



Plan Participants Separating from County Service – What to Know

Prior to Separation from County Service

You may be eligible to defer a portion of your SCAT (vacation/sick accruals) check into the Plan to defer income tax. Contact your Board Rep at least a month prior to your last day of work to discuss your options and to complete this request within Workday.

Do you have an outstanding Plan Loan? You have 90 days from the date of your first missed payment to pay the outstanding loan balance in full. If you do not, a 1099 will be issued and the outstanding balance (including interest) will be reported as taxable income. Contact T. Rowe Price for loan payoff information.

Once you Separate from County Service You have many options available to you in the Plan!

The County will notify T. Rowe Price of your separation from service approximately 15 days after your separation. After that occurs, you will be eligible to take money out of the Plan if you choose.

Distributions can be in the form of a single or partial lump sum withdrawal, monthly, quarterly or annual installment payments or a rollover to another plan. Call T. Rowe Price if you wish to take a distribution.

Please remember that 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.

Should I roll my money out of the Plan?

You may want to speak to a tax advisor and you should compare the following very important aspects of the Suffolk County D.C. Plan to the plan or investment vehicle you're considering:

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| Investment Options | Over 70 different funds and trusts, many with expense ratios (investment fees) that have low fees due to the amount of assets – over \$2 billion – in the entire Plan. All of the info for the funds we offer can be obtained by calling T. Rowe Price or by logging into rps.troweprice.com or the T. Rowe Price App. |
| Plan Administration Fee | \$3.50 per quarter plus an asset-based fee of 0.0075% per quarter on the first \$200,000 of your account balance. Under this fee schedule, your quarterly fee is between \$3.50-\$18.50 per quarter (\$14-\$74 per year). |
| Brokerage, Front-End, Back-End Fees | None |
| Consolidation Options | The ability to roll outside assets that are pre-tax, including IRAs, 401(k)s and 403(b)s into your Plan account. |
| Penalty | Salary you've contributed to the Plan is exempt from the IRS 10% early withdrawal penalty (regardless of your age) if it remains in the Suffolk County D.C. Plan. |

Distributions – Tax Withholding

Contributions to the Plan have not yet been taxed by the federal or state government. When you take a distribution, federal tax withholding rates will be as detailed below and state withholding rates will be based on the requirements of your state of residence.

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| 20 % Federal Tax Withholding | <ul style="list-style-type: none">• Lump sum distributions• Partial withdrawals• Periodic payments of less than 10 years (except when it is a required minimum distribution) | The Plan does not allow participants to reduce or eliminate the 20% federal tax withholding on these distributions. |
| 10 % Federal Tax Withholding | <ul style="list-style-type: none">• Required minimum distributions (RMDs)• Periodic payments scheduled to continue for ten years or more | The 10% federal tax withholding on these distributions can be increased or decreased. |

New York State Tax Exemption

If you are over 59.5 years old, a New York State Resident and are taking pre-scheduled periodic distributions that extend beyond one year, the first \$20,000 you withdraw from the Plan each year is eligible for a New York State Income Tax Exemption. Contact your tax advisor for more information.

Retired Public Safety Officer Insurance Premiums

If you are an eligible retired Public Safety Officer, you may withdraw up to \$3,000 annually from the Plan, free from income tax, to pay for qualified health insurance premiums for accident, health or long-term care for yourself, your spouse or your dependents. For more information, review the *Retired Public Safety Officer Qualified Health Insurance Premium Payment Authorization Form* at scdeferredcomp.org.

Address & Beneficiaries

Be sure to keep your address and beneficiary information up-to-date. Address changes can be made by calling T. Rowe Price or by completing the *Terminated Participant Maintenance Form* found at scdeferredcomp.org. Changes to your beneficiary information can only be made using the *Beneficiary Form*, which can also be found at scdeferredcomp.org.

Required Minimum Distributions (RMDs)

Once you turn 72 years old, the I.R.S. requires you to begin taking distributions/withdrawals from the Plan. The amount you are required to take each calendar year is based on your age and account balance. Contact T. Rowe Price in the year you turn 72 to find out your RMD amount for the year. Be sure to withdraw the required amount each year to avoid a 50 % I.R.S. penalty!

This information is intended to inform you of the Plan's guidelines and not intended to provide financial advice. For more information, refer to the Plan Summary Guide on the Plan's website.

042022