New York State
Deferred Compensation Plan
A Plan for Your Future

New York State Deferred Compensation Plan
Loan Highlights

Helpline: 800-422-8463 • nysdcp.com

Introduction

You may be eligible to take a loan from your NYSDCP account. Participants who take loans will be borrowing from their Plan account. Once you have taken a loan, you are obligated to repay the loan plus interest to your Plan account in monthly installments within a specified period of time. Before considering a loan, you should carefully examine all of your options and/or consult with a financial planner or tax advisor. The following are some features of the Plan's Loan Program:

Criteria and Terms of Loans (Not all inclusive)

Types of Loans Permitted:	General Purpose and Primary Residence
Maximum Loan Period:	General Purpose: 5 years – Primary Residence: 15 years.
Maximum Number of Loans:	Only one outstanding loan at one time
Minimum Loan Amount:	$1,000
Maximum Loan Amount:	The lesser of (1) 50% of the value of The participant's account* and (2) $50,000**
Interest Rate:	The loan rate of interest is equal to one percentage point above the prime interest rate as published in the Wall Street Journal on the last business day of the month preceding the application for the loan.

** If a portion of your account is allocated to the Self Directed Investment Account /Schwab Personal Choice Retirement Account (PCRA), the amount in your PCRA will be considered when calculating your maximum loan amount.*

*** The highest outstanding loan balance on any loans that you have had or still have with NYSDCP or other plans within the last 12 months will reduce your available loan amount.*

Eligibility

You will generally qualify for a loan if you are currently employed by either the State or a Participating Employer or are on approved leave of absence from your Employer. Participants who are retired, severed from employment, or who are designated beneficiaries or alternate payees pursuant to a domestic relations order are not eligible.

You may have only one outstanding Plan loan at a time.

Source of Loan

Your loan will be withdrawn from your Deferred Compensation account up to the Maximum Loan Amount. If you hold assets in the Self Directed Investment Account, you may be required to move funds from the Self Directed Investment Account to your core investment options, so that sufficient funds are in your Deferred Compensation account to process the loan. If the assets in your Deferred Compensation account are insufficient to meet your loan request, you may take a loan from your Rollover Account, if you have one.

Loan to be Withdrawn Pro-Rata from Existing Investments

Your loan amount will be withdrawn from your investment options on a pro-rata basis.

How to Repay Your Loan

Repayments will be automatically deducted from your checking or savings account on a monthly basis with after-tax dollars and re-invested in your NYSDCP account according to your current investment allocation. Loan repayments must be made in substantially equal amounts over the term of the loan.

You may pay off your loan, in full, without a prepayment penalty.

Loan Status While on Military Leave

If you are on military leave, you may request that your loan repayments be suspended until the completion of your military service. Interest will continue to accrue at your current interest rate or 6%, whichever is less, during the period of your military leave. The loan repayment period may be extended up to the length of your military service leave and may be re-amortized.

Loan Status While on a Non-Military Leave of Absence

If you are on an approved non-military leave of absence without pay, or with pay that is less than your required installment loan repayment you may request that your loan repayments be suspended during your approved leave of absence, but not for a period that exceeds the earlier of one year or the maturity date of the loan. Interest will continue to accrue at the current interest rate during the suspension period. If the loan repayment period was originally less than the maximum loan repayment period, the loan repayment period may be extended up to the maximum loan repayment period from the original date of the loan after the leave ends. The loan may be reamortized over the remaining repayment period of the loan as long as the repayment amount is not less than the original repayment amount.

Fees and Charges (In Addition to Interest)

The Loan Program will assess the following fees and charges, which will be deducted from your NYSDCP account, on a pro-rata basis:

- One time Loan Origination Fee of $40, to be deducted upon approval of your loan.
- Annual $40.00 Loan Maintenance Fee to be assessed on the anniversary of your loan initiation.
- Annual $50.00 charge to be assessed if you remit your loan repayment using a method other than ACH withdrawal.
- A $50.00 charge to be assessed in the event than an ACH withdrawal fails due to insufficient funds or a payment by check is late or non-negotiated: provided however, that such charge will not be assessed more than once in any consecutive 12-month period.
- A $50.00 charge will be assessed in the event of a default.

Transferring Loans To or From Other Plans

Participants may not transfer their outstanding loan to another retirement plan or transfer an outstanding loan from another retirement plan into the NYSDCP.

Maximum Loan Amount

$1,000 Maximum Loan Amount: The lesser of (1) 50% of the value of the participant's account or (2) $50,000 minus any outstanding retirement plan loans in the past 12 months. The maximum loan amount of $50,000 will be reduced by the amount of any outstanding loans or satisfied loans that you may have or may have had from the Plan and any other retirement plans sponsored by your employer (including the New York State and Local Employees Retirement System, New York State Teacher's Retirement System or a 403(b) Plan) within the last 12 months. The highest loan balance within the last 12 months from all these plans (including a defaulted Plan loan) must be deducted from the $50,000 maximum loan amount that may be borrowed from your NYSDCP account.

In the Event of a Default

If any scheduled payment remains unpaid for 90 days, the entire unpaid balance of the Plan loan (including accrued interest) will be considered in default. A loan in default will be considered a deemed distribution for tax purposes at the time of the default. If you default on a Plan loan, an IRS Form 1099-R will be issued making the unpaid loan balance taxable to you in the year the default occurs. In addition, a $50.00 default charge will be assessed against your NYSDCP account. You may not borrow from your plan account again until you have paid back the defaulted loan plus any accrued interest since the default.

How Do I apply for a Loan?

Log into your NYSDCP online account under www.nysdcp.com and select "Manage Account" and then "Manage Loans". Follow the prompts to download a customized loan packet.

You can also obtain a loan packet by contacting the HELPLINE at 1-800-422-8463. The HELPLINE is available 8:00 a.m. - 11:00 p.m. Monday - Friday and 9:00 a.m. - 6:00 p.m. on Saturdays.