



NJSEDCP

State Employees Deferred Compensation Plan

Your Future in Focus

Learn About the Benefits of Plan Rollovers

How Consolidating Your Retirement Savings Can Put Your Future in Focus

When it comes to planning for retirement, as a participant in the **New Jersey State Employees Deferred Compensation Plan (NJSEDCP)**, you probably want to make it as easy as possible for yourself. That's why you might want to consider learning about the benefits of rolling your retirement plan balances from other eligible plans into your NJSEDCP account.

The benefits of consolidating are *many*

When you consolidate your retirement assets, you'll enjoy these benefits:

- Easier management of your retirement strategy—and your retirement savings
- Monitoring your retirement savings progress can be faster and easier when dealing with only one retirement plan account
- Greater convenience—just *one* statement to review, *one* website to visit, *one* toll-free number to call, and *one* point of contact when assistance is needed
- Greater access to personalized assistance—Prudential retirement counselors are available to meet with you onsite
- Potentially lower costs—unlike some IRAs and other retirement plans, the NJSEDCP has no account or custodial fees. Plus, the investment options in the NJSEDCP may have lower expense ratios than options you can invest in on your own
- Asset allocation made easy—choosing investments is easy with GoalMaker®—the optional asset allocation program that is available to NJSEDCP participants at no additional cost.* Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market.
You can lose money by investing in securities
- Flexibility—when the time comes to take a distribution, the plan offers various choices, including a lifetime income option

What kinds of retirement account assets can you roll over to the NJSEDCP?

The NJSEDCP accepts rollovers from:

- Other 457 plans
- IRAs**
- 401(a) plans
- 401(k) plans
- 403(b) programs

** Pre-tax IRA assets are eligible for rollovers into the plan. Check with your current provider for any applicable surrender or transfer fees.

To learn more about rollovers, be sure to contact your retirement counselor.

* Please be aware that any assets moved out of the state-managed investment options may not be reinvested in those options in the future. This includes assets that are moved as part of a rebalancing request, such as would occur with a GoalMaker enrollment or any rebalancing election. If you choose GoalMaker or any form of rebalancing, your existing account balance in the four prior investment options (DCP Money Market Fund, DCP Bond Fund, DCP Equity Fund, and DCP Small Cap Equity Fund) will be automatically redirected into your chosen portfolio on the same business day that you enroll. If you have selected GoalMaker or auto-rebalancing, your account will automatically rebalance at the end of each quarter thereafter. If you wish to maintain all or part of your balances in these four investment options, you are prohibited from using GoalMaker or any rebalancing feature.

Another Way to Diversify: Roth Contributions

When it comes to retirement planning, you've probably heard financial professionals say that it's important to diversify your investments. While that is true, there's *another* way to diversify—through the types of contributions that are made to a retirement plan account.

You probably know that you have two ways to contribute to the NJSEDCP:

- Traditional pre-tax contributions; and
- After-tax Roth contributions

But do you know about the benefits of after-tax Roth contributions?

The advantages of making Roth contributions

- Roth contributions made today can provide tax-free income at retirement.*
- Roth contributions and Roth IRAs provide similar tax benefits; however, contribution limits for Roth contributions to the NJSEDCP are higher.
- Even if you choose to make Roth contributions, you may still be eligible to contribute to a Roth IRA—as long as you can satisfy the Roth IRA contribution rules.
- The combined maximum total of your pre-tax and after-tax Roth contributions to the NJSEDCP is \$18,000 in 2017. This maximum total amount increases to \$24,000 if you are age 50 or older, and up to \$36,000 if you are eligible to make Special 457 Catch-up contributions.
- After-tax Roth contributions are invested in your NJSEDCP account, as are before-tax contributions. But Roth money is tracked separately from pre-tax money, and will appear as a separate item on your quarterly NJSEDCP statement.

Be sure to consider the benefits of diversifying your plan contributions. Visit prudential.com/njsedcp to learn more about Roth contributions by clicking on “Roth After-Tax Contributions” under “About Your Plan.”

* In order for distributions to be made from a Roth 401(k) free of penalties and federal income taxes, your Roth 401(k) must have been established at least five tax years before the withdrawal and your distribution must be: a) made on or after the date you attain age 59½; b) made to your beneficiary or your estate after your death; c) attributable to your being disabled; or d) taken because you are a qualified first-time home buyer (lifetime limit of \$10,000).

What are Roth after-tax contributions?

Roth contributions combine the savings and investment features of a traditional deferred compensation plan with the tax-free distribution features of the Roth IRA.

Instead of having all of your contributions deducted from your paycheck *before* taxes, you can designate some or all of those contributions to be put aside as *after-tax* Roth contributions.

And, if you satisfy certain plan and tax law requirements, the Roth money you withdraw at retirement—including any earnings—won't be taxable.

There's No Time Like the *Present*

To check your beneficiary designation

One commonly overlooked aspect of an individual's retirement plan account is the beneficiary designation. The beneficiary designation indicates the person (or entity, such as a trust) who should receive the money in a participant's NJSEDCP account if something should happen to him or her.

Checking your beneficiary designation regularly—at least once a year—can help you ensure that the person who you *want* to receive the money in your plan account will *actually receive it* in the event that you pass away.

Life is full of change. And sometimes, that means your beneficiary designation needs to be changed. Be sure to review yours *today*.

What can happen when a beneficiary designation is not up to date

By law, upon a plan participant's death, the plan administrator is required to pay the account proceeds to the beneficiary on file. *But that may not be the person you would have wanted to receive your NJSEDCP account balance.*

That's why it's so important that you check your beneficiary designation on a regular basis: to make sure the *right* person receives your account balance.

How to Change a Beneficiary Designation*

Online	Using a Beneficiary Designation Form
<ol style="list-style-type: none"> 1. Visit prudential.com/njsedcp. 2. Click on "Access My Account" in the upper right-hand portion of the screen and log in to the account. 3. Click "Personal Information" under View Details on the left. 4. Click "Change or Add" under Beneficiary Information on the right. 5. Update and confirm the beneficiary information. 	<ol style="list-style-type: none"> 1. Visit prudential.com/njsedcp and click on "Forms" under the "What You Can Do Now" tab. 2. Then click on "Beneficiary Change" under Administrative Forms to download the form. 3. Complete and mail the form to Prudential.

* If the plan participant is married and wants to name someone other than the spouse as primary beneficiary, the participant must complete and return a notarized Spousal Consent form.

Your Prudential Retirement Counselor

The in-person assistance you can rely on

Retirement planning is an ongoing process. And when it comes to your retirement planning journey, you can count on the assistance of your Prudential retirement counselors. Their goal is to help you get the retirement planning answers you need. Be sure to contact one of your counselors *today*.

Region	Retirement Counselor	Phone	Email address
North Jersey	Rocco Attanasio	609-571-5532	rocco.attanasio@prudential.com
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Division of Pensions and Benefits	Joseph Dancho	609-480-6105	joseph.dancho@prudential.com

Plan information can be obtained by calling toll-free at **866-NJSEDCP (866-657-3327)** or visit prudential.com/njsedcp.

Withdrawals, except for qualified withdrawals from a Roth 401(k), are generally taxed at ordinary income tax rates. Neither Prudential Financial nor any of its affiliates provide tax or legal advice for which you should consult your qualified professional. Qualified Roth distributions are federally tax free, provided the Roth account has been open for at least five tax years and the owner has reached age 59½, has died or has become disabled. Qualified Roth distributions may be subject to state and local income tax.

GoalMaker is an optional tool and available at no additional cost. GoalMaker's model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. Past performance of any investment does not guarantee future results. Prudential Financial encourages participants to consider their other assets, income and investments when enrolling in the GoalMaker program. We also recommend participants periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their investment objectives, risk tolerance and retirement time horizon.

Retirement counselors are registered representatives of Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company.

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