voya Fixed Account is an obligation of VRIAC's general account which supports all of the company's insurance and annuity commitments. The interest rate guarantees under the contract are subject to VRIAC's claims-paying ability.

## 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 calling the Plan Information Line toll-free at **(855) GO-RET-NV** (467-3868). All transfer requests received prior to the close of the New York Stock Exchange (normally 1:00 p.m. PT) will be processed at the business day's closing price.

## Self-Directed Brokerage Account through TD Ameritrade

The NDC Plan offers participants a self-directed brokerage account (SDBA) option through TD Ameritrade. There is a \$5,000 minimum NDC account balance to participate, but the SDBA gives you the opportunity and flexibility to choose your own investments. You can select from publicly traded stocks, ETFs, fixed income securities and a broad range of mutual funds, including No Transaction Fee (NTF) mutual funds. For more information about the TD Ameritrade Self-Directed Brokerage Account, please read the SDBA Plan Highlights at [nevada.beready2retire.com](http://nevada.beready2retire.com).

**Carefully consider the investment objectives, risks, charges and expenses before investing. A prospectus, obtained by calling 866-766-4015, contains this and other important information about an investment company. Read carefully before investing.**

**Mutual funds and exchange traded funds are subject to market, exchange rate, political, credit, interest rate and prepayment risks, which vary depending on the type of mutual fund. Fund purchases may be subject to investment minimums, eligibility, and other restrictions, as well as charges and expenses.**

**Certain money market funds may impose liquidity fees and redemption gates in certain circumstances.**

*Brokerage services provided by TD Ameritrade, Inc., member FINRA/SIPC, a subsidiary of the Charles Schwab Corporation. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and the Toronto Dominion Bank. Used with permission. TD Ameritrade and Voya Financial are separate and unaffiliated and are not responsible for each other's policies or services.*

## Vanguard Investment Restriction

Each Vanguard fund in the NDC investment lineup requires a 30-day wait period to transfer back into the same fund.

## Voya Equity Wash Restriction Provision

Direct transfers between the Voya Fixed Account – 457/401 II and a 'competing' fund are not allowed. This is called an equity wash restriction. Direct transfers between the Voya Fixed Account – 457/401 II and the TD Ameritrade Self-Directed Brokerage Account are considered competing investments and is subject to the equity wash provision.

Direct transfers from the Voya Fixed Account – 457/401 II to the TD Ameritrade SDBA are not permitted. Transfers from the Voya Fixed Account 457/401 II to any other fund must wait 90 days before it can be available to transfer into the TD Ameritrade SDBA. For more information regarding transfer restrictions, please call the Plan Information Line toll-free at **(855) GO-RET-NV** (467-3868).



# Withdrawing Money From Your Account

You are able to withdraw money from your account while you are working and after you separate from service. The following sections outline the distribution options and the circumstances for each instance.

## 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 a qualified political subdivision. 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:

- Unforeseen Emergency Withdrawals
- Small Inactive Account Withdrawal of up to \$5,000
- Absence due to qualified military service
- Purchase Retirement Service Credit

## Unforeseen Emergency Withdrawal

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 have not used this provision before and 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.
- You have not contributed at any time in the last two years.

## Using Pre-Tax Plan Assets to Purchase Retirement Service Credit

You may use your pre-tax NDC plan account assets to purchase retirement service credit under a governmental defined benefit plan, such as credit in the Nevada Public Employees' Retirement System (NVPERS).

There are two steps to purchase retirement service credits. First, you must obtain documentation from NVPERS or other governmental retirement system affirming your eligibility to purchase the service credit and the purchase amount. Then you must contact the NDC Administrative Office or Plan Information Line directly to obtain, complete, and submit (In Good Order) the necessary forms to liquidate your pre-tax NDC account at the desired amount. The Plan will liquidate those 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 qualified political subdivision, you may decide either to begin to receive payments or defer payments to a future date, but not later than under the IRS minimum distribution requirements (the later of you reaching age 72 or retiring from the employer participating in this Plan). If you choose to defer payments, you will continue to accumulate earnings until benefits are paid to you. In addition, upon your death, amounts will be paid to the beneficiaries you have designated under the Plan.

## 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 the Plan Information Line toll-free at **(855) GO-RET-NV** (467-3868) to complete the necessary forms. You may receive benefits under the eligible circumstances in a variety ways. You may:

- Take a one-time full withdrawal of your NDC account
- Establish a regular period payment of benefits to be paid monthly, quarterly, semi-annually or annually

- Take a partial withdrawal of your NDC account
- 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 at any time.

## 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 or to be paid over your lifetime, 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 issued in January following the calendar year in which the distribution was made. 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) plan are NOT generally subject to an IRS 10% premature distribution penalty tax, regardless of age. However, if you roll amounts into the NDC Plan from other non-457(b) plans, those rollover amounts will continue to be subject to the IRS 10% premature distribution penalty tax when withdrawn, unless you meet an IRS-permitted exception.

## Required Minimum Distributions

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

- The year in which they reach age 72, or
- The year in which they leave employment with the employer sponsoring the plan

Participants who do not receive required minimum distributions by the required dates, timely in accordance with the IRS requirements, or who withdraw less than the minimum amount the law requires, must pay a nondeductible IRS excise tax equal to 50% of the amount not timely taken.

RMDs are not eligible for rollover and are calculated in accordance with Treasury Regulations.



## Additional Information

### Plan Fees

The Plan's recordkeeping, compliance and administrative costs are paid for by participants. A per-account cost of \$10.25 is assessed quarterly on all participant accounts with a total balance of \$1,000 or more, regardless of how they are invested. The \$10.25 charge will show as a line item on your quarterly statement.

Each of the investment options offered by the Plan has a fund operating expense. In addition, some mutual fund companies share fund revenue with the Plan's contracted recordkeeper, Voya. The fee amounts vary based on the investment option and are deducted directly from the fund's daily price. Any revenue received by the contracted recordkeeper from the mutual fund company that is in excess of the recordkeeping costs is credited back to participant accounts and noted as a line item on your quarterly account statements. For a complete description, please refer to the fund prospectus or visit the NDC participant website at **nevada.beready2retire.com**.

The fee structure allows many participants to keep a greater proportion of their investment dollars by applying the same cost regardless of the investment options they chose. It also ensures that the cost of administering the Plan is shared equitably by all participants.

### Keeping Track of Your Account

You can keep track of your account information by registering and logging into your NDC account at **nevada.beready2retire.com**. You will receive quarterly NDC account statements by mail from Voya, but you can sign up for e-Delivery to receive your NDC statements and notifications electronically instead of by paper. Just log in, click your name in the upper right hand corner of the page and go to *Communication Preferences*.

### Designation of Beneficiary

You must 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, although naming someone other than an individual may have implications for the IRS minimum distribution requirements. Please discuss your beneficiary designations with your legal counsel or tax advisor. You can designate, review, or change your beneficiary online by logging into your NDC account at **nevada.beready2retire.com**.

### Plan Information Line

Most of the account transaction and management capabilities that you can perform on the website can also be conducted through the Plan Information Line toll-free by calling **(855) GO-RET-NV** (467-3868) and using the automated system. If you need help with any transaction or if you have questions about your account, Customer Service Associates are available weekdays from 5:00 a.m. to 6:00 p.m., PT, excluding stock market holidays.

