

TO: EMPLOYEES GETTING READY TO RETIRE

The deadline is approaching for those employees retiring Mid-Year 2013 who want to take advantage of 457 Traditional Catch-up provision.

You should submit your 457 Traditional Catch-up application to Savings Plus ASAP but no later than 45 business days prior to your separation.

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### 2013 Contribution Limits

| Tax Year | 401(k)/403(b) Annual Limits | 457 Annual Limits | Total    |
|----------|-----------------------------|-------------------|----------|
| 2013     | \$17,500                    | \$17,500          | \$35,000 |

Want to contribute more?

- **Age based deferral** – If you're age 50 or older, you can contribute an additional \$5,500 for a total of **\$23,000 per plan for 2013**. This enables you to shelter 2013 taxable income up to \$46,000.
- **457 Catch-up** – If eligible, you can contribute up to double the annual limit to your 457 plan, **\$35,000 in 2013**. If approved, you can participate three years prior to your Normal Retirement Age. You can't participate in Age Based Contributions and Traditional Catch-up to your 457 Plan at the same time.

### Traditional Catch-up Provision

If your vacation lump sum pay will exceed the maximum limits that you can defer for this year (see chart above) you may want to take advantage of the 457 Traditional Catch-up provision. The Catch-up provision allows you to catch-up for prior years where you didn't contribute the annual maximum. If you're eligible, you may contribute twice the 457 annual limit, up to the amount underutilized in prior tax years while working for **your current employer**. You can't take advantage of the additional Age-Based Contribution in the 457 Plan if you participate in Traditional Catch-up.

### **What you Need to Do:**

- ***Fax*** a completed Traditional Catch-up Application **and W-2s** for the year(s) you're claiming as underutilized to Savings Plus **45 business days prior to separation**. (Log in to your secure account at [Savingsplusnow.com](http://Savingsplusnow.com)) If you don't have access to a fax, **mail your application to Savings Plus at least 45 days prior to separation**.
- Savings Plus will review your completed application. Savings Plus will send your Catch-up Approval Letter and Calculation Worksheet.
- You must attach the Catch-up Approval Letter and Calculation Worksheet to your Transfer Lump-Sum Separation Pay Application and submit both forms to your Personnel Office. **Because we expect a high volume of retirements, we recommend you submit your application thirty business days prior to your final day of employment.**

### **Important Things to Keep in Mind about Catch-up**

- You can't participate in Catch-up if you're already retired.
- If your combined contributions to your 401(k) and 457 Plans for the year plus the value of your lump sum payment don't exceed the annual limits, you don't need to participate in Catch-up.
- Complete all sections of the Traditional Catch-up Application. Missing information delays processing.
- Normal Retirement Age is between age 50 and 70 1/2. You can participate in Catch-up during the last three years PRIOR to your Normal Retirement Age.

### **Questions?**

Contact your Personnel Office or call Savings Plus at (855) 616-4SPN (4776) to speak to a customer service representative Monday – Friday 7:00 a.m. – 7:00 p.m. PT.

Visit our website at [www.savingsplusnow.com](http://www.savingsplusnow.com)