

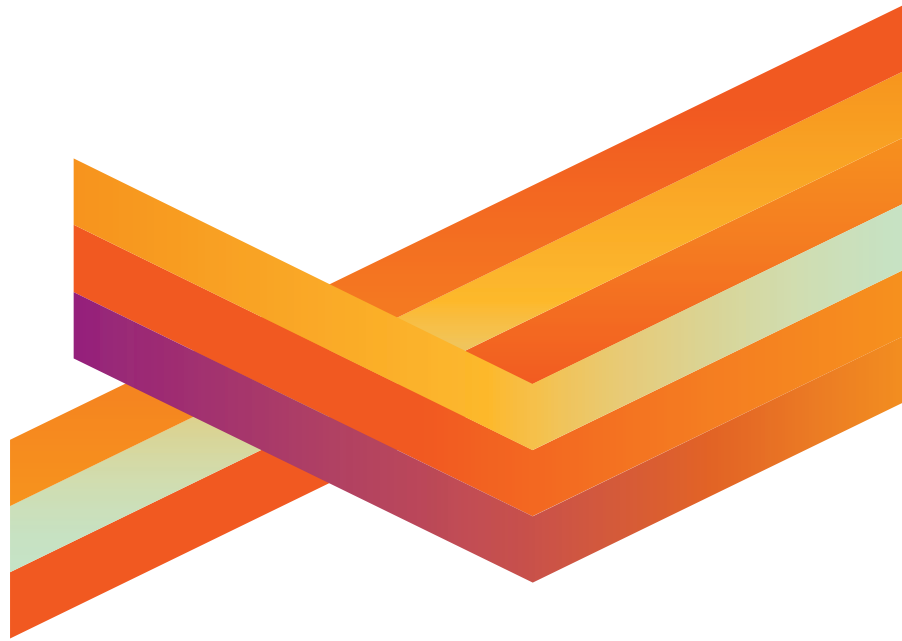


# The Deferred Compensation Plan

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VOYA FINANCIAL ADVISORS

**VOYA**<sup>®</sup>



Every day, you make it  
easier for your clients to  
plan for their future.

# Shouldn't you expect the same from your broker-dealer?

The Deferred Compensation Plan (“DCP” or “the Plan”), a nonqualified deferred compensation plan, allows you to defer receipt of a portion of your commission and fee income, thereby reducing your current income tax liability. Gains or losses credited to the amounts you defer accumulate on a tax-deferred basis until you receive distributions from the DCP.

# Got questions?

## We have answers.

### Who is eligible to participate?

You are eligible to participate in the DCP for the 2020 plan year if:

- You are a registered representative of Voya Financial Advisors, and
- Your gross income<sup>1</sup> is greater than \$250,000, and you qualify as a Premier Partner. The eligibility requirements for a plan year may be changed in future years.

### Once I'm eligible to enroll in the plan, can I actively participate every year?

You may continue to be an active participant in the DCP as long as you continue to meet the eligibility requirements stated above (or as changed in future years) and you complete the annual enrollment process on time. If you are a participant in the Plan and do not fulfill the eligibility requirements in a subsequent year or years, or you do not elect to participate in the DCP, you will be an inactive participant in the Plan. While you are an inactive participant, you retain all rights under the DCP with respect to amounts that were previously deferred, but you will not be permitted to defer any additional amounts until the beginning of the first plan year for which you once again satisfy the Plan's eligibility requirements in effect at that time and you complete the annual enrollment process on time.

### When and how do I enroll?

If you are currently participating in the DCP, your deferral election will terminate as of the end of the calendar year. Each year that you are eligible to participate and decide to participate in the DCP, you will need to enroll during the open enrollment period. You will only have this opportunity once a year during this period.

If you are a new hire, you have 30 days from your date-of-hire to enroll. If you don't enroll in the DCP by the deadline, you will have to wait for the following year's enrollment period.

### How much can I defer?

You can defer—in whole percentages—commission and fee earnings that would otherwise be paid to you during the plan year. You must defer at least one percent of your commission and fee earnings and may defer up to a maximum of 25 percent of this income or \$100,000, whichever is less.

Deferral elections are irrevocable and will remain in place for the entire plan year. You may only make changes to deferral elections during each annual enrollment period.

### The value of deferral

Deferring your compensation provides a number of advantages:

- Because deferred amounts are not paid or payable to you, you reduce your current federal and state income tax liability. Income taxes are not due on deferred amounts until they are distributed to you.
- You increase your savings. The income you defer can be used for retirement or to meet other future needs.

<sup>1</sup> Includes commissions and fees earned from the sale of securities products, insurance products or advisory services for which your broker-dealer firm acted as broker-dealer, insurance agency or registered investment advisor.

# Sound good?

## Here's what happens if you decide to participate.

### Your deferral account

Once you begin participating in the DCP, Voya Financial Advisors will establish an account in its books to keep track of the amount you defer. This account will be a book-keeping account only. To comply with federal income tax rules, no assets will be held, invested or otherwise set aside or earmarked to fund the payment owed to you.<sup>2</sup> Instead, the amount payable to you will be paid to you out of the broker-dealer's general assets. You will have a non-forfeitable ("vested") interest in all deferral amounts credited to your account and in all notional earnings and losses attributable to such deferral amounts.

### Account credits

Contributions allocated to accounts will be credited with tax-deferred investment gains or losses based on the performances of notional investment options you elect from a menu of mutual fund options designated by the Plan Committee for this purpose. You will be able to choose from a variety of mutual funds to be used as "investment benchmarks" for your account. The fund choices can be viewed in the broker-dealer information section of Voya SmartWorks® or by visiting the plan administrator's website. The investment choices may be changed by the Plan Committee in the future. You may change the investment fund allocations for new contributions and/or transfer existing balances between investment funds at any time, up to six times during the plan year.

### Valuation of accounts

The valuation date for the DCP is each business day on which the New York Stock Exchange is open for trading. As of any valuation date, the amount credited to your account will equal the sum of your deferrals of commission and fee earnings<sup>3</sup> as adjusted to reflect the gains earned or losses incurred by the investment benchmarks you selected. A report, which provides information on your account status, will be sent to you at least quarterly. See the Plan document on the broker-dealer's website for additional details.

### Plan administration

Renaissance Benefit Advisors will provide the day-to-day administrative functions of the Deferred Compensation Plan.

They bring expertise and knowledge in the administration of nonqualified plans. Renaissance Benefit Advisors will provide:

- Annual enrollment materials
- Confirmation statements
- Daily record keeping
- Quarterly account statements
- Internet access
- Plan support

<sup>2</sup> Since the Plan is a nonqualified plan, the Company is not obligated to purchase or maintain assets to fund the benefits promised. Benefits are payable as they become due, irrespective of investments the Company might make to meet its obligations. Such investments, if any, remain at all times the sole property of the Company. Any reference to investments is solely for calculating benefits promised.

<sup>3</sup> Voya Financial Advisors reserves the right in the Plan document to make discretionary Company contributions. No Company contributions will be made at this time.

# How and when will my account balance be paid?

Generally, your account will be paid to you in the time and manner you select when you make your deferral election. You can elect to receive a distribution of your account balance, less any applicable taxes and other deductions, in a lump sum or in quarterly installments over a period of up to 15 years. In certain cases, however, payment will be made in accordance with the terms of the Plan and without regard to your election. Specifically:

- If your participation in the DCP is terminated due to your resignation or involuntary termination as a financial professional of Voya Financial Advisors, your unpaid vested account balance, less any applicable taxes and other deductions, will be paid as soon as is practical following your resignation or termination in one of the following ways:
  - » **Separation Account Distributions**  
Amounts credited to your Separation Account, plus any earnings or losses, are payable to you no later than 75 days following your separation from service. Your Separation Account is paid in a lump sum or quarterly installments for up to 15 years as you elect. If no form is elected, accounts are paid in a lump sum.
  - » **In-Service Account Distributions**  
In-Service Accounts allow you to accumulate money for a stated number of years while you are employed. Payments begin no later than 75 days following January first of the year you elect. In-Service Accounts are paid in a lump sum or quarterly installments for up to 15 years as you elect. If no form is elected, accounts are paid in a lump sum. A separate In-Service subaccount is established for each time and form of distribution you elect.
- If you have any In-Service Accounts remaining at your separation that have not begun payout, those accounts are paid in a lump sum no later than 75 days following your separation.
- If you started to receive quarterly distributions from any of your accounts prior to your termination, those accounts will continue to payout quarterly installments according to your installment payout election.
- If your participation in the DCP is terminated for permanent disability and your unpaid account balance is not more than \$10,000, your unpaid account balance, less any applicable taxes and other deductions, will be distributed to you in a lump sum payment as soon as is practical following such termination.
- If you die before your account balance is fully distributed, the unpaid portion, less any applicable taxes and other deductions, will be distributed in a lump-sum payment to your beneficiary as soon as is practical after your death. You may also distribute your account over time to your beneficiary. A special election must be initiated through MyDeferral, and the election must be on file for at least 12 months prior to your passing, otherwise the payout reverts to a lump sum. Your beneficiary designation must be on file at the time of your death to be effective. If you do not designate a beneficiary, payment will be made pursuant to the terms of the Plan document.
- If you incur severe financial hardship (as defined by IRC Section 409A) resulting from extraordinary and unforeseeable events beyond your control and do not have any other funds available from which you can alleviate that hardship, you may, if the Plan Committee in its sole discretion approves your request, receive a distribution of the amount needed to alleviate the hardship.
- If you wish to postpone the distribution of an account, or if you wish to change the form of payout, you must submit a change election to the Plan specifying when you want your account distributed. The election must meet the following requirements imposed by IRC Section 409A to be effective:
  - » The first payment may not be earlier than five (5) years after the original distribution date;
  - » The election will not take effect until the date that is one year after the election is made, provided you continue to be a registered representative of Voya Financial Advisors on that date; and
  - » The election is made at least one year prior to the originally scheduled payment date.

If your new distribution election does not meet all of the requirements of IRC Section 409A, it will not be effective and distribution will occur on your original distribution date and in the form originally elected or pursuant to the terms of the Plan, whichever date is earlier.

### Tell me more about my plan benefit

Your benefits under the Plan represent an unsecured and unfunded promise by Voya Financial Advisors to pay your account balance at the time payment becomes due to you. The payment of that balance is subject to the risk of insolvency or bankruptcy of Voya Financial Advisors.<sup>4</sup> In addition, your account balance is subject to the risk of losses resulting from market fluctuations in the investment benchmarks you elect to have applied to your account.

### Other information you should be aware of

Amounts payable to you from the Plan may only be paid to you or your beneficiary. Your account may not be assigned or alienated and the rights to payments under the DCP are not subject in any manner to sale, transfer, assignment, pledge, encumbrance, attachment or garnishment by any of your creditors, and any attempt to do so will be null and void and of no effect.

Notwithstanding the foregoing, amounts payable by the DCP may be used to satisfy amounts you owe Voya Financial Advisors at the time distribution may otherwise be made to you.

The Plan will be administered and operated in accordance with applicable legal requirements at all times, including, but not limited to, IRC Section 409A.

This program is governed by the Voya Financial Advisors Deferred Compensation Plan document, as amended in the future. If any provisions of this booklet contradict the Plan document, the Plan document provisions prevail.

The Plan may be amended, modified or terminated at any time, with, or without notice by Voya Financial Advisors.

<sup>4</sup> Amounts payable under the Plan are not guaranteed by Voya Financial Advisors or another Voya entity.

**For more information please contact:**

Voya Financial Advisors, Inc.  
699 Walnut Street, Suite 1000  
Des Moines, IA 50309-3975  
800.356.2906  
VoyaFinancialAdvisors.com



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