



DEFERRED COMPENSATION PLAN - SUPPLEMENTAL BENEFIT LEAVE PAYOUT CONTRIBUTION

Leave payouts are eligible for contribution into the Deferred Compensation Plan, within annual IRS deferral and catch-up limits. Deferred comp accounts have certain tax advantages as outlined in Section 457(b) of the IRS tax code.

Enroll Today

If you do not yet participate in deferred comp, you will need to [enroll in the plan](#). There are a number of HR, payroll, and retirement system deadlines that could take up to two months, so the sooner you enroll the better. (You need to have at least one payroll contribution into your new deferred comp account in order to contribute your leave payout.)

See the deferred comp [Features and Highlights](#) for more information on the plan.

To Contribute Your Leave Payout

- 1** Contact your HR office to learn if you are eligible for a leave payout and the dollar amount.
- 2** Contact a deferred comp specialist at 1.800.633.5461 - option 1, to discuss the contribution process and if you can make catch-up contributions.
- 3** Submit a *Sick and Annual Leave Deduction Agreement* form, at least 45 days before your last day on the job. The form is available after you [sign into your personal deferred comp account](#), and at <http://www.sers.pa.gov/DeferredCompensationPlan-Forms.html>. If you do not submit your form through your online account, please mail it in a way that you can track delivery.

2021 Contribution Limits

Unlike rollovers from other retirement accounts that may be unlimited, leave payout contributions count toward the IRS' annual contribution limits.

Maximum

If you are not eligible for one of the special catch-up provisions, you may contribute a maximum \$19,500 or 100% of your compensation, whichever is less.

Special Catch-up Provisions:

- If you are age 50 or older, you can make additional contributions, up to an additional \$6,500 for a maximum of \$26,000 for 2021.
- If you are within three years of the SERS retirement age for your SERS plan and/or class of service, you may be able to contribute up to \$39,000 in 2021.

Only one catch-up provision may be used in any one tax year, and the amounts you may contribute are based on the amounts you were eligible to contribute to the plan in previous years but did not.

Minimum

\$5 each pay period or 0.5% of pay each pay period (increases may be in increments of 0.5%).

Questions or Request Your Free Retirement Readiness Review

1.800.633.5461, Option 1 | SERSDerferredComp@pa.gov

