

CATCH-UP INFORMATION PACKET



Under Section 457 of the Internal Revenue Code and ORS 243.400-243.495, the Oregon Savings Growth Plan is authorized to allow participants who are approaching retirement to defer more than the normal allowed annual limit. There are two ways to increase your deferrals. One method allows you to increase your savings beginning at age 50 (50-Plus Catch-Up); the other allows you to make up missed deferrals from prior years (3-Year Catch-Up). All participants who are at least age 50 are eligible to use the 50-Plus Catch-Up, while certain restrictions apply to the 3-Year Catch-Up. Please contact the OSGP office at 503-378-3730 with any questions before completing either form.

3-Year Catch-Up

WHO CAN USE THE 3-YEAR CATCH-UP PROVISION?

Individuals who have not deferred the maximum regular deferral amount allowed in prior years and who are planning to retire with unreduced retirement benefits.

WHEN CAN THE 3-YEAR CATCH-UP PROVISION BE USED?

Individuals who have not deferred the maximum regular deferral amount allowed in prior years and who are planning to retire with unreduced retirement benefits.

WHAT IS THE MAXIMUM I CAN DEFER EACH YEAR UNDER THE 3-YEAR CATCH-UP?

During your three 3-Year Catch-Up years, your deferral is double the normally allowed annual deferral limit. The limit includes any amount you want to catch-up, as well as your normal deferrals.

Year	Regular Deferral Maximum	3-Year Catch-Up Deferral Maximum (Includes regular deferral and catch-up)
Current	\$16,500	\$33,000

Note: Deferral and catch-up amount may be adjusted in the future for inflation.

HOW DO I DETERMINE MY NORMAL RETIREMENT AGE?

For purposes of 3-Year Catch-Up, your “normal retirement age” is any age you select that is no later than the date you reach age 70½, and no earlier than the earliest age you can retire with unreduced benefits from your retirement system with your current employer. For example, under PERS, unreduced benefits can be attained as follows:

- **General service employees:**

- Tier 1: When retiring at age 58 or with 30 years of service (regardless of age).
- Tier 2: When retiring at age 60 or with 30 years of service (regardless of age).
- OPSRP: When retiring at age 65 or at age 58 with 30 years of service.

- **Police and fire employees:**

- Tier 1 and 2: When retiring between age 50 and 55 with 25 years of service, at age 55 (regardless of years of service), or with 30 years of service (regardless of age).
- OPSRP: When retiring at age 60 or at age 53 with 25 years of service.

- **Judges:**

- When retiring at age 65 under Plan A or at age 60 under Plan B. *(Dates are used for illustrative purpose only.)*

Example A (general service):	Based on years of service
Employee’s age:	51 (2011)
Years of service:	26
Eligible for unreduced benefits:	In 2015, age 55 with 30 years of service

This employee could use the 3-Year Catch-Up during the years 2012 (27 years of service), 2013 (28 years of service), and 2014 (29 years of service).

Example B (general service):	Based on years of service
Employee’s age:	54 (2011)
Years of service:	20
Eligible for unreduced benefits:	In 2015, age 58 with 24 years of service

This employee could use the 3-Year Catch-Up Provision during the years 2012 (age 55), 2013 (age 56), and 2014 (age 57).

If you choose to use the 3-Year Catch-Up Provision, you must establish your normal retirement age by specifying the calendar year in which you plan to retire. This election does not require you to retire. If you are already age 70½, you are not eligible for the 3-Year Catch-Up Provision.

WHAT HAPPENS IF I CONTINUE WORKING AFTER THE DATE I SELECTED AS MY NORMAL RETIREMENT AGE?

You cannot continue with the 3-Year Catch-Up provision. However, you may continue to defer your regular deferral amount as well as participate in the 50-Plus Catch-Up, which is explained on the following page.

CAN I CONTRIBUTE THE MAXIMUM CATCH-UP AMOUNT IF I RETIRE IN A CALENDAR YEAR IN WHICH I AM PARTICIPATING IN 3 YEAR CATCH-UP PROVISION?

Yes, you may contribute the maximum catch-up amount for that year, regardless of the month you retire, during any time you are participating in the 3-year catch-up provision.

HOW DO I DETERMINE THE AMOUNT OF 3-YEAR CATCH-UP ALLOWED?

The maximum 3-Year Catch-Up is the amount under-deferred for the years you have been eligible to participate in the Plan. Prior to a legislative change in 2002, the maximum amount you could defer was the lesser of 25 percent of your gross earnings or a specified dollar amount. This can be determined as follows:

Item	1996	1998	1999
1. Gross Earnings	\$35,000	\$40,000	\$40,000
2. 25% of Gross Compensation	x 0.25	x 0.25	x 0.25
3. Maximum Deferral	\$7,500	\$8,000	\$8,000
4. Actual Amount Deferred	\$5,000	\$7,000	\$8,000
5. Amount Under-Deferred	\$2,500	\$1,000	\$ -0-

**Prior to 1998, deferrals were limited to \$7,500. 1998-2000, limited to \$8,000. In 2001, limited to \$8,500. For 2002, \$11,000; 2003, \$12,000; 2004, \$13,000; 2005, \$14,000; 2006, \$15,000; 2007-2008, \$15,500; 2009-2011; \$16,500 and thereafter as determined by inflation.*

1. Prior to 2002, calculate your regular deferral by taking 25 percent of your gross earnings not to exceed the annual maximums in effect at the time. See step 2 above.
2. In 2002, use 50% to calculate your regular deferral and in 2003 and thereafter, use 100% of your gross earnings to calculate your deferral.
3. Calculate your actual amount deferred. You can get this information from your W-2 or from your last paycheck for the year (state employees' checks are dated 12/1/20XX; other employees' checks may be dated 12/31/20XX).
4. Subtract your actual amount deferred from your maximum deferral allowed. The difference is the under-deferred dollars that will be used to determine the amount you can contribute in the 3-Year Catch-Up. (In the example above, the participant has \$3,500 of under-utilized dollars to catch-up.)

WHAT RESTRICTIONS APPLY TO THE 3-YEAR CATCH-UP PROVISION?

- a) The 3-Year Catch-Up is a "once in a lifetime" opportunity which may be used one time only. It must be used continuously and end before the year of your projected retirement date.
- b) You may participate in the 3-Year Catch-Up for not more than three consecutive calendar years. If you decide not to use one of the years, it may not be made up later.
- c) Once you have designated normal retirement age to qualify to participate in the 3-Year Catch-Up provision, that date becomes irrevocable.
- d) If you are already age 70½, you are not eligible for the 3-Year Catch-Up provision.
- e) You cannot participate in the 50-Plus Catch-Up during the years in which you participate in the 3-Year Catch-Up.

HOW CAN I MAKE ARRANGEMENTS TO PARTICIPATE IN THE 3-YEAR CATCH-UP PROVISION?

Complete the attached 3-Year Catch-Up Enrollment Form and attach the necessary documentation as listed below:

- A.** Copies of your W-2s for the calendar years during which you have been eligible to participate in the program. (The earliest year for state employees is 1980.) For local government agencies, the earliest year is the year a 457 plan was adopted by the employer.

OR

- B.** Copies of your final paycheck stubs for the years in which you are catching up your deferrals (For state employees, they should be dated Period ending 11/30/20XX).

Submit enrollment form and all necessary documents to:

Oregon Savings Growth Plan
800 Summer Street NE, Suite 200
Salem, OR 97301

IMPORTANT: Please make sure your W-2s are readable and reflect unused dollars equal to or greater than the total amount you wish to catch-up.

The Oregon Savings Growth Plan staff will compute your dollars available for 3-Year Catch-Up and estimate your monthly deferral. Staff will contact you to determine the actual monthly deferral.

If you have any questions or need further information, please call the Oregon Savings Growth Plan Salem Office at **503-378-3730**.

Reference: IRC 457, ORS 243.400-243.507

50-Plus Catch-Up

WHO CAN USE THE 50-PLUS CATCH-UP PROVISION?

Participants who are age 50 or older are eligible to defer under this provision. You must turn 50 on or before December 31 of the year in which you begin participating in the 50-Plus Catch-Up provision.

WHAT IS THE MAXIMUM I CAN DEFER EACH YEAR UNDER THE 50-PLUS CATCH-UP?

The maximum additional deferral amounts for this provision are listed here:

Year	Regular Deferral Maximum	50-Plus Catch-Up Deferral Maximum (Includes regular deferral and catch-up)
Current	\$16,500	\$22,000

Note: Deferral and catch-up amounts may be adjusted in the future for inflation.

Unlike the 3-Year Catch-Up, you do not need to calculate under-deferred earnings from prior years to take part in the 50-Plus Catch-Up. These deferrals will not reduce your “normal” deferral maximums or count toward those maximums.

CAN I PARTICIPATE IN THE 3-YEAR CATCH-UP AND 50-PLUS CATCH-UP AT THE SAME TIME?

No. During the three years you are catching up on under-utilized deferrals in the 3-Year Catch-Up, you may not participate in the 50-Plus Catch-Up. However, because you may not participate in the 3-Year Catch-Up during the year in which you retire, you can join (or rejoin) the 50-Plus Catch-Up provision in that final year.

HOW CAN I MAKE ARRANGEMENTS TO PARTICIPATE IN THE 50-PLUS CATCH-UP PROVISION?

Complete the attached 50-Plus Catch-Up Enrollment Form and submit the form to:

Oregon Savings Growth Plan
800 Summer Street NE, Suite 200
Salem, OR 97301

The Oregon Savings Growth Plan staff will compute the amount you may defer for the 50-Plus Catch-Up Provision. If you have any questions or need further information, please call the Oregon Savings Growth Plan Salem Office at **503-378-3730**.

Reference: IRC 457, ORS 243.400-243.507

3-YEAR CATCH-UP ENROLLMENT FORM



I. PERSONAL INFORMATION

Name		Social Security Number
Address		Daytime Phone
City, State, Zip		Evening Phone
Date of Birth	Years of Service	Agency

I wish to participate in the 3-Year Catch-Up program. I understand that:

1. The maximum deferral during 3-Year Catch-Up is double the normal deferral limit for three consecutive years prior to the date I have identified as my proposed retirement date.
2. Participating in the 3-Year Catch-Up provision is a once-in-a-lifetime option. If I discontinue the 3-Year Catch-Up at any time after beginning to participate, I will not be able to re-enroll.
3. I may not participate in the 3-Year Catch-Up in the year identified as my proposed retirement date.

My proposed retirement date is _____ (based on the "normal retirement date or later" identified in my employer's pension plan). I have enclosed documentation that identifies underutilized deferrals from prior years that qualify me to participate in the 3-Year Catch-Up provision.

I elect to start the 3-Year Catch-Up deferrals beginning in the month of _____. The 3-Year Catch-Up contributions will be deducted in the following years: _____, _____, and _____.

I hereby acknowledge that the information above is true and accurate, and I irrevocably elect the proposed retirement date identified above.

X _____
Participant's Signature (Do not print) Date

FOR OFFICIAL USE ONLY – OREGON SAVINGS GROWTH PLAN

Information verified by Oregon Savings Growth Plan Office and confirmed with participant.

X _____
Signature of Oregon State Growth Plan Representative Date

In compliance with the Americans with Disabilities Act, staff will provide assistance in filling out this form to anyone who needs it. You may request assistance from your Oregon Savings Growth Plan representative by calling 503-378-3730 or TTY 503-378-4942.

50-PLUS CATCH-UP ENROLLMENT FORM



I. PERSONAL INFORMATION

Name	Social Security Number
Address	Daytime Phone
City, State, Zip	Evening Phone
Date of Birth	Agency

I wish to participate in the 50-Plus Catch-Up program. I understand that:

1. I must be 50 years old or older by December 31 of the year in which I plan to participate in the 50-Plus Catch-Up provision.
2. I cannot participate in the 50-Plus Catch-Up provision during the years I am involved in the 3-Year Catch-Up provision.
3. Any amount deferred over the normal deferral limit will be characterized as part of the 50-Plus Catch-Up provision. Any amount deferred that exceeds the 50-Plus Catch-Up limit will be returned.
4. If I am not currently deferring my regular maximum monthly amount, my deferral will be increased to that amount by the deferred compensation office before adding my additional 50-Plus deferral amount.

I wish to defer an additional \$ _____ annually, not to exceed \$5,500*. I understand this amount is in addition to the regular maximum deferral amount of \$16,500, and that the amount I have selected will be divided equally by the available months for the calendar year.

** Catch-up amount may be adjusted in the future for inflation.*

X _____
Participant's Signature (Do not print) Date

FOR OFFICIAL USE ONLY – OREGON SAVINGS GROWTH PLAN

Information verified by Oregon Savings Growth Plan Office and confirmed with participant.

X _____
Signature of Oregon State Growth Plan Representative Date

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