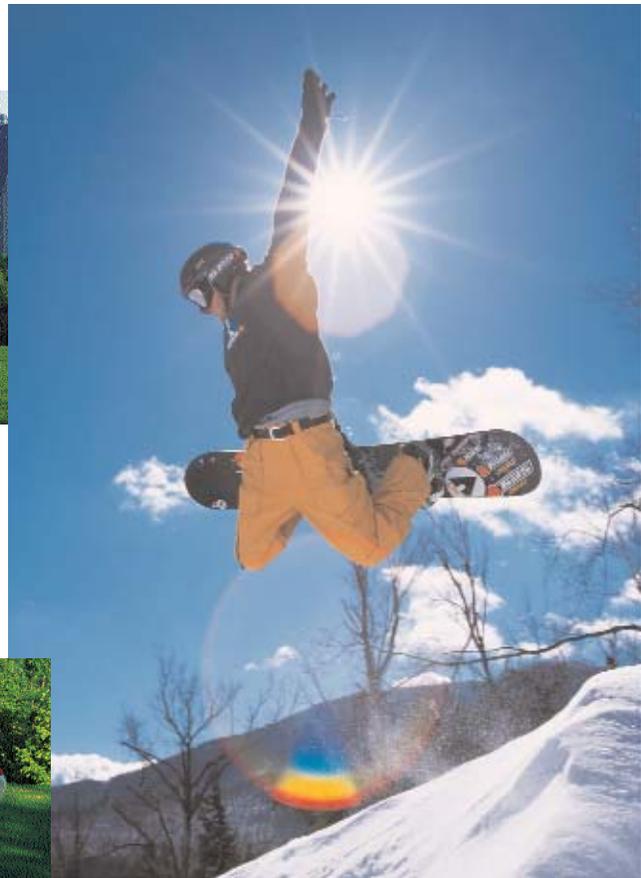


Self Directed Investment Account Handbook

Managing Your Own Investments
Through a Schwab Personal Choice Retirement Account®



New York State
Deferred Compensation Plan

A Plan for Your Future

SELF DIRECTED INVESTMENT ACCOUNT

OFFERED THROUGH SCHWAB PERSONAL CHOICE RETIREMENT ACCOUNT® (PCRA)

INTRODUCTION

The New York State Deferred Compensation Plan (Plan) allows participants to invest a portion of their Plan account assets in mutual funds, other than those offered as core investment options under the Plan, and Exchange Traded Funds (ETFs). This service, known as the Self Directed Investment Account, is provided through the Charles Schwab and Co., Inc. (Schwab) Personal Choice Retirement Account® (PCRA), which is a self-directed investment account.

The Self Directed Investment Account gives you the freedom and responsibility of selecting and managing investments from a much larger universe of mutual funds than is offered under the Plan.

This booklet will help you answer two important questions:

1. Is the Self Directed Investment Account right for me? Later in this booklet there is a series of questions and answers designed to assist you in weighing the factors that you should consider in order to make an informed decision about whether or not to participate in the Self Directed Investment Account.
2. How is the Self Directed Investment Account administered within the Plan?

You will learn:

- How to enroll in the Self Directed Investment Account
- How to transfer funds to and from the Self Directed Investment Account
- The investment options available through the Self Directed Investment Account
- How the Plan and Schwab can help you with transactions through the Self Directed Investment Account

ABOUT THE SELF DIRECTED INVESTMENT ACCOUNT

WHAT IS THE SELF DIRECTED INVESTMENT ACCOUNT?

The Self Directed Investment Account is offered through the Schwab PCRA. PCRA provides you with access to over 3,200 mutual funds and ETFs. PCRA is made available through the Plan, as plan sponsor, and Schwab (member SIPC/NYSE), as the Self Directed Investment Account provider.

A complete listing of the mutual fund options and ETFs available through the PCRA are available online at www.schwab.com or you may contact Schwab's dedicated PCRA Call Center by calling 1-888-393-PCRA. The Plan allows you to direct investments to any of these options, with the exception of mutual funds offered as a core investment option under the Plan and tax-exempt mutual funds.

To be eligible to establish a PCRA, the Plan requires that you have a minimum balance of \$10,000 in the Plan's core investment options (Core Plan Account). Payroll deferrals must continue to be directed into one or more of the investment options within your Core Plan Account. Investments made through your PCRA can be made only after you transfer funds from your Core Plan Account into your PCRA. Your initial transfer into your PCRA must be at least \$2,500. Subsequent transfers into your PCRA will be permitted to the extent that the balance of your Core Plan Account equals or exceeds the balance of your PCRA at the time of the requested transfer. For example, if your Core Plan Account balance equals \$20,000 and your PCRA balance equals \$15,000, you may transfer up to \$2,500 into your PCRA, leaving a

\$17,500 balance in each account at the time of the transfer. Each subsequent transfer into your PCRA must be at least \$500.

HOW IS THE PCRA DIFFERENT FROM THE PLAN'S CORE INVESTMENT OPTIONS?

The difference between the mutual funds offered as core investment options under the Plan and mutual funds offered through the PCRA is that the New York State Deferred Compensation Board (Board) reviews the core investment options (detailed in the Plan brochure entitled, "A Guide to the Plan's Investment Options"). Periodic changes are made to the Plan's core investment options to ensure that participants are provided with a diverse selection of suitable long-term investment vehicles. While the Board will be monitoring the overall Self Directed Investment Account service being offered through Schwab, the Board will not be monitoring or reviewing the over 3,200 mutual funds or ETFs offered through the PCRA.

By establishing your PCRA, you will be managing your own investments. You will have the freedom and responsibility to plan your investment strategy, research the options, monitor fund performance, evaluate the progress of your investments, make adjustments, and initiate changes as needed. You are solely responsible for determining whether a particular investment option is a proper investment for you and your long-term retirement savings goals.

HOW IS THE PCRA DIFFERENT FROM A TYPICAL BROKERAGE ACCOUNT?

The PCRA differs from a typical consumer brokerage account because it is funded only through transfers from your Core Plan Account. You cannot make direct deposits to your PCRA or take Plan withdrawals or receive Plan distributions from your PCRA. If you have any other accounts with Schwab (or another brokerage account provider), such as an Individual Retirement Account (IRA), you cannot transfer assets between your other accounts and your PCRA. Funds invested through your PCRA continue to be regulated by Section 457 of the Internal Revenue Code and the Plan, and all restrictions imposed on your Core Plan Account also apply to any funds transferred to your PCRA.

Also, unlike typical consumer brokerage accounts, the Plan has limited the investment options available through your PCRA to mutual funds or ETFs only. Investments in individual stocks and bonds and the trading of options are not allowed.

WHAT INVESTMENTS ARE AVAILABLE THROUGH THE PCRA?

Through your PCRA, you can invest in over 3,200 mutual funds and Exchange Traded Funds (ETFs). Over 1,100 of these options are available with no loads or transaction fees through Schwab's Mutual Fund OneSource[®] Service. A complete listing of the mutual fund options available through the PCRA is available online at www.schwab.com or you may contact Schwab's dedicated PCRA Call Center by calling 1-888-393-PCRA. The Plan allows you to direct investments in any of these options with the exception of mutual funds offered as a core investment option under the Plan and tax-exempt mutual funds.

WHAT ARE THE COSTS ASSOCIATED WITH PCRA?

Plan Fees

All participants who establish a PCRA will be assessed a one-time \$15 set-up fee and a \$15 annual maintenance fee that will be deducted from the assets in your Core Plan Account immediately after your PCRA has been established. In the future, if your PCRA remains open, the \$15 annual maintenance fee will be deducted from your Core Plan Account each year on the anniversary date of the establishment of your PCRA. These fees are in addition to the semi-annual administrative and asset fee imposed by the Plan for standard Plan services.

The Board may pass through additional fees for participation in the Self Directed Investment Account that may be deducted from your Core Plan Account in the future should there be additional costs associated with the administration of your PCRA.

Schwab Fees

There may be transaction costs associated with your investment in certain mutual funds and ETFs available through your PCRA. Detailed costs of the mutual funds and ETFs offered through the PCRA are available online at www.schwab.com or you may contact Schwab's dedicated PCRA Call Center by calling 1-888-393-PCRA. The over 1,100 mutual funds that are included in the Mutual Fund OneSource[®] Service are available for investment with no transaction fees. However, Schwab will charge \$49.95 for each redemption of mutual fund shares that were bought without transaction fees if such shares are sold ninety days or less from the date purchased. Schwab also reserves the right to assess its standard transaction fees in the future to mutual funds included in the Mutual Fund OneSource[®] Service should short-term trading in certain mutual funds become excessive.

Transaction Fees for Electronic Trades (www.schwab.com, TeleBroker, or Schwab by Phone):

Mutual Funds

\$0.00	No Transaction Fee (NTF) Mutual Funds
\$50.00	Purchase of Transaction Fee Mutual Funds
\$0.00	Sale of Transaction Fee Mutual Fund (see short term trading fees above)

ETFs (Purchased like stock with commission)

\$8.95	Per Transaction, up to 999,999 shares
\$0.00	Per Transaction if ETF is Schwab sponsored

Note: Schwab will charge an additional \$25.00 for any transaction that is broker assisted.

Schwab can offer No Transaction Fee (NTF) funds without fees because Schwab receives payment from the registered investment company and/or its affiliate offering a particular mutual fund for services rendered in connection with the Mutual Fund OneSource[®] Service. This payment is based on the net asset value of certain shares held in Schwab customers' brokerage accounts. Schwab reserves the right to change the mutual funds that are available without transaction fees and included in the Mutual Fund OneSource[®] Service. Some mutual funds, not included in the Mutual Fund OneSource[®] may have sales charges and/or redemption fees. Please read the prospectus for details.

ARE THERE ANY RESTRICTIONS ASSOCIATED WITH THE PCRA?

There are a few restrictions that are imposed by either Schwab or the Plan with regard to the PCRA. These restrictions are as follows:

1. Before you can begin buying mutual funds and ETFs through your PCRA, all transfers from the Core Plan Account must first be deposited into the Schwab Money Market Fund. Schwab will not accept orders for trades until funds are deposited into the Schwab Money Market Fund¹
2. Mutual funds offered as a core investment option under the Plan tax-exempt mutual funds and have been removed from the investment options available to Plan participants and cannot be purchased through your PCRA
3. To establish your PCRA, you must have a minimum balance of \$10,000 in your Core Plan Account. A \$2,500 minimum initial transfer to PCRA is required to establish your PCRA
4. Subsequent transfers from your Plan account will be permitted to the extent that the aggregate balance of your Core Plan Account equals or exceeds the balance in your PCRA at the time of the requested transfer. For example, if the balance of your Core Plan Account is \$20,000 and

¹ Prospectuses containing more complete information including management fees, charges and expenses are available from Schwab. Please read the prospectus carefully before investing. An investment in the Schwab Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Money Market Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Money Market Fund.

the balance of your PCRA is \$15,000, you may transfer up to \$2,500 to PCRA, leaving a \$17,500 balance in each account at the time of the transfer

5. Each subsequent transfer from your Core Plan Account to your PCRA must be at least \$500

WHAT INFORMATION IS AVAILABLE TO HELP ME LEARN ABOUT AND SELECT DIFFERENT INVESTMENTS?

Schwab can provide you with information and resources to assist you in making informed decisions about investing and reaching your financial goals for retirement. Once you open your PCRA, you may contact Schwab's dedicated PCRA Call Center by calling 1-888-393-PCRA or visit Schwab online at www.schwab.com. These resources are available to help you allocate your assets among broad investment categories. This customized analysis will be based on your specific time horizon and tolerance for risk. You may also take advantage of the counseling and educational services provided through Schwab's nationwide network of over 340 retail Investor Centers, including one-on-one counseling about asset allocation, investment seminars, and more. For the location of the Investor Center most convenient to you, please call the PCRA Call Center or visit Schwab's website.

HOW DO I PLACE TRADES THROUGH THE PCRA?

You may place trade orders (buy/sell mutual funds and ETFs) through your PCRA by the same channels that are available to any Schwab retail brokerage customer. You may access your PCRA at Schwab and place trade orders whenever it is convenient for you - day or night² by the following methods:

- On Schwab's Web site at www.schwab.com
- Via touch-tone phone with Schwab's automated TeleBroker® service at 1-800-272-4922
- By calling the dedicated PCRA Call Center staffed by registered representatives of Schwab at 1-888-393-PCRA
- By meeting with a Schwab Investment Specialist at more than 340 Schwab offices located nationwide

However, before you can begin placing trade orders through your PCRA, you must first fund your PCRA by transferring funds from your Core Plan Account to your PCRA. Transfers from the Core Plan Account will automatically be deposited into the Schwab Money Market Fund. Once the transfer is complete and the funds are deposited into the Money Market Fund, you may place an order with Schwab to trade into any other mutual fund or ETF option available through your PCRA, other than mutual funds offered as a core investment option under the Plan and tax-exempt mutual funds. When you transfer funds back into your Core Plan Account, you will need to sell sufficient shares of the mutual fund(s) held through your PCRA to fund the transfer. These assets will automatically be reinvested in the Schwab Money Market Fund where they will be available to transfer to your Core Plan Account.

ARE PLAN WITHDRAWALS OR DISTRIBUTIONS AVAILABLE FROM THE PCRA?

All withdrawals and distributions from the Plan, including amounts invested through your PCRA, are subject to the requirements of Section 457 of the Internal Revenue Code and the Plan. Withdrawals and distributions can only be processed by the Plan and must be made from the Core Plan Account. PCRA balances cannot be directly accessed for withdrawals or distributions.

Once you begin a distribution from the Plan, you will be required to maintain a minimum balance in your Core Plan Account that is sufficient to cover the total of one year's periodic payments. For example, if you are receiving a periodic payment of \$1,000 per month, you will be required to maintain a balance in your Core Plan Account of \$12,000. If sufficient assets are not available in your Core Plan Account to cover the periodic payments, you will be notified by the Plan to transfer assets back into your Core Plan Account. If you fail to take this action, the Plan will automatically liquidate assets from your PCRA to transfer back into your Core Plan Account.

² Access to Electronic Services may be limited or unavailable during periods of peak demand, market volatility, systems upgrading, maintenance, or other reasons.

Is PCRA RIGHT FOR YOU?

Ask yourself the following questions to see if you should invest a portion of your Plan account assets through the PCRA.

1. Am I looking for investment choices that are not offered under the Plan to provide additional diversification for my Plan account?

With a PCRA, you have over 3,200 additional mutual fund options and Exchange Traded Fund options to help you enhance your existing personalized retirement portfolio beyond the core investment options available under the Plan.

2. Do I have the time, investment know-how and the interest in researching a large listing of investment options to determine which ones are appropriate for my long-term investing needs?

While it can take some time to review the Plan's core investment options to determine which ones are best for you, reviewing thirty-four choices takes less time than reviewing over 3,200 choices. With so many options available through PCRA, making well-informed investment decisions will take considerable time and investment knowledge. You will need to carefully research the mutual fund options and ETFs to identify and choose what will best fit your investment strategy. As a result of an increased investment portfolio, you will also need to spend more time closely monitoring investment performance to ensure that you are meeting your long-term investment objectives.

By establishing your PCRA, you will have access to a variety of educational resources offered by Schwab to assist you in your investment decisions. To most effectively utilize these resources, however, you should have a sound familiarity with investments, a developed personal interest in keeping up with the market and its trends, and the ability to stay focused on your long-term investment and retirement goals.

Schwab imposes transaction fees on certain mutual funds available through the PCRA and some options have loads or 12b-1 fees. Exchange Traded Funds will have a commission. Please refer to Schwab's Web site at www.schwab.com or you may contact Schwab's dedicated PCRA Call Center by calling 1-888-393-PCRA for details regarding transaction fees.

3. Am I comfortable with risk?

Although the Plan's core investment options cover the spectrum of risk categories from conservative to aggressive growth, some mutual funds and ETFs available through the PCRA are inherently more volatile, such as sector funds. The Board has chosen not to offer these type of funds in the Plan's core investment options because of the high level of risk and the possibility that the potential for investment loss will not be completely understood by participants.

Your level of investment expertise and the amount of research that you are willing to undertake will help you develop and manage a strategy that best meets your risk profile, whether it be high, moderate, or low risk. When investing through the PCRA it is your responsibility to choose the investment vehicles that best meet your objectives and your risk tolerance. The risks of investing in particular mutual funds and ETFs are described in the fund prospectus that you should read before investing.

4. Can I stay invested for the long-term?

PCRA, like any retirement plan investment, is a long-term commitment that can allow you to build a nest egg for the future. The PCRA may not be appropriate if you are planning on beginning a distribution from the Plan in the near future.

CHOOSING PCRA

If you answered “yes” to these four questions, then the PCRA may be right for you. With access to Schwab’s numerous products and services to help you make investment decisions, the PCRA makes sense for the investment-savvy individual who:

- Is looking for flexibility from a greatly expanded array of investment choices
- Enjoys taking a greater role in selecting and monitoring investments to create a more diversified and personalized retirement plan portfolio
- Is comfortable with risk within a long-term strategy

HOW TO GET STARTED

HOW TO OPEN YOUR PCRA

It’s easy to open your PCRA. Here’s how.

1. Complete and sign the Self Directed Investment Account Application (Self Directed Investment Account Participation Agreement - Memorandum of Understanding) form and the Schwab PCRA Limited Power of Attorney form (LPOA).

The LPOA form opens your PCRA and gives you the authority to trade among the mutual funds and ETFs offered through your PCRA, except mutual funds offered as a core investment option under the Plan and tax-exempt mutual funds. The Self Directed Investment Account Application form (Self Directed Investment Account Participation Agreement - Memorandum of Understanding) also must be read and signed to ensure that you are aware of and understand the additional restrictions that will be imposed on your PCRA by the Plan. Both forms are found in this enrollment package.

2. Send the signed forms in the enclosed return envelope to:

New York State Deferred Compensation Plan
Administrative Service Agency
PO Box 182797
Columbus, OH 43218-2797

Please allow ten days for normal mail delivery and processing time. As soon as your PCRA is set up, Schwab will send you a PCRA Welcome Kit containing:

- Your PCRA account number
- An outline of Schwab’s services and capabilities
- Information on how to place trade orders and choose investments
- Detailed guides for placing orders online at www.schwab.com or through the automated phone service using TeleBroker®
- A sample brokerage statement which illustrates your PCRA opening and closing balance, trade activity, and investment gains/losses for the previous quarter

HOW TO FUND YOUR PCRA

Before you are able to place trades through your PCRA, you will need to fund your PCRA with assets from your Core Plan Account. Transfers into your PCRA must be initiated through the Plan either by calling the HELPLINE at 1-800-422-8463 or the Plan’s VRU at 1-800-422-8463 or by visiting the Plan’s website at

www.nysdcp.com. If you initiate your transfer by 4:00 pm Eastern Time on normal business days, the transaction will be processed at that day's closing share price. If initiated after 4:00 p.m. Eastern Time or on non-business days, the transfer will be effective as of the next business day's closing share price. Your transferred assets will be deposited directly into the Schwab Money Market Fund at the closing share price for the business day following the business day on which the initial transfer was completed. This will result in your assets being "out of the market," or not invested, for two business days.

Transfers between your Core Plan Account and your PCRA and vice-versa require two steps, both of which you must initiate separately.

Step 1. Transfer your funds from your Core Plan Account to your PCRA and these funds will be automatically invested in the Schwab Money Market Fund.

Step 2. Direct a trade (using the funds in the Schwab Money Market Fund) to purchase an investment through your PCRA.

Conversely, when you need to move money back to your Core Plan Account, you first must transfer funds into the Schwab Money Market Fund. Transactions from your PCRA will result in your investments being "out of the market" for two business days.

The following tables illustrate when each step becomes effective if you request a transfer from your Core Plan Account to your PCRA or vice versa *by 4:00 pm Eastern Time* on normal business days.

<i>TRANSFERS FROM THE CORE PLAN ACCOUNT TO THE PCRA</i>	
<i>Transaction</i>	<i>Effective</i>
Day 1 - Contact the Plan to direct a transfer from your current investment option(s) within the Core Plan Account to your PCRA	Day 1 – Funds are liquidated from the selected investment option(s) within your Core Plan Account at Day 1's closing share price and transferred to Schwab
Day 2 - Transfer is received and deposited into your PCRA and automatically invested in the Schwab Money Market Fund	Day 2 - Schwab credits your PCRA account as of Day 2's closing share price (resulting in the transferred funds being out of the market between Day 1 and Day 2)
Day 3 - You may place trades, by contacting Schwab, to invest your PCRA balance held in the Schwab Money Market Fund to other mutual fund options	Investments made at Day 3's closing price

TRANSFERS FROM THE PCRA BACK TO THE CORE PLAN ACCOUNT

Transaction	Effective
Day 1 - Contact Schwab to have funds transferred from your investment option(s) within your PCRA to the Schwab Money Market Fund	Day 1 - Funds are liquidated from the PCRA investment option(s) per instructions and transferred to the Schwab Money Market Fund
Day 1 - Contact the Plan to request that funds be transferred back into your Core Plan Account	Day 1 - Information transmitted to Schwab to liquidate assets in the Schwab Money Market Fund per instructions
Day 2 - Assets in the Schwab Money Market Fund are liquidated to fund the transfer to the Core Plan Account (balance in the Money Market Fund must be sufficient to fund transfer)	Day 2 - Schwab liquidates the Money Market Fund at Day 2's closing share price (resulting in balance being out of the market between Day 1 and Day 2)
Day 3 - The Plan receives assets and invests in the investment option(s) within the Core Plan Account per instructions	Day 3 - Investments made at Day 3's closing share price (resulting in balance being out of the market between Day 2 and Day 3)

CHOOSING INVESTMENTS IN YOUR PCRA

WHAT INVESTMENTS ARE AVAILABLE THROUGH YOUR PCRA?

You may choose from over 3,200 mutual funds and Exchange Traded Funds, including 1,100 funds with no loads or transaction fees through the Schwab Mutual Fund OneSource[®] Service. Mutual funds offered as a core investment option under the Plan and tax-exempt mutual funds are not available in your PCRA.

HOW TO DECIDE WHAT INVESTMENTS TO CHOOSE

In the PCRA Welcome Kit that will be sent to you after your PCRA is opened, you will receive information on a variety of resources available to help you make investment decisions.

For example, you will find information on:

- Asset Allocation Assistance
You may contact the PCRA Call Center at 1-888-393-PCRA (7272) or visit Schwab online at www.schwab.com for help allocating your assets between broad investment categories. This customized analysis is based on your time horizon and tolerance for risk.
- Making Investment Decisions
Schwab also offers a wide variety of aids to help you select investments within each investment category including:

The Mutual Fund Select List[®],³ prepared in association with Morningstar, Inc., is an easy-to-read, quarterly recap that helps pinpoint historically high-performing mutual funds available through Schwab. Of course, past performance is not a guarantee of future results.

³ Prospectuses containing more complete information including management fees, charges and expenses are available from Schwab. Please read the prospectus carefully before investing. An investment in the Schwab Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Money Market Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Money Market Fund.

Mutual Fund OneSource® Online allows you to view, compare, and match funds to your investing criteria.

For prospectuses containing complete information including management fees, charges, and expenses, please call Schwab at 1-800-435-4000. Please read the prospectuses carefully before you invest.

Research on Request™ provides objective research on more than 14,000 publicly traded companies. (Please note that, although you are not able to trade in individual securities through your PCRA, this research ability is still available through Schwab and may be beneficial to you for any other trading you may do with assets invested outside of the Plan).

INVESTING IN & MANAGING YOUR PCRA

ABOUT TRADING THROUGH YOUR PCRA

Once your PCRA is initially funded, you can place trade orders (buy/sell) for any of the mutual funds and ETFs available through your PCRA at any time. Please be aware that your PCRA is considered a “cash up-front” account. This means that for buy orders, you must have sufficient cash in your PCRA to complete the trade at the time that you place the order. Transfers from the Core Plan Account must be completed and deposited into the Schwab Money Market Fund before buy orders can be placed for investment in the other mutual fund options available through your PCRA. For sell orders, you must have a sufficient number of shares of the mutual fund(s) or that you wish to sell in your PCRA to complete the trade at the time that you place the order. Schwab then places the sale and automatically invests your proceeds in the Schwab Money Market Fund. The funds are held in the Money Market Fund until you make another investment or transfer the funds back to your Core Plan Account.

Additionally:

- The purchase of certain mutual funds available through PCRA may be subject to initial and subsequent investment minimums. For example, many mutual funds have initial investment minimums of \$1,000. Further information about the requirements of any mutual fund that you decide to invest in, is available online at www.schwab.com or you may contact the Schwab PCRA Call Center at 1-888-393-PCRA (7272).

HOW TO TRADE THROUGH YOUR PCRA

You can place trades through your PCRA by the following methods:

- Go online at www.schwab.com
- Access Schwab’s automated touch-tone telephone service, TeleBroker®, at 1-800-272-4922, anytime, day or night, 7 days a week⁴
- Call the PCRA Call Center anytime, day or night, 7 days a week at 1-888-393-PCRA (7272)⁵ and place a trade with a registered Schwab representative
- Visit one of Schwab’s more than 340 branches nationwide and work with a local investment professional

Choose the self-directed method with which you are the most comfortable. More details about these methods will be found in the Welcome Kit mailed to you by Schwab after you open your PCRA.

⁴ Schwab’s short-term transaction fee will be charged on redemptions of mutual funds (except SchwabFunds®) bought through Schwab’s Mutual Fund OneSource® Service (and certain other mutual funds) with no transaction fee and held for 90 days or less. If you pay a transaction fee to purchase a mutual fund, you will pay a transaction fee when you sell it as well. Schwab reserves the right to change the funds we make available without transaction fees and to reinstate fees on any funds. Schwab receives remuneration from participating fund companies. Please visit Schwab online at www.schwab.com or you may contact Schwab’s dedicated PCRA Call Center by calling 1-888-393-PCRA for more details regarding these and other transaction fees assessed by Schwab.

⁵ Access to Electronic Services may be limited or unavailable during periods of peak demand, market volatility, systems upgrading, maintenance, or other reasons.

HOW TO TRACK YOUR PCRA INVESTMENT PERFORMANCE

You will have access to with easy-to-understand tools to help you monitor your investments.

From Schwab, you will receive:

- Quarterly PCRA statements detailing your PCRA activity and performance. Monthly statements also are sent whenever you execute a transaction during that time
- Trade confirmations that will be mailed whenever you make a trade in your PCRA
- Online access to the last three months of activity in your PCRA at www.schwab.com
- Telephone access through PCRA Call Center at 1-888-393-PCRA (7272) for detailed information on investments in your PCRA

From the Plan, you will receive:

- Written confirmation of transfers between your Core Plan Account and your PCRA
- Quarterly Plan statements reflecting your total Core Plan Account balance, including the aggregate balance of your total investments through your PCRA

WITHDRAWALS & DISTRIBUTIONS FROM YOUR PCRA

WITHDRAWALS AND DISTRIBUTIONS CAN ONLY BE MADE FROM YOUR CORE PLAN ACCOUNT

All withdrawals and distributions from your Core Plan Account, including the amounts invested through your PCRA, are subject to the requirements of Section 457 of the Internal Revenue Code and the Plan. Withdrawals and distributions can only be processed by the Plan and must be made from the Core Plan Account. PCRA balances cannot be directly accessed for withdrawals or distributions and cannot be transferred to any other brokerage account.

Once you begin receiving a distribution from the Plan, you will be required to maintain a minimum balance in your Core Plan Account that will be sufficient to cover the total of one year's periodic payments. For example, if you are receiving a periodic payment of \$1,000 per month, you will be required to maintain a balance in your Core Plan Account of \$12,000. If sufficient assets are not available in your Core Plan Account to cover the periodic payment, you will be notified by the Plan to transfer assets from your PCRA back into the Core Plan Account.

If you fail to take this action, the Plan will automatically liquidate assets from your PCRA and transfer those assets back to your Core Plan Account.

If automatic liquidations from your PCRA account are made, they will be processed as follows:

- Assets will be liquidated first from the Schwab Money Market Fund, then from other Mutual Funds OneSource[®] Service money market funds, redeeming first from those funds with the highest balance
- Assets will be liquidated next from the Mutual Fund OneSource[®] Service options that have been held for more than 90 days, redeeming shares first from those fund(s) with the highest balance
- Assets will be liquidated then from the Mutual Fund OneSource[®] Service options that have been held for less than 90 days, redeeming shares first from those fund(s) with the highest balance, and finally
- Assets will be liquidated then from the balance in any other mutual fund(s) according to the highest balance.
- Assets will be liquidated then from the balance in any Exchange Traded Funds.

Brochures are available from the Plan's HELPLINE to describe and explain the Plan's withdrawal and distribution requirements.

HOW TO CLOSE YOUR PCRA

You may close your PCRA at any time. When you are ready to close your PCRA, contact Schwab to liquidate your mutual fund holdings held through your PCRA. Upon settlement of this transaction, Schwab will transfer your proceeds to the Schwab Money Market Fund and then you must authorize the transfer of these funds back to your Core Plan Account by either calling the Plan's HELPLINE or VRU or by visiting the Plan's website. The transfer from the Money Market Fund back to the Core Plan Account is not automatic and will not take place without your instructions to the Plan.

TAKING THE NEXT STEP

This booklet gives you an informative overview of the PCRA and its workings.

If you feel a PCRA is an appropriate investment option for you, please complete and submit signed original copies of the required Schwab LPOA form and Self Directed Investment Account Application form included in this enrollment package and return both forms to the Plan in the enclosed envelope.

Once you open your PCRA, please contact the Schwab PCRA Call Center at 1-888-393-PCRA (7272) for answers to any further questions about your PCRA.

If you have additional questions about how a PCRA would work as a part of your investment strategy in the Plan, please contact the Plan's HELPLINE at 1-800-422-8463.

Plan Mission Statement

The New York State Deferred Compensation Plan is a voluntary retirement savings plan that provides quality investment options, investment educational programs and related services to help State and local public employees achieve their retirement savings goals.

Administrative Service Agency

Mailing Address:

New York State Deferred Compensation Plan

Administrative Service Agency

PO Box 182797

Columbus, OH 43218-2797

Phone:

Toll Free (800) 422-8463

Available 24 hours a day. Personalized assistance is available 8 a.m. to 11 p.m. Monday through Friday and 9 a.m. to 6 p.m. on Saturdays, except holidays.

TTY/TDD services are available toll-free

(800) 514-2447 — 24 hours a day.

Web Site:

www.nysdcp.com

New York State Deferred Compensation Board

Empire State Plaza Concourse-North, Room 124

Albany, NY 12220

(518) 473-6619

The NYSDCP does not discriminate on the basis of disability in the provision of service or employment. If you need this material interpreted in a different form or if you need assistance using it, contact us at (800) 422-8463.

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The New York State Deferred Compensation Plan is a State-sponsored employee benefit for State employees and employees of participating employers.

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