

Deferred Compensation Plan (457 Plan)

The need to save for a more secure tomorrow is clear. Financial planners estimate that you will need about 70% of what you are making before you retire to maintain your standard of living in retirement. The Deferred Compensation Plan provides tax advantages to help you save for your future. Your contributions to the Plan are deducted directly from your paycheck *before* you pay taxes. That means your current taxable income is reduced, which means the amount of taxes you pay on your income is also reduced. You decide how you want your contributions invested by choosing from a variety of investment options available through the Plan. The earnings on your deferrals are also tax-deferred. Taxes are paid on the contributions and earnings when they are withdrawn.

Deferred Compensation Plan in General

What is the Deferred Compensation Plan?

The New York Power Authority Deferred Compensation Plan (“Plan”) is a voluntary retirement savings program that allows you to save and invest today for your retirement. The Plan is governed by Section 457(b) of the Internal Revenue Code. While similar to the Employees’ Savings Plan (our 401(k) plan), the Deferred Compensation Plan has important differences and limitations which you should be aware of before electing to become a Plan participant (see Employees’ Savings Plan handbook).

Who pays for the Plan?

The Authority pays the full costs for the administration of the Plan. Any investment management or other fees associated with the various funds offered under the Plan, as specified in the prospectus (es), are paid by the participants investing in those funds.

Who manages the investments?

T. Rowe Price Associates, one of the nation’s oldest and largest investment management firms, serves as the Plan’s investment manager, record keeper and trustee.

Who administers the Plan?

The Deferred Compensation Plan Committee administers the Plan. The committee is responsible for interpreting and carrying out the provisions of the Plan.

Participation

Who is eligible?

If you are a full- or part-time employee of the Authority, you may join the Deferred Compensation Plan after your initial date of employment.

How do I enroll in the Plan?

You may participate in the Plan by enrolling online and completing your beneficiary online. Payroll deductions start the first pay period of each month. Your properly completed enrollment must be processed by T. Rowe Price by the 15th day of the month preceding your desired effective date.

Contributions

The amount you choose to contribute will depend upon your savings goals, your ability to save and how much you earn. Your contributions are held in a separate account in your name. You decide, from the available investment options, where your contributions are to be invested.

How much can I contribute?

Through payroll deduction, you may contribute from 1% up to 100% of your eligible compensation after required salary deductions (such as retirement system contributions, social security and Medicare taxes, and health plan premiums, etc.), but not more than **\$19,500 in 2020**. The contribution limit is indexed for inflation. The amount saved is not subject to current federal or New York State income taxes and earnings accumulate tax-deferred until the amounts are distributed, generally during retirement. Your payroll deductions will stop once you reach the annual contribution limit.

When can I change the amount I contribute?

You may increase or decrease your contribution at any time by calling T. Rowe Price at (800) 922-9945 or through the T. Rowe Price website at rps.troweprice.com. All changes are effective the first pay period of each month, provided your change was made by the 15th day of the preceding month.

If your compensation goes up, the dollar amount of your contribution will increase automatically, unless you request a change in the percentage you are saving.

Contributions will automatically be deducted from any sick and/or vacation payout you may be eligible to receive at separation or retirement, unless you request a percentage change within the required notice period (see above).

Can I participate in both the Deferred Compensation Plan and the Employees' Savings Plan?

Yes, participants may contribute the maximum amount under the 457 plan, regardless of the amount contributed to a 401(k) plan. This means that in the year 2020, for example, you may participate in both a 457 plan and a 401(k) plan and may contribute as much as **\$19,500** (depending upon your income) to each of these plans (combined contributions of **\$39,000**).

Are there times when I can contribute more under the Plan?

Yes, there are three time periods during which you can contribute more to the Plan than the regular contribution limits would allow.

Age 50 Catch-Up Contributions

Plan participants age 50 or older, or participants who become age 50 during the year, are able to make Age 50 Catch-Up contributions. This additional contribution is not dependent on your prior years' deferrals to a deferred compensation plan. The catch-up contribution limit is **\$6,500 in 2020**. The Age 50 Catch-Up contribution is not subject to the contribution limits discussed earlier – they can be made in addition to other annual contributions made by you. For example, a participant age 50 can contribute as much as **\$19,500** under the regular 457 contribution limit and another **\$6,500** under the Age 50 Catch-Up limit for a total contribution of **\$26,000**. The ability to make additional contributions through the Age 50 Catch-Up provision is available to you every year you are at least 50 years old, except during those years you are making Retirement Catch-Up contributions.

Retirement Catch-Up Contributions

The second time period you may make contributions in excess of the regular contributions is during your Retirement Catch-Up period. If you contributed less than the maximum amount allowed by law during your participation in the Plan, the maximum Retirement Catch-Up contribution that may be made

in **2020 is \$19,500** for a combined total of **\$39,000** between regular contributions and Retirement Catch-Up contributions.

You may make Retirement Catch-Up contributions to the Plan during any three consecutive calendar years prior to your designated Retirement Catch-Up Age. Your Retirement Catch-Up Age is an age that you chose that is no earlier than the year during which you may retire without a reduction in retirement benefits, or your anticipated retirement year if you continue employment after age 72. The Retirement Catch-Up amounts are based only on contributions that could have been made during 1989 (the year NYPA's plan became available) and later years.

You may be eligible for Retirement Catch-Up even if you were not a participant in the Plan. However, you must have been an Authority employee during the period for which you want to make up underutilized deferrals.

You cannot use the Retirement Catch-Up during the calendar year in which you attain your Retirement Catch-Up Age, so planning ahead is essential. You can only use this catch-up provision once under any plan.

Military Service

There is also a special provision for individuals who are called away from their regular job to perform duty in the United States military. If you return to work after a period of qualified military service, you will have a limited right to make up contributions that you could have made if you had been working.

Investment Options

What happens to the money that is withheld from my paycheck?

When you become a participant in the Deferred Compensation Plan, you have a choice of a variety of investment options to help you meet your savings goals. Each investment option has its own investment strategy and its own risk and return characteristics.

This section broadly describes the Plan's investment fund lineup. It is important that you read a prospectus or fund fact sheet for each fund prior to investing in the fund. The prospectus or fund fact sheet includes investment objectives, risks, fees, expenses and other information that you should read and consider carefully before investing. No fund is FDIC insured. You can request a prospectus or fund fact sheet by calling T. Rowe Price (800) 922-9945 or requesting one online or by downloading one at the T. Rowe Price website at [rps.troweprice.com](https://www.troweprice.com).

About Investing

If you don't have much experience or are uncomfortable with investing, the process can seem intimidating. Understanding a few investment basics can help. Let's start with some definitions:

Mutual fund. An investment company that pools the money of many individual investors and uses it to buy stocks, bonds, money market instruments, and other assets depending on the goals of the fund. Mutual funds work for you in two ways:

- 1) A fund manager, with professional expertise, directs the buying and selling of securities held in the fund, based on the fund's objective.
- 2) Your fund's holdings tend to be diversified with a number of stocks, bonds, and/or money market securities. Thus, your investment is spread out, which can help lessen the impact of the market's ups and downs. However, diversification cannot assure a profit or protect against loss in a declining market.

Stock. A share of a single company. When you own stock in a company, you own a piece of that company—its earnings and assets. The value of your ownership stake will rise and fall according to the success of the underlying business. Your total return from a stock investment includes the dividends it pays (if any), plus or minus changes in its share price.

Bond. An IOU issued by a corporation or government. The bond issuer is borrowing money from you and other members of the public. Most bonds pay interest at regular intervals until they mature, at which point investors get their principal back. There is the chance of a loss of principal due to movements in interest rates, defaults, or other market factors.

Money market/stable value. A very short-term investment in money market instruments, certificates of deposit, U.S. Treasury bills, and guaranteed investment contracts. These investments are considered to be very stable, and the chance of losing a portion of your principal investment is extremely low.

Plan Fees

Management Fees – Paid to the fund’s investment manager for overseeing the portfolio, this fee is deducted as a percentage from the fund’s assets.

Redemption Fees – These fees are charged to an investor who sells shares of a mutual fund on or before a designated holding period specified by the fund. Redemption fees are designed to mitigate the effect of short-term trading and protect the fund and its long-term investors. Redemption fees are paid to the fund to help offset the transaction costs that may be generated by frequent trading. These fees are described in the investments’ prospectus.

What are my investment choices?

Your investment options in the Plan can be grouped into the following categories on the basis of risk and return characteristics:

Retirement Funds

The T. Rowe Price Retirement Funds make it easy for you to invest for retirement. The funds are professionally managed and automatically adjusted with specific retirement dates in mind. Each Retirement Fund offers you a diversified portfolio (collection) of mutual funds, designed to adjust as the target date nears.

The performance and risks of each Retirement Fund will directly correspond to the performance and risks of the underlying funds in which it invests. By investing in many underlying funds, the Retirement Funds have partial exposure to the risks of many different areas of the market, including possible loss of principal.

How you can benefit

Retirement Funds may be appropriate for you if you don’t have the time or the experience to select and keep track of your own investment portfolio. The funds are also:

- **One-step, complete portfolios.** You don’t need to mix and match them with other options.
- **Diversified.** A blend of different kinds of investments may help to protect your retirement savings from the market’s ups and downs. *
- **Investments that provide potential for growth.** The funds include stocks, because of stocks’ potential to outpace inflation.

- **Automatically rebalanced.** Maintaining an allocation in stocks, bonds, and conservative bonds helps the funds stay on track.

How you choose a Retirement Fund

It's easy: Once you decide that the Retirement Funds are right for you, simply choose the fund most closely matched to the year in which you plan to retire. Or, you can choose a fund based on the year you were born.

If you were born . . .	This Retirement Fund may be right for you . . .
In 1993 or after	Retirement 2060
1988 – 1992	Retirement 2055
1983 – 1987	Retirement 2050
1978 – 1982	Retirement 2045
1973 – 1977	Retirement 2040
1968 – 1972	Retirement 2035
1963 – 1967	Retirement 2030
1958 – 1962	Retirement 2025
1953 – 1957	Retirement 2020
1948 – 1952	Retirement 2015
1943 – 1947	Retirement 2010
In 1942 or before	Retirement 2005

The funds' investment programs assume a retirement age of 65, but this is a guideline only. If the date you have in mind falls between two funds, choosing the fund with the earlier date may expose you to less risk (the chance of losing money)—and also less return potential (the chance to earn more). Funds with later dates invest more aggressively—that is, you have a greater potential for both risk and return.

**Diversification does not assure a profit or protect against loss in down markets.*

Money Market/Stable Value

The options in this category invest in securities that have relatively stable prices and are expected to carry little risk of losing the money you invest. Funds in this group generally carry the least risk but also have the lowest potential return.

- Stable Value Common Trust Fund
- T. Rowe Price Government Money

Bonds

The options in this category invests primarily in bonds, which are loans to companies or governments that pay a set amount of interest over a period of time. An income fund generally carries moderate risk and has the potential for moderate returns.

- PIMCO Total Return Fund, Institutional Shares
- Vanguard Total Bond Index Fund, Admiral Shares

For questions regarding benefits, contact HR Services at HR.Services@nyga.gov or 914-287-3114.

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Growth

The options in this category invest primarily in stocks, which are actual shares of company ownership. The value of shares can grow, and the companies may also pay dividends to stockholders. Potential return and market risk are the highest for growth funds.

- American Funds Growth Fund of America (R6)
- American Funds Euro Pacific Growth Fund (R6)
- American Funds Fundamental Investors Fund (R6)
- Dodge & Cox International Stock Fund
- T. Rowe Price Capital Appreciation Fund
- T. Rowe Price Equity Income Fund
- T. Rowe Price Mid-Cap Growth Fund
- T. Rowe Price Mid-Cap Value Fund
- T. Rowe Price New Horizons Fund
- Vanguard Small-Cap Index Fund, Admiral Shares
- Vanguard Total International Stock Index Fund, Admiral Shares
- Vanguard Total Stock Market Index Fund, Institutional Shares

Charles Schwab Personal Choice Retirement Account (PCRA)

For experienced investors, the PCRA option offers brokerage services that increase the number of investment choices available through the plan. You can diversify your plan investments – through a single source. This option provides you with access to thousands of mutual funds from many well-known fund families. As you decide whether the Schwab Brokerage Account is right for you, consider the following:

- This service is designed for plan participants who have extensive experience and confidence in their own investment abilities.
- Investment choices are not reviewed or chosen by the Authority and may be subject to greater volatility and risk of loss than the other plan investments that are chosen by the Authority.
- Potential investment gains may be offset by account and transaction fees.
- Additional fees apply.

Important Note: Any investment carries risk and none of the funds are exempt from loss. The Authority makes no representation or warranty as to, and assumes no liability for, the design of any of the funds offered or the investment results obtained therein.

Managing Your Account

How can I keep track of my plan account?

To effectively manage your account, you need flexibility and convenient access to your account. The Plan provides these features to help make managing your savings as easy and convenient as possible. Here are the services the Plan offers you:

- To access and manage your account online, go to the T. Rowe Price website at rps.troweprice.com and follow the instructions on the homepage.
- Access your account through the T. Rowe Price mobile app.
- One toll-free number does it all. (800) 922-9945 will connect you to the Plan Account Line (PAL) – the number you can use to get help or information, such as a prospectus for each mutual fund that interests you. If you already have a personal identification number (PIN), you can use the PAL 24 hours a day, any day of the year.

- While the website and the PAL automated phone system offer maximum ease and convenience, there might come a time when you need to speak with a representative. Call (800) 922-9945 and say “representative.” Or, enter your Social Security number and press #, 0. Representatives are available business days from 7 a.m. to 10 p.m. eastern time.

When accessing your account, you can:

- update your beneficiary;
- get your account balance;
- change the amount of your contributions;
- change how future contributions are invested;
- change how your existing balance is invested;
- request information, such as a prospectus;
- track investment performance;
- review your account’s history; and
- get investment and market information.

How do I make changes to my plan account?

Investment changes

You can change the investment of your deferrals at any time. You may elect an investment allocation change which will affect future deferrals, and you may elect an account transfer to move existing funds among the Plan’s investment options. Please note that these transactions are independent of each other.

To make investment changes, just call the Plan Account Line or access your account online. Requests received by 4 p.m. eastern time will be processed the same business day. Requests received after 4 p.m. eastern time will be processed the next business day. Confirmation notices are sent every time you make a change to your account.

Contribution changes

You have the flexibility to increase or decrease your contribution amount monthly. To change the percent of salary you are contributing, or to stop your contributions, just call the Plan Account Line or make your request online. All changes are effective the first pay period of each month, provided your request is received by the 15th day of the preceding month.

If your compensation goes up, the dollar amount of your contribution will increase automatically, unless you request a change in the percentage you are saving.

How do I keep track of my fund’s performance?

Here are some tools that can help you stay informed:

Account statements

T. Rowe Price will send you account statements which summarize your account activity over the calendar quarter, including the performance of the investment options. (Statements are also available on demand.) And, you will receive a newsletter with articles about investing.

Or, you can choose to no longer receive account statements via U.S. mail. Instead, when a new statement is available, you will receive an e-mail to access it online—and a printed copy will not be mailed to you. Any inserts that would have accompanied the hard-copy statement will also be available online.

Why do the returns I calculate using my quarterly account statement differ from the total returns reported by the fund?

A fund company calculates total return by assuming a lump sum is deposited on the first day of the period. When you invest through the Plan, your contributions buy shares each pay period. While the total return of the funds should not be used as a yardstick to measure your own returns, it should give you a good idea of the fund's overall performance for a specific period.

Daily newspaper listings

You can check the daily net asset value (NAV) of most of your investments by looking in the business section of most daily newspapers. The NAV is the price per share at the close of trade on the preceding business day. The column next to the NAV shows the fund's change in price per share since the last NAV listing. The T. Rowe Price investment options can be found in the "mutual funds" section under the heading "Price Funds"; the Dodge & Cox International Stock Fund can be found under the heading "Dodge & Cox Funds". For example, the T. Rowe Price Equity Income Fund is abbreviated as follows:

Equity Income Fund "PRFDX"

The T. Rowe Price Stable Value Fund is designed to maintain a stable share price of \$1.00 and therefore are not listed daily. However, you can call T. Rowe Price for performance information.

Plan Account Line

To receive information or make changes to your investments, call the T. Rowe Price Plan Account Line at (800) 922-9945 anytime, any day. Representatives are available business days between 7:00 a.m. and 10 p.m. eastern time.

Online access

You may also get information about your account and make changes to your investments online through the T. Rowe Price website.

Access to Your Money

What if I need money from my plan account?

Generally, you may not withdraw funds from the 457 plan while you are still employed by NYPA. However, there are certain exceptions discussed below.

Loans

There are times when you might need the money in your account before you retire. You can take a loan from your plan account. Here is some basic information:

- The minimum loan amount is \$1,000.
- The maximum loan amount is the lesser of (1) 50% of the value of your account balance and (2) \$50,000. The maximum loan amount of \$50,000 will be reduced by the amount of any outstanding loans that you may have from the New York State Retirement System, the New York State Voluntary Defined Contribution (VDC) Plan and/or the 401(k) plan. Outstanding Retirement System, VDC Plan and 401(k) plan loan balances must be deducted from the \$50,000 maximum loan amount that may be borrowed from your 457 Plan account. For example:

Current 457 Plan account balance:	\$75,000
Maximum loan amount (50%):	\$37,500

Highest Retirement System or 401(k) plan
loan(s) balance a year ago: \$15,000
457 Plan maximum available loan amount: (\$37,500 - \$15,000) **\$22,500**

- You may have only one outstanding loan at any time.
- Your loan, plus interest, must be repaid within five years, except for primary residence loans, which must be repaid in 15 years.
- Loan repayments will be automatically deducted from your bi-weekly paycheck with after-tax dollars and re-invested in your Plan account according to your current investment allocation. You may pay off your loan, in full, without a prepayment penalty.
- The interest rate is the prime rate published in the Wall Street Journal, plus one percent, at the time of loan application.
- Even though your repayments are made from your after-tax pay, those repayments are taxed **again** when you later withdraw them from your account.
- If you leave your job before you pay back the loan, you must **pay back the entire balance** within 90 days of your date of separation or pay taxes on it.

Retirement or Termination

When can I receive benefits from the Plan?

You can withdraw assets from your account under the following conditions:

- Separation from service, including regular retirement.
- Attainment of age 72, even if you continue to work.
- Unforeseeable emergency—severe financial hardship.
- Withdrawal of small, inactive account.
- Death.

Separation from Service/Retirement/Attainment of Age 72

There are numerous ways in which you may receive your benefit payments. You may take a one-time full withdrawal of your plan account, establish a regular periodic payment of benefits to be paid monthly, quarterly, and semi-annually or annually, take a partial withdrawal of your plan account followed by monthly, quarterly, semi-annual or annual payments, or defer receiving your benefits. As long as there is a balance in your account, you may change your payment option by contacting T. Rowe Price. The following is a brief description of each type of benefit payment.

Benefit Distribution Options

Full Withdrawal—This payment method provides for your plan account to be paid in one lump sum.

Periodic Payments—This option allows you to establish a regular payment schedule of benefits over a fixed number of years, but not to exceed your life expectancy. Your regular payment schedule may be monthly, quarterly, semi-annually, or annually.

If you select a periodic payment option, you should be aware of the following:

- The amount of each benefit payment will be calculated by dividing your account balance on the date of the payment by the number of payments remaining. Depending on the change in the market value of your account, the benefit payment may change with each payment.
- If your account has more than one fund, the periodic withdrawal amount will be pro-rated among each of the funds in your account.

- The period of years over which the payments are made cannot exceed your life expectancy, which is contained in an actuarial table prepared by the U.S. Department of the Treasury.

Partial Withdrawal—This option provides for a partial lump sum payment of your plan account. The remainder may be paid out through regular periodic payments that you select, such as monthly, quarterly, semi-annually, or annually. You may also defer payment of the balance and take additional partial lump sum payments when you need additional funds.

Ability to Change Options

While you are a participant in the Plan, you may change your benefit payment schedule at any time. Benefits can be increased or decreased or additional partial withdrawals may be taken in addition to your regular periodic payments at any time you need additional funds. Up to 12 additional partial withdrawals may be taken each year and each must be at least \$500.

Deferring Benefits

You also have the option to defer receiving your benefits until a later date, but only until you reach age 72. If you chose this option, deferrals must begin no later than April 1 in the calendar year after you become age 72. Each of the benefit payment options previously discussed will be available to you should you choose this deferral.

However, if you defer payments to age 72 your total annual benefit payment must equal or exceed the federal Required Minimum Distribution (RMD). An additional benefit payment will be sent to you in December of any year in which your total periodic payments do not meet or exceed your RMD.

Rollover of Plan Assets to Another Plan

You have the option to roll over your plan assets to another deferred compensation plan, a 401(k) or 403(b) plan, or an Individual Retirement Account. The tax consequences, distribution options, investment options, and participation costs in each plan may differ from the New York Power Authority Deferred Compensation Plan. You are encouraged to examine the requirements and limitations of any plan to which you may contemplate rolling over your plan assets.

Use of Plan Assets to Purchase Retirement Service Credit

You may use your assets to purchase retirement service credit that is permitted by law in the New York State Retirement System. You must obtain documentation from the Retirement System affirming your eligibility to purchase the service credit, and the cost to purchase the service credit. A completed Retirement Service Credit Payment form and a copy of the letter from the Retirement System documenting eligibility to purchase service credit must be received by Human Resources at least 15 days prior to the date that payment is due to provide sufficient processing time. The Plan will liquidate sufficient plan assets to purchase the Retirement System service credit and send the proceeds directly to the Retirement System.

When to Begin Benefit Payments

Once you separate from service, you may choose how and when you would like your benefit payments to begin. The earliest permissible date to receive your initial benefit payment is 45 days after the date you separate from service. You may select any of the previously discussed benefit payment options or defer your benefit commencement to a later date. A deferred benefit commencement date may be changed at any time, but to a date no later than when you become age 72. (See previous discussion.)

How are my benefit payments taxed by New York State?

Benefit payments from the Deferred Compensation Plan made on or after January 1, 2002, are eligible for the New York State income tax deduction applicable to private retirement plans, eligible retirement

plans such as 401(k) and 403(b) plans, and individual Retirement Accounts. To be eligible for this deduction, you must be at least 59½ and the benefit payments must be in the form of periodic payments (non-lump sum payments). The deduction is limited to \$20,000.

Unforeseeable Emergency—Severe Financial Hardship

Federal regulations define an unforeseeable emergency as a severe financial hardship to the participant resulting from illness, accident, or property loss to you or your dependents resulting from circumstances beyond your control. Payments can only be made to the extent that your hardship expenses are not covered by insurance or money available from other sources. If your hardship is approved, you cannot contribute to the Plan for six months.

To qualify for an emergency withdrawal, you must prove that you have used other available savings and liquid assets and any insurance to satisfy the emergency. You must submit proof that you have incurred this financial loss. The Deferred Compensation Plan Committee will determine whether your hardship request complies with the emergency withdrawal guidelines. Your request may be approved for the amount necessary to satisfy the financial emergency.

Since upon distribution you must pay the applicable income taxes, the amount withdrawn to cover the emergency will be a sum, that when reduced by an estimate of such taxes, will leave you with the dollars needed to pay for the emergency. Denials may be appealed to the Committee.

Withdrawal of Small Inactive Account

You may take advantage of a one-time provision to withdraw your contributions if you have an account balance of less than \$5,000 **AND** you have not contributed to the Plan in the last two years **AND** you have not used this Plan provision in the past. If you meet these requirements, you need to complete a Withdrawal of Small Inactive Account form that is available from your local Human Resources office.

Death

If your account has not been fully paid to you prior to your death, the amount remaining will be paid to your named beneficiary, or if you did not name a beneficiary, to your estate. The date when a beneficiary must begin to receive benefit payments and the maximum period over which benefit payments may be made depends on:

- your age at the time of your death;
- whether the beneficiary is your spouse, another individual, or the representative of a non-individual (charity, trust, institution).

Benefit Payment to a Beneficiary Who is Your Spouse

When Must Benefits Begin

If your beneficiary is your Spouse and you had not attained age 72, your Spouse may defer the initial benefit payment to the later of:

- December 31st of the calendar year immediately following the calendar year in which your death occurred, or
- December 31st of the calendar year in which you would have attained age 72.

If you and your spouse had attained age 72, your spouse may delay the initial benefit payment until December 31st of the calendar year immediately following the calendar year in which your death occurred.

How Long May Benefits Be Received

A surviving spouse may receive benefits over a period of time not to exceed the spouse's your life expectancy as determined from an actuarial table prepared by the United States Department of the Treasury.

Rollover Option

A surviving spouse or former spouse may roll over the Plan Account assets to another deferred compensation plan, a 401(a), 401(k) or a 403(b) plan, a traditional IRA or a conduit IRA. The tax consequences, distribution options, investment options, and participation costs in each may differ from the Authority Deferred Compensation Plan.

Rollovers

If you leave the Authority, you have the option to roll over your Plan assets to another deferred compensation plan, a 401(k) or 403(b) plan, or an Individual Retirement Account. The tax consequences, investment options, and participation costs in each may differ from the Authority Deferred Compensation Plan. You are encouraged to examine the requirements and limitations of any plan to which you may contemplate rolling over your Plan assets.

Divorce – Qualified Domestic Relations Order

If under a court's decision or an agreement, an alternate payee (typically your former spouse) has an interest in some or all of your account, a Qualified Domestic Relations Order (QDRO) will need to be filed with the Plan. The QDRO will create a separate account for your former spouse. They will be permitted receive a distribution from the Plan after the separate account is established. A copy of a sample QDRO is available from Human Resources to a lawyer who asks for assistance in preparing an order.

While this is an overview of the Plan, the official Plan Document controls in the case of conflict or ambiguity.