

## **Ventura County Section 457 Special Catch-Up Provision**

### **What is the Special Catch-Up provision?**

The “Special Catch-Up” refers to the Internal Revenue Code regulations that allow for a participant within three calendar years of their normal retirement age to make additional contributions over the normal maximum contribution to their 457 plan in order to make up for years in which they were eligible but under-contributed.

### **What does “under-contributed” mean?**

It means that in prior years you were eligible to contribute to the Plan but did not, or you contributed less than the maximum for which you were eligible, and have an unused balance to “catch-up” on. For example, if you contributed \$10,000 in a year you were eligible to contribute \$15,000, you have an unused balance of \$5,000 to “catch-up” on.

### **How do I determine my under-contributed deferral amount?**

In order to determine the amount you have under-contributed contact the Deferred Compensation Program either by phone at 805/654-2620 or by e-mail at [deferred.compensation@ventura.org](mailto:deferred.compensation@ventura.org). The County of Ventura maintains payroll records showing each employee’s unused balance back to 1989. You are unable to use any unused balance amounts from other government entities that you may have worked for in the past.

### **What restrictions apply to Catch-up?**

Catch-up is a once-in-a-lifetime privilege. It may be utilized during the three years ending prior to the Plan’s normal retirement age as described above. Once the normal retirement age has been designated for purposes of using the “catch-up” provision it becomes irrevocable. You may participate in the “catch-up” for not more than the 3 consecutive calendar years ending prior to your designated normal retirement age. Should you decide not to utilize one of the years, it may not be made up later. You cannot participate in Catch-up during the taxable calendar year in which you retire, only in the three taxable calendar years prior to your designated normal retirement age. Remember, under IRS regulations you can only participate in one catch-up program at a time. While enrolled in the Special Catch-Up” you are not able to participate in the Baby Boomer catch-up in the 401(k) plan.

### **How much can I defer under the Special Catch-Up?**

The amount that you are able to defer under the “Special Catch-Up” period is a combination of the regular contribution limit for the year plus amounts under-contributed to your 457 plan in earlier years, up to a maximum of double the normal contribution limit in effect for that calendar year. While participating in the “Special Catch-Up” you may contribute any portion of the maximum allowed. You are not required to contribute the full amount, nor are you required to use the provision for the full three years. Each year while you are participating in the “Special Catch-Up” you determine whether or not you wish to contribute the maximum allowed. However, the one-time election is irrevocable. Once you begin the “Special Catch-Up” you have those three years to make the additional contributions. At the end of the catch-up period you are no longer eligible to participate in this provision.

### **When can I use the “Special” catch-up provision?**

You must declare a retirement age using the enclosed form. The age that you choose must be one in which you are eligible to receive benefits from the defined benefit plan (Ventura County Employees Retirement Association). You may designate any age between age 50 and 70 ½ as your normal retirement age. This election will determine the three-year period during which you are eligible to make “Special” catch-up contributions.



**What is “ Normal Retirement Age”?**

A range of ages designated by the participant ending no later than 70 ½ and beginning no earlier than the age at which the participant is eligible to retire from the County of Ventura. The following table illustrates normal retirement ages for the Ventura County Employees Retirement Association and your eligibility for catch-up.

VCERA MEMBERSHIP	Eligible for Retirement at:		Eligible for Catch-Up at (3 years prior to Normal Retirement):
	Age	Years of Service	
Regular	50	10	47 years old and 7 years of service
Safety	50	10 or	47 years old and 7 years of service
	Any age	20	Any age and 17 years of service

**What if I say I am going to retire in three years and end up retiring later?**

This would not affect your Catch-up contributions. You only need to be within three years of your designated Normal Retirement Age to make Catch-up contributions, even if in fact you retire at a later date.

**Once I elect to participate in the Catch-up is my deferral election automatically adjusted to the higher amount needed to maximize my increased 457 contribution limit?**

No. You must increase your contribution amount either by calling Fidelity at 800-343-0860 or logging onto <http://plan.fidelity.com/ventura>.

**Once I finish my three years of Catch-up, will my higher deferrals automatically stop?**

No. You must reduce your contribution amount either by calling Fidelity at 800-343-0860 or logging onto <http://plan.fidelity.com/ventura>.





## Ventura County Section 457 Plan Special Catch-up Enrollment Form

Employee ID#:	Last Name:		First Name:
Hire Date:	Years of County Service:		E-Mail Address:

I hereby designate age \_\_\_\_\_, which I will attain in the year \_\_\_\_\_, as my Normal Retirement Age for the purpose of using the “Special Catch-Up” provision. I understand that:

- This age determines the three-year period during which I am eligible to make “Special Catch-Up” contributions.
- At this age, I must be eligible to receive pension benefits.

**BY MY SIGNATURE BELOW, I UNDERSTAND THAT:**

1. Under section 457 (b) if the Internal Revenue Code, I am eligible to participate in the Special Catch-Up (Catch-Up) if I am within the last three taxable calendar years ending prior to my elected Normal Retirement Age, and I have not contributed the maximum I was eligible to defer in prior years.
2. The Catch-Up period is the three consecutive calendar years ending prior to the calendar year in which I reach my elected normal retirement age. Therefore, I cannot participate in the Catch-Up during the year in which I reach that normal retirement age. Furthermore, I may commence Catch-Up at any time during an eligible calendar year; however, whether I start at the beginning or at the end of the year, that year counts as a full catch-up year. If I cease my Catch-Up deferrals at any time during the eligibility period, I cannot restart Catch-Up again under this Plan or any eligible section 457(b) plan.
3. The amount deferred in any of the three consecutive calendar years cannot exceed the lesser of double the normal maximum deferral limit or the maximum I am allowed according to the County payroll records (which may be less than catch-up limit based in deferral history).
4. I understand that I am responsible for setting my contribution amount, and a higher contribution amount will not automatically stop once the Catch-Up three year period is over.
5. I cannot make both Baby Boomer Catch-Up and Special Catch-Up contributions in a single year.
6. That while participating in the Catch-Up I am not eligible to participate in the Baby Boomer Catch-Up provision, and can only contribute up to the regular limit in the 401(k) Plan.
7. I can only participate in Catch-Up once, whether under this Plan, or any other eligible section 457(b) plan. By my signature below, I hereby certify that I have never participated in Catch-Up under this Plan or any other eligible section 457(b) plan.
8. I understand that this election is irrevocable after I begin using the “Special Catch-Up” provision.

The Plan’s Administrator has determined, based on County payroll records, that I have not utilized the maximum deferral allowed under the County of Ventura Section 457 Plan and have further determined that the total amount that was not utilized from prior taxable years ( my “Unused Balance”) is: \$\_\_\_\_\_ .

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Plan Administrator

\_\_\_\_\_  
Date