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## What's New

### Financial Wellness Education

The NDC sponsored Annual Financial Education Days were held October 19 – 23, 2015. The response was overwhelming: nearly 1,000 government employees participated in a series of financial wellness workshops at different locations across the State via the Internet. The NDC Administration will provide financial wellness education throughout 2016. The format will be expanded to full days, offering multiple opportunities to learn about Deferred Compensation, PERS, Social Security, PEBP, HSAs, health insurance planning into retirement, estate planning and preservation, long-term care planning, budgeting, debt reduction and other valuable employee assistance programs for active and retired government employees offered through the State of Nevada.

### Farewell to NDC Committee member Brian Davie

Together with Governor Sandoval's office and a multitude of other employees across the State of Nevada, NDC expresses much gratitude and appreciation to Brian Davie for more than 12 consecutive years of service and commitment to the Nevada Deferred Compensation Program. One of the longest serving members in the history of the NDC Program, Mr. Davie was appointed to the committee in 2003. He was the Legislative Services Officer and head of the Las Vegas Office of Nevada's Legislative Counsel Bureau before retiring in summer of 2014. We thank Mr. Davie for his dedicated service.



### Plan deferral limits in 2016

The Internal Revenue Service announced the annual deferral limits on 457(b) plan accounts will [remain unchanged in 2016](#). However, the [IRS raised the income limits in 2016](#) for individuals eligible for the Saver's Credit.

### Two new NDC Committee members

NDC is happy to announce that Governor Sandoval has appointed Dr. Kent Ervin and Audrey Brooks-Scott as the newest members of the NDC Committee, pursuant to NRS 287.325.

Kent Ervin, Ph.D., is a professor who teaches undergraduate and graduate level courses and conducts research in the chemistry department at the University of Nevada, Reno. Awarded a University of Nevada, Reno Foundation Professorship for 2009-2012, he was named Clemons-Magee Professor of Chemistry in 2013. An elected member of the faculty senate, he has served as chair and member of the faculty senate's Salary & Benefits Committee. Since 2006, he has been a faculty representative on the NSHE Retirement Plan Advisory Committee, which advises the Chancellor on defined contribution retirement plans for the Nevada System of Higher Education.



Audrey Brooks-Scott is an Administrative Services Officer II for the Department of Conservation and Natural Resources. During her 14 years of state service, she has also worked with the Department of Corrections, Department of Business and Industry and the Public Employees Benefit Program. Earlier in her career, she was a bank loan and investment officer and an office manager for hotels, retail outlets and an engineering firm. Ms. Brooks-Scott serves as the Northern Nevada Mentor for Women's

### NDC Committee and Staff

#### Committee

Karen Oliver, Chair, GCB  
Steve C. Woodbury, GOED  
Mark Stevens, Retired  
Kent Ervin, Ph.D., NSHE  
Audrey Brooks-Scott, DCNR

#### Staff

Rob Boehmer, Program Coordinator  
Micah Salerno, Administrative Assistant  
Shane Chesney, Sr. Deputy Attorney General

### Questions?

#### Contact

Rob Boehmer  
NDC Program Coordinator

775-684-3397

email: [rboehmer@defcomp.nv.gov](mailto:rboehmer@defcomp.nv.gov)

Voya®: 1-866-464-6832

### Upcoming Meetings

Annual planning meeting  
Thurs., Jan. 14, 2016 — 9 a.m.

Quarterly meeting  
Thurs., Feb. 25, 2016 — 9 a.m.

### Three ways to enroll

If you are interested in saving for retirement and have not enrolled in the Nevada Deferred Compensation Program, choose any of these convenient ways to get started now.

[Meet with your Voya local representative.](#)

Call toll free 1-866-464-6832 or 775-886-2400 to set up an appointment to

Money, a nonprofit organization created to educate women of all ages about money management.

***In closing, all of us here at NDC wish you and your family a wonderful and joyous holiday season and New Year.***

review your personal situation and complete the forms.

**Enroll online.**

Follow the two-step process after you [click here](#).

**EZ Enrollment.**

Visit the NDC website to download and complete the [EZ Enrollment Form](#) and fax it to the NDC office.

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## NEW TO THE PLAN

# Take control of your financial life with a budget

Want to hold onto more of your hard-earned money? A budget can help.

The word “budget” strikes fear or boredom in the hearts of many. But it’s really not that hard. Anyone can create and stick to a budget.

### Tally money in and money out.

List your income and everything you spend for a month. If that sounds overwhelming, just try a week and go from there. Be honest about what you spend, from bills to bubblegum.

### Divide your expenses into buckets.

Once you see where your money is going, decide what is a “want” and what is a “need.” Outline essential spending categories like rent, food, utilities and loan payments. Then put your fun extras in categories like entertainment and hobbies.

### Make a plan.

Add up the money you have coming in and subtract your expenses. Ideally you should have a balanced budget, with enough income to cover your expenses each month. If it turns out you’re spending more than you’re making, it’s time to look for ways to cut back. Are there any small changes you could make to free up a few dollars here and there to help build a cash cushion or save toward retirement? Set a monthly limit for each bucket and stick to it.

### Track it.

What makes a budget work is checking it at the end of every month to help you continue spending less than you make. Knowing exactly where you stand with your finances can help you use credit cards less, stay out of debt and save more.



## A potential tax credit on Plan contributions

You may be eligible to claim a tax credit on your 2015 and 2016 federal tax returns for up to half of the first \$2,000 you save in a retirement account each year if your adjusted gross income does not exceed these limits. For more information, go to [www.irs.gov](http://www.irs.gov) or contact your tax adviser.

	Tax year 2015	Tax year 2016
Single, married filing separately, qualifying widow(er)	\$30,500	\$30,750
Head of household	\$45,750	\$46,125
Married filing jointly	\$61,000	\$61,500

## ACTIVELY PARTICIPATING IN THE PLAN

### Contribution limits remain the same in 2016

The Internal Revenue Service (IRS) made no change in the limits on the amounts participants may contribute in 2016. The combined total of your contributions to the traditional 457(b) plan and the Roth 457(b) option cannot exceed these limits in 2016.

Maximum Annual Contribution	\$18,000
Maximum including Age 50+ Catch-Up	\$24,000
Maximum including Three-Year Special 457(b) Catch-Up	Up to \$36,000

If you're at least age 50 in 2016, you are allowed to contribute an extra \$6,000 with the Age 50+ Catch-Up, for a total of up to \$24,000. And if you are within three years before the year in which you will reach Normal Retirement Age as defined in the NDC Program and you have not contributed as much as the IRS limits permitted you in prior years, you may be eligible to contribute up to \$36,000 with the Special Three-Year Catch-Up.

Since the Special Three-Year Catch-Up takes into account your prior contributions, please contact your local representative at 1-866-464-6832 or 775-886-2400 to calculate the amount available to you.

If you are close to retiring, you might consider updating your deferral agreement to contribute all or a portion of your final payout of unused sick, annual and/or comp time (to the extent permitted under the IRS maximum limit) to offset the greater tax liability associated with this type of supplemental income received in the year that you terminate employment.

Remember, if you are eligible for both catch-up options, in the same tax year, IRS rules provide that you cannot use both in the same tax year. However, you may use the option that lets you defer the greater amount.

### Is your NDC account's beneficiary up-to-date?

Whoever you name as your beneficiary will receive your NDC account balance in the event of your death.

It's smart to review your choice from time to time, especially if you've had a major life change like a divorce, the birth of a child or a death in your family. Keeping your beneficiary updated ensures the right people will get your money.

To check or change your beneficiary, log into your account. Select **My Account**, then **Personal Information**, then **Beneficiary Information**. For the **Beneficiary Designation Form**, go to <http://defcomp.nv.gov>.

Attention all retirees, future retirees  
or former government employees!

NDC has  
gone paperless



You can continue to receive our quarterly newsletter and other important NDC correspondence if you are a retired or former government employee (or soon to be) via our secure electronic system.

Here are the three easy ways to subscribe:

1. [Subscribe on our website](#)
2. [Email us](#)
3. Call us at the office 775-684-3398

Subscribing to paperless newsletters and correspondence helps us save money for all NDC account holders by decreasing the Program's operating expenses.

If you do not have access to email correspondence, you may contact our office to request a paper newsletter. Once you give us your mailing address, you will automatically receive the newsletter by mail every quarter.

Thank you for continuing to stay up-to-date on the NDC Program after you separate from service.

## NEARING RETIREMENT

### What you should know about risk

Risk doesn't mean the same thing to everyone.

It's important to understand that different types of investments involve different risks and returns. Generally, investments with higher risk tend to offer higher potential for return. Lower risk investments usually yield lower returns.

Your ability to handle risk is closely related to your personal circumstances, including your age, income, the amount of time left for investing before you expect to retire, confidence in investing and attitude toward short-term market volatility.



Market risk is the one everyone knows about. This is the possibility that an investment will lose value in the short term. But investing too conservatively to avoid market risk introduces a different risk: outliving your retirement assets.

All investments involve some degree of risk. While you can't eliminate it, two strategies can help you minimize risk: diversification and asset allocation. Diversification involves spreading your NDC account balance among investments in more than one asset class and owning different types of investments within an asset class. Asset allocation is deciding what percentage to invest in an asset class and how to divide it within an asset class.

A well-diversified portfolio could help you withstand the risks caused by short-term outlook, recession, prosperity and interest rate changes. An investment mix with some options with higher growth potential could help to reduce the risks of inflation and running out of savings.

Of course, using diversification or asset allocation as part of your investment strategy does not assure or guarantee better performance and may not protect against loss in declining markets. Past performance does not guarantee future results.

Since you are close to retiring, you may want to meet with your local representative to talk about risk and your NDC account's investments. Call at 1-866-464-6832 or 775-886-2400 to set up an appointment.

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## ENJOYING RETIREMENT

### Understanding your NDC account withdrawal options

#### Stay in the plan

If you are not ready to make a decision, take your time: there's no immediate deadline. In fact, all of your money can stay in your NDC account until April 1 following the year in which you reach age 70½ or quit working, whichever happens later. At that point, you will begin IRS Required Minimum Distributions (RMDs).

By postponing withdrawals, you can continue to take advantage of the NDC Program's benefits: possibly lower costs, a wide choice of investment options, planning and investing tools, professional advice services, personal assistance from local representatives and the convenience of managing your NDC account online and by phone.

Developing a withdrawal strategy for your NDC account is a critical part of retirement planning.

You'll want to think about your financial situation based on your age and all potential sources of income, including any benefits that you may be eligible to receive from pensions, Social Security, your NDC account and other retirement plan accounts.

You'll also want to consider the tax consequences of different withdrawal options, perhaps with help from a qualified tax or financial adviser. The amount of federal and state income taxes (if applicable) withheld from your NDC before-tax deferral account withdrawals will depend on which payout option you select.

If you are eligible and want to make a withdrawal, call [Voya®](#) at 1-866-464-6832 for help with comparing your options and to request the forms to complete.

With the NDC Program, you pay no withdrawal fees. As long as there is a balance in your account, you can change your withdrawal option any time,

unless you elected an annuity payment option.

Here is a brief list of your choices:

- Receive payments monthly, quarterly, semi-annually or annually until your account balance is exhausted.
- Take a partial or total lump sum withdrawal.
- Receive a predictable stream of monthly income for as long as you live using the annuity option.
- Roll over all or a portion of your NDC account eligible amounts (that meet IRS rules) to another 401, 403(b) or governmental 457(b) plan in which you participate or to a traditional or Roth Individual Retirement Account or Annuity (IRA). Consider your personal financial situation and compare your options for differences in cost, benefits, charges and other important features before you roll over assets.
- Transfer all or a portion of your NDC account eligible amounts (that meet IRS rules) to another eligible governmental 457(b) plan that accepts transfers.
- Receive only the annual Required Minimum Distribution each year after age 70½.



*The Voya® family of companies does not offer legal or tax advice. You should consult with a tax advisor or legal attorney before making financial investment-related decisions.*



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Phone 775-684-3397 | Fax 775-684-3399 | <http://defcomp.nv.gov>

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