THE DEFERED COMPENSATION PLAN

The State of Nebraska Deferred Compensation Plan (DCP) is a voluntary retirement savings plan which allows state employees the ability to defer and invest a portion of their compensation for retirement. DCP should be considered a long-term retirement savings account designed to supplement your mandatory retirement plan.

This year, election to participate in DCP will be an option during open enrollment. In addition, year round DCP enrollment and the ability to change contribution amounts will be available via the Employee Work Center.

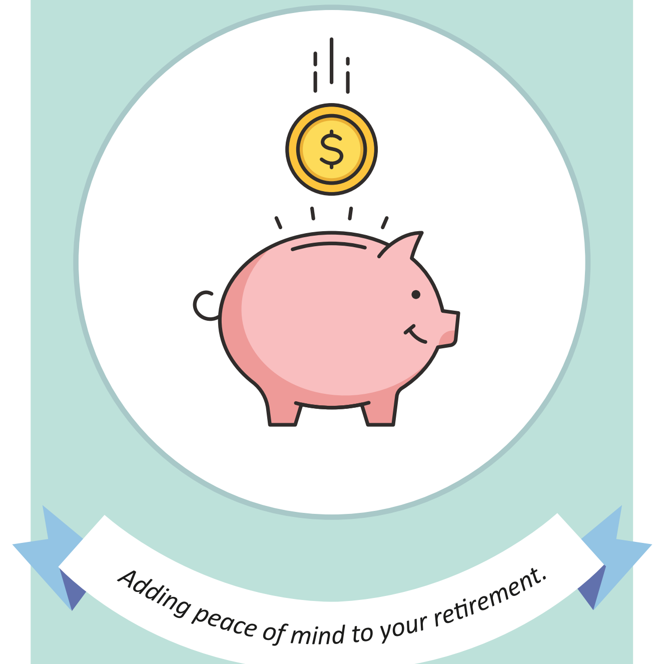
SAVE MORE WITH DCP!

For more information, contact NPERS at:

402-471-2053
or **800-245-5712**

NPERS
Nebraska Public Employees
Retirement Systems

THE DEFERRED COMPENSATION SAVINGS PLAN



DCP BASICS

- Contributions are made on a pre-tax basis. There is no employer match.
- Distributions are taxable and cannot be taken until you cease employment with the state.
- You may begin contributing, suspend contributing, or change contribution amounts anytime during the year via the Employee Work Center.
- Enrollments (and changes to contribution amounts) will begin as soon as administratively possible, but no earlier than the first of the following month. Elections made during open enrollment will be reflected on the first paycheck in July.
- The minimum contribution is $25 per month ($12.50 per paycheck if paid bi-weekly). You cannot contribute more than your earned income or the annual maximum set by law. Please refer to the January NPERS newsletters for DCP annual maximums.
- You are in charge of deciding how to invest your account. There is no guaranteed rate of return. Your account balance will fluctuate depending on market performance and the investment options you select.
- DCP accounts are subject to administrative, record keeping, and investment fees. NPERS strives to keep these fees reasonable and affordable. Plan expenses are evaluated periodically and fees are subject to adjustment as needed. More information, including the current DCP fees, may be found in the July 2018 NPERS newsletter.

If You Enroll: THE "TO DO" LIST

If you elect to participate in DCP and this is your INITIAL enrollment in the plan, there are two additional steps you need to take.

Step One: Designate Beneficiaries

Your beneficiary is the person (or persons) who will receive any funds remaining in your DCP account upon your death. Beneficiaries designated for the mandatory retirement and beneficiaries named during open enrollment do NOT apply to DCP accounts! You may designate beneficiaries using the NPERS Beneficiary Designation form which is available on the NPERS website.

If a DCP participant does not submit a Beneficiary form for their DCP account, death benefits will be paid to the spouse married to the member on the member's date of death. If there is no eligible spouse, death benefits will be issued to the member's estate.

Step Two: Choose Your Investments

At initial enrollment, contributions to DCP will be placed in the default investment option until the member selects their desired investments. Currently the state offers 13 investment options. These options are scheduled to be updated by the Nebraska Investment Council on 1/1/2021. Information on the new options will be included in current and future NPERS newsletters, and on the NPERS website.

NPERS recommends using the Ameritas Online Access to choose investments. If you have already created an Ameritas Online account for your mandatory retirement, your new DCP account will be added to your existing login credentials once Ameritas receives enrollment data from NPERS. If you have not created an online account, Ameritas will mail you correspondence containing the information you will need to create an online account.

When participating in DCP, it is your responsibility to determine your retirement goals and select an investment strategy that works for you. NPERS cannot provide individual investment advice, but basic information on investing and the DCP investment options may be found on the Financial Facts page of the NPERS website.

DON'T DELAY!

The sooner you start, the easier it will be to amass a sizable nest egg. It's never too late to save more for retirement, but someone who waits until age 45 to begin saving will need to contribute significantly more each month to obtain the same size nest egg as someone who began at age 30. Even if you can't set aside a sizable amount to contribute, saving a little now is much better than saving nothing at all.

For more information, please refer to the DCP handbook on the NPERS website or contact NPERS at 800-245-5712 or 402-471-2053.