



your  
retirement

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



**Nevada**  
Deferred  
Compensation



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STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

**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 pre-tax and/or Roth after-tax contributions to your NDC account, you will have the potential to experience tax benefits both now and in the future. Additionally, you will build 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 Program. I encourage you to read through it. The decisions you make today about your financial future will be enhanced by understanding how this Program can benefit you and your family. 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**. 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 partnering with you now and throughout your financial wellness journey as you work to supplement your income in retirement. Again, thank you, and please do not hesitate to contact us if you have questions or would like any further information about the NDC Program.

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 the NDC Plan 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) or [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, Roth after-tax contributions, or a combination of both. Maximum contribution amounts apply to the total yearly contribution amounts as detailed in the chart below, regardless of the type of contributions you make to the Plan.

## Age 50 and Older Catch-Up

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

## Special 457 Catch-Up

The Special 457 Catch-Up allows you to contribute more to “catch up” for earlier years of service when you may not have contributed the maximum amounts allowed.

Using this provision takes advanced planning. You should call to schedule a meeting with a member of the NDC Administrative Staff or a representative from 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 Special 457 Catch-Up provision and to ensure proper planning.

Facts you should know about the Special 457 Catch-Up provision:

- To be eligible, you must have satisfied the criteria to receive a benefit (without reduction) from NVPERS.

- You are at least three (3) years from the year that you expect to elect as your normal retirement age.
- You must have unused NDC contribution amounts from previous years that you were eligible save to the 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 Special 457 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 Special 457 Catch-Up is a “once in a lifetime” opportunity that may be used one time only.

## Tax Saver’s Credit

This year’s Adjusted Gross Income (AGI) limits for the tax saver’s credit (also known as the retirement savings contributions credit) for low- and moderate-income workers are listed in the chart below.

## 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.

Year	Regular Contribution Limit	Age 50 and Older Catch-Up Contribution Limit*	Special 457 Catch-Up Contribution Limit*	AGI Limits
2024	100% of compensation up to \$23,000	For participants age 50 or older, 100% of compensation up to \$30,500	The total of the regular limit plus missed contributions up to \$46,000	\$76,500 for married filing jointly \$57,375 for heads of household \$38,250 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.

# Investing Your Money

You can choose to invest your contributions, in 1% increments up to 100%, in any combination of the following:

## Investing with Vanguard Target Retirement Date Trusts

It's estimated that the majority of retirement investors don't have the time or desire to select and track their investments. Vanguard's Target Retirement Date Trusts are a series of collective investment trusts (CIT) in the NDC Program that are designed to help the 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 invest in a Vanguard Target Retirement Date Trust, simply determine the Trust 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 to default to the most appropriate Target Retirement Date Trust for you based on an assumed retirement age of 65.

## Investing with Core Investments

Participants may design their own asset allocation from the core menu of individual investment options in the NDC Program. 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 2024. 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 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 Schwab

The NDC Plan offers participants a self-directed brokerage account option through the Schwab Personal Choice Retirement Account® (PCRA). There is a \$5,000 minimum NDC account balance to participate, but the PCRA gives you the opportunity and flexibility to choose your own investments. Through PCRA, you can access more than 8,700 no-load mutual funds from over 600 well-known fund families, including over 2,700 funds typically available only to institutional clients. For more information about the Schwab PCRA, please read the Schwab PCRA Overview at [nevada.beready2retire.com](http://nevada.beready2retire.com).

**Note: Investors should carefully consider information contained in the prospectus, including investment objectives, risks, trading policies, charges and expenses. You can request a prospectus by calling Schwab's dedicated PCRA Call Center at (888) 393-PCRA (7272). You may also request a prospectus online at [schwab.com/prospectus](http://schwab.com/prospectus). Please read the prospectus carefully before investing.**

*Schwab Personal Choice Retirement Account® (PCRA) is offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer which also provides other brokerage and custody services to its customers.*

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## 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. The Voya Fixed Account – 457/401 II and the Schwab PCRA are considered competing investments and subject to the equity wash provision.

Direct transfers from the Voya Fixed Account – 457/401 II to the Schwab PCRA 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 Schwab PCRA. 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
- Attainment of age 70½
- 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 one of the following:

- A sudden and unexpected illness or accident not reimbursed by insurance
- A loss of property due to casualty not reimbursed by insurance
- Another similar extraordinary and unforeseen circumstance arising as a result of events beyond your control

## Birth and Adoption Withdrawal

Withdrawals are allowed for births and adoptions in accordance with the SECURE Act of 2019. The SECURE Act permits you to take a qualified withdrawal of up to \$5,000 from your NDC account within the 1-year period following for each birth or adoption of a child.

The adopted child must be less than 18 years old, or physically or mentally incapable of self-support. The adoption of your spouse's child would not be eligible for a withdrawal. These withdrawals are not be subject to the IRS 10% premature distribution penalty tax, federal

20% mandatory withholding, Special Tax Notice, or direct rollover rules applicable to retirement plans like the NDC Program. The withdrawal may be repaid to your NDC account, if desired. The availability of this distribution only applies to NDC account balances.

Please note that Voya will require documentation to verify the birth or adoption of your child to process these withdrawals.

## 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 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 the necessary forms to liquidate your pre-tax NDC account at the desired amount. Once the forms are received in good order, 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 73 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.

### To Begin Distributions

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 of ways. Depending on the distribution type, 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 73, 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 25% 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](https://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 choose. 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](https://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](https://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.