

COUNTY OF SAN DIEGO DEFERRED COMPENSATION PROGRAM

3-YEAR CATCH-UP PROVISION 457 DEFERRED COMPENSATION PLAN COUNTY OF SAN DIEGO

Important Note: *Completion of the attached form indicates your intention to begin using the 3-Year Catch-Up provision, and if you are eligible, you will be considered to be using the 3-Year Catch-Up provision, whether or not you increase your contribution amount.*

Who? You are eligible to use the 3-Year Catch-Up if you did not defer the maximum amount allowed by law (25% of your salary or each year's contribution limit, whichever is less) in one or more years of employment since 1979. **This includes years when you did not participate in the plan, but were eligible to participate.**

How Much? The amount you may defer during any year of your 3-Year Catch-Up period is the sum of your regular deferral plus any amounts not contributed in years since 1979. However, the IRS limits the total amount deferred in any one Catch-Up year to \$31,000 (in 2007). Depending upon your account history, you may or may not be eligible to contribute the maximum amount in each of the three years. You are not required to contribute the maximum amount nor are you required to use it for all three years. In addition, the years in which you choose to use the 3-Year Catch-Up **must** be consecutive years.

When? The 3-Year Catch-Up may only be used prior to retirement (unless reemployed by the County) and not earlier than the three-year period before the year in which you reach "normal retirement age" as defined by IRS regulations. You may designate your normal retirement age; however, with the exception of qualified police or firefighters, it may not be earlier than the earliest date that you will become eligible to retire under SDCERA without a reduction in benefits. In most cases, the minimum normal retirement age is 60 for general employees, 40 for qualified police or firefighters, and 50 for other SDCERA Safety members. For example, if you reach your normal retirement age in 2008, you may use the 3-Year Catch-Up in 2005, 2006, and 2007. You may not contribute for a period of time longer than three years even if you continue to work beyond that period.

What's Next? In order to begin using the 3-Year Catch-Up, you must complete and return the attached "3-Year Catch-Up Provision Disclosure Agreement." This form authorizes the County of San Diego to calculate your maximum allowable contribution under the 3-Year Catch-Up Provision.

COUNTY OF SAN DIEGO
DEFERRED COMPENSATION PROGRAM

COUNTY OF SAN DIEGO
3-YEAR CATCH-UP PROVISION
DISCLOSURE AGREEMENT

Name: _____

Address: _____

Department: _____

Work Phone: _____ Home Phone: _____

Social Security Number: _____

Date of Birth: _____

Retirement Date (Month and Year): _____

The years I have selected to utilize the Catch-Up Provision

20_____, **20**_____, and **20**_____

I understand that under Section 457 of the Internal Revenue Code, I may use the 3-Year Catch Up provision in the last three years prior to the year I retire or reach normal retirement age if I did not defer the maximum amount allowed by law (25% of my salary or each year's contribution limit, whichever is less) in one or more years of employment since 1979. I am eligible to do so because I have not contributed the maximum amount allowed in prior eligible years.

Participant Signature: _____ Date: _____