Deferred Compensation Plan (DCP)

Now an option during Open Enrollment!

- Designate a contribution amount (paycheck deduction)
  - reflected on your July paycheck

DCP is a voluntary retirement savings plan

- Defer & invest a portion of your compensation for retirement
- Designed to supplement your mandatory retirement plan
  - as authorized by section 457 of the IRS tax code

Year round via Employee Work Center (Workday)

- Elect to participate & designate a contribution amount
  - effective no sooner than the following month
  - increase, decrease, or suspend contributing as desired
Deferred Compensation Plan (DCP)

Contributions...

• Are made on a pre-tax basis
• Automatic payroll deduction
• You can start/adjust/stop/restart contributions
  – as desired per plan provisions
  – via Employee Work Center (Workday)
• Minimum contribution is $25 per month
  – $12.50 if paid bi-weekly
• Maximum annual contribution is $19,500 for 2020
  – $26,000 if age 50 or over
  – updated each year
  – posted in the January NPERS newsletters
Deferred Compensation Plan (DCP)

*Investments...*

- You are in charge
- No guaranteed rate of return
  - account balance will increase or decrease
- Currently 13 investment options
  - Will be updated January 2021
  - Refer to NPERS newsletter for new options
- Investment information
  - NPERS cannot provide investment advice
  - Financial Facts page of NPERS website
Deferred Compensation Plan (DCP)

Distributions...

• Cannot be taken until termination of state employment
  – severe & unforeseen emergency

• Will be subject to state and federal income tax
  – no early withdrawal penalties

• Multiple distribution options
  – defer distribution up to required minimum distribution age
  – lump sum
  – automatic systematic withdrawal
  – rollover to another tax sheltered retirement plan
Deferred Compensation Plan (DCP)

If you elect to participate...

• You must designate beneficiaries for DCP
  – mandatory retirement beneficiaries do not apply
  – open enrollment beneficiaries do not apply
  – complete and submit the NPERS beneficiary form

• Choose your investments
  – placed in default at initial enrollment
  – make online changes using the Ameritas Online access
  – Ameritas online access link on NPERS website
  – No fee when changing investments
Deferred Compensation Plan (DCP)

Do NOT elect to participate if...

• You are deferring unused leave
  – Must be submitted using approved NPERS forms
  – Forms MUST be received by NPERS the month prior to termination
  – Consult with your HR/Payroll staff

• You have contributed to another 457 plan this year
  – Could put you over the annual contribution limit
  – Does not include contributing to an IRA
  – Contact NPERS

• You are not a US citizen
  – Contact NPERS
Deferred Compensation Plan (DCP)

Nebraska Public Employees Retirement Systems
(800) 245-5712 or (402) 471-2053
npers.ne.gov