Whether you have left the workforce or have simply changed employers, it is important to protect the money you have saved in your New York University 457(b) Deferred Compensation Plan so it can continue working for you.

Safeguard your money
Now that you have left New York University, it is time to think about what you will do with your Deferred Compensation Plan account balance.

If you take no action, you will receive a lump-sum cash payment of your entire account balance on or about March 1 of the year following the year in which you separated from service. This payment has significant tax implications, so it is important for you to spend a few minutes to review your options so you can make the best decision for your future.

Vanguard can help
Need help choosing a distribution option? Call a Vanguard Participant Services associate at 800-523-1188 Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time. Our associates can discuss your options with you and, based on your circumstances, offer guidance to help you choose the option that is best for you.
Your distribution options

To take control of your savings, elect how and when you will receive payment of your account balance. Review your distribution options, then obtain a distribution form from The Benefits Office at New York University. Return the completed form by e-mail to benefits@nyu.edu or by mail to The Benefits Office at New York University, 105 East 17th Street, New York, NY 10003.

Choosing a date for your payment

You can receive your payment, or start payments, on a specific date that is no earlier than March 1 of the year following the year in which you separated from service. For example, if you separate from service on December 1 of this year, the distribution start date you choose can be no earlier than March 1 of next year.

To choose a specific date, you must make your election no later than January 31 of the year following your separation of service.

The distribution method

You have the following distribution options:

• **Leave your money in the plan.** You can defer payment or the start of payments until a specific date. The IRS requires that you begin taking distributions no later than April 1 following the calendar year in which you will reach age 70½.

  **Note:** After choosing this option, you can make a onetime, irrevocable election anytime prior to 60 days before the commencement date to further defer payment or the start of payments.

• **Transfer your money to another employer’s plan.** If the plan permits, you can transfer your account balance to another employer’s 457(b) tax-exempt private plan. This option enables you to keep your money tax-deferred.

  **Note:** Rollovers to IRAs, 403(b) plans, or other employer-sponsored retirement plans are not permitted.
• **Receive your money in cash as a lump sum.** This choice has significant tax implications. You will be responsible for paying any federal, state, local, or foreign taxes on a distribution. To the extent required by law, Vanguard will make the appropriate withholding for tax purposes.

• **Receive your money in cash in regular installment payments.** You can receive your savings in quarterly, semiannual, or annual installments paid over a specified number of years (up to 20 years).

• **Receive your money as a joint and survivor annuity.** You can use the money in your account to purchase a fixed or variable annuity that will pay you income for life and continue payments to your spouse in the event of your death.

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**Unforeseeable emergency withdrawals**

You may be eligible to make a partial withdrawal from your account for a severe financial emergency, including an illness or accident involving you or your spouse, child, or dependent, or for the loss of your property because of a casualty. Other financial emergencies beyond your control might also qualify. If you experience a financial emergency and wish to withdraw money, contact Vanguard.
Frequently asked questions

Q. Can I leave money in the plan?
A. Yes. You must make your election to defer no later than January 31 of the year after your separation of service.
   Keep in mind that after you elect to defer payment, you can make a onetime, irrevocable election anytime prior to 60 days before the commencement date to further defer payment or the start of payments.

Q. Do I have to make required minimum distributions (RMDs) from this plan?
A. Yes. If you defer payment of your account balance, you must begin making RMDs from your account no later than April 1 following the calendar year in which you will reach age 70½. If you are already receiving installments, you can adjust your payments to meet RMD requirements.

Q. Can I roll over my money to an IRA or 403(b) plan?
A. No. You can, however, transfer your money to another employer’s 457(b) tax-exempt private plan, if that plan permits. That would enable you to keep your money tax-deferred.

Q. Can I receive some of the money in cash and leave the rest?
A. No. Unless you are eligible for an unforeseeable emergency withdrawal or request installment payments, you must receive your entire account balance when you request a distribution.

Q. How will my payment be taxed?
A. Distributions from the New York University 457(b) Deferred Compensation Plan are taxed as wages. If money is paid to you in cash, you will be responsible for paying any federal, state, local, or foreign taxes on a distribution. To the extent required by law, Vanguard will make the appropriate withholding for tax purposes.
   Talk to your tax or financial adviser before taking a cash payment.
**Q. What is an annuity?**

**A.** An annuity is an insurance product designed to provide a steady stream of income in retirement. You can use all or part of your Deferred Compensation Plan balance to purchase an annuity through an insurance provider.

There are two main types of annuities:

- **Fixed annuities** let you receive regular income payments at a fixed rate.

  Fixed annuities are unaffected by fluctuations in the investment market, guaranteeing that you receive a steady stream of income. However, once you purchase the annuity, you will lose access to the money you originally invested. In addition, the purchasing power of your payments will be diminished by inflation unless you choose an annuity that offers cost-of-living adjustments.

- **Variable annuities** provide some control over investment choices. When you purchase a variable annuity, you can choose the underlying investment options (typically stock, bond, and money market fund investments).

  Because a variable annuity is affected by the investment market, your payments can fluctuate. That means you would earn higher payments when the market is up, but you risk receiving reduced payments when the market is down. Like fixed annuities, a variable annuity restricts access to the amount you paid at the time of purchase.

Keep in mind that all investing is subject to risk, including the possible loss of the money you invest. Bond funds are subject to the risk that an issuer will fail to make payments on time, and that bond prices will decline because of rising interest rates or negative perceptions of an issuer’s ability to make payments.

Deferred annuities are long-term vehicles designed for retirement purposes and contain underlying investment portfolios that are subject to market fluctuation investment risk, and possible loss of principal.
Q. What is the difference between installments and annuities?

A. Installments are scheduled payments of your account balance. Your money will remain invested in your plan account and gradually be paid to you for a specified time. While you have a balance in your account, you can continue to make investment changes. However, the amount you receive per payment will not change and the payments will stop once your account is depleted.

Annuities are insurance products designed to guarantee income in retirement.* You can use the money in your account to purchase an annuity that will provide a steady stream of income. However, access to your money is limited once you have purchased the annuity.

Talk to your financial advisor to discuss which option is best for you.

Q. What will happen to my account when I die?

A. If you die before receiving payment of your account, your money will be paid as a lump-sum cash distribution to the primary beneficiary or beneficiaries you named.

Be sure to keep your beneficiary information up to date. Note: You must make separate beneficiary designations for each account you have at Vanguard.

To update your beneficiary information, follow these simple steps:

1. Log on to your account at vanguard.com.
2. Click My Profile. (If you have multiple accounts at Vanguard, you may need to select Employer plans first.)
3. Click Beneficiaries.

If you have not yet registered for secure online account access, do so today at vanguard.com/register. You will need to provide your plan number: 078006.

*Product guarantees are subject to the claims-paying ability of the issuing insurance company.
A word about Vanguard

Vanguard is one of the world’s largest investment management companies, serving individual investors, institutions, employer sponsored retirement plans, and financial professionals. As you weigh your distribution options and investment decisions, you may want to stay with Vanguard, a company you already know and trust for an unwavering focus on clients, exceptional value, and plain talk.

You can contact Vanguard at vanguard.com or call 800-523-1188 to learn more about what Vanguard can do for you.

Connect with Vanguard®
retirementplans.vanguard.com > 800-523-1188

For more information about Vanguard variable annuity products, call 800-522-5555 to obtain fund and variable annuity contract prospectuses. To obtain a prospectus for a fund in your plan, call 800-523-1188. Investment objectives, risks, charges, expenses, and other important information about the product are contained in the prospectuses; read and consider the prospectus information carefully before you invest. You can also download Vanguard fund and variable annuity contract prospectuses at vanguard.com.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at $1 per share, it is possible to lose money by investing in such a fund.