

State of Connecticut Deferred Compensation Section 457 Plan Special 3-Year Catch-Up Provision

What is the Special 3-Year Catch-Up Provision?

This provision allows those eligible for the State of Connecticut Deferred Compensation Section 457 Plan to catch-up for amounts that you didn't contribute into the 457 Plan (the Plan) in prior years, known as underutilized contributions. These additional catch-up contributions can be made only during the three years prior to the year when you reach your elected Normal Retirement Age. (You are not required to retire from State service at this age.)

Those eligible for both the 403(b) and 457 Plans may contribute the IRS maximums (including age 50+ catch-up maximum) each year into both the 403(b) and 457 Plans; therefore, you are unable to participate in the Special 3-Year Catch-Up option.

What is my Normal Retirement Age?

Your Normal Retirement Age determines the 3-Year eligibility period in which you may participate in the Special 3-Year Catch-Up provision. **The date you choose for your Normal Retirement Age must be on or after age 65 or the earliest you may retire and receive full benefits under the State's pension plan.** The age you select cannot be earlier than 40 or later than 70½, and is irrevocable once made. Exception: Judges that are required to retire no later than age 70.

STATE OF CONNECTICUT DEFINED CONTRIBUTION PLANS

Summary of the State's Pension Plan Normal Retirement Age

TIER I	Normal Retirement	Age 55 with 25 years credited service Age 65 with 10 years credited service Age 70 with 5 years credited service
	Hazardous Duty	Any age with 20 years hazardous duty service
TIER II	Normal Retirement	Age 60 with 25 years vesting service Age 62 with 10 years vesting service Age 62 with 5 years actual service – effective 7/1/97 Age 63 with 25 years vesting service – effective 7/1/22 Age 65 with 10 years vesting service – effective 7/1/22
	Hazardous Duty	Any age with 20 years hazardous duty service Any age with 25 years hazardous duty service – effective 7/1/22
TIER IIA	Normal Retirement	Age 60 with 25 years vesting service Age 62 with 10 years vesting service Age 62 with 5 years actual service Age 63 with 25 years vesting service – effective 7/1/22 Age 65 with 10 years vesting service – effective 7/1/22
	Hazardous Duty	Any age with 20 years hazardous duty service Any age with 25 years hazardous duty service – effective 7/1/22
TIER III	Normal Retirement	Age 63 with 25 years vesting service Age 65 with 10 years vesting service
	Hazardous Duty	Any age with 25 years hazardous duty service Age 50 with 20 years hazardous duty service
TIER IV	Normal Retirement	Age 63 with 25 years vesting service Age 65 with 10 years vesting service
	Hazardous Duty	Any age with 25 years hazardous duty service
PJERS	Normal Retirement	Age 62 with 10 years vesting service
TRS	Normal Retirement	Age 60 with 20 years of CT service Any age with 25 years of CT service
JRS	Normal Retirement	Age 65 with 20 years of service Age 65 with 30 years of service (10 years as a Judge, Magistrate or Compensation Commissioner) Age 70 mandatory for Judges Age 65 with 10 years of service – effective July 1, 2011 Age 63 with 25 years of service – effective July 1, 2011

What is the maximum I am allowed to contribute?

The maximum amount that you may contribute is the lesser of:

- Two times the annual IRS maximum limit **or**
- The annual IRS maximum limit plus underutilized contribution amounts from prior years

The annual IRS maximum limits are published each year in the fall. For 2021, the maximum limit is \$19,500. Under the special catch-up option, the maximum amount a previously approved employee can contribute would be \$39,000 for year 2021. However, you are not required to contribute the maximum amount that you may qualify for.

Will I need to complete an application to participate in the Special Catch-Up provision?

Yes. You must submit your W-2s for each year of underutilized contribution amounts you wish to use, the Prudential 457 Special Catch-Up Election form and the Prudential 457 Special Catch-Up worksheet.

When is the deadline to submit my application materials?

The completed application materials and W-2s must be received before November 7 in the year prior to when you elect catch-up contributions to begin. The materials should be faxed or emailed securely to:

Deferred Compensation 457 Plan – Special Catch-Up
Fax 860-702-3556
Email osc.ebu@ct.gov

Upon completion of the State's review, you will receive a letter by email confirming your eligibility for the program. It is important for you to retain the approval letter for your records.

Upon receipt of your approval letter from the State, you are responsible for making the appropriate changes to your contribution amounts based on the payroll cutoff date schedule. Simply log on to ctdcp.com to review the payroll cutoff date schedule under the Forms tab to determine when to make your contribution change. Probate Court employees should reach out to their payroll department to set up the deferral rate.

How does the Special 3-Year Catch-Up interact with the Age 50 plus Catch-Up?

You are not able to use both the Special 3-Year Catch-Up and Age 50 plus Catch-Up provisions in the same calendar year. If you continue to work for the State after participating in the Special 3-Year Catch-Up provision, you may participate in the Age 50 plus Catch-Up provision if you're age 50 or above.

Underutilized Deferrals

Underutilized Deferrals are the amounts you were eligible to contribute to a Deferred Compensation Plan minus the amounts you actually contributed. For example, if you contributed \$3,000 to your Employer's plan, and you were eligible to contribute \$19,000, you have \$16,000 in underutilized deferrals.

The worksheet should be completed to show enough underutilized deferrals for the amounts you wish to contribute for the catch-up years—not for all years employed. Example: if you wish to defer an additional \$19,500 for 3 years, you must show at least \$58,500 in underutilized deferrals.

Calculate your Underutilized Deferrals

Prior Years	Gross Annual Compensation per W2 (Box 5)	Eligible Deferrals*	Actual Deferrals Pre-tax and After-tax (codes G and EE)	Underutilized Deferrals (eligible deferrals less actual deferrals)
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____
_____	\$ _____, _____	\$ _____, _____	\$ _____, _____	\$ _____, _____

The IRS annual deferral limit applies to pre-tax contributions, post-tax contributions, or any combination of the two and cannot exceed eligible compensation.

2020: \$19,500	2013: \$17,500	2006: \$15,000	2001 the lesser of: \$8,500 or 33 1/3% of compensation
2019: \$19,000	2012: \$17,000	2005: \$14,000	2000 the lesser of: \$8,000 or 33 1/3% of compensation
2018: \$18,500	2011: \$16,500	2004: \$13,000	1999 the lesser of: \$8,000 or 33 1/3% of compensation
2017: \$18,000	2010: \$16,500	2003: \$12,000	1998 the lesser of: \$8,000 or 33 1/3% of compensation
2016: \$18,000	2009: \$16,500	2002: \$11,000	1997 the lesser of: \$7,500 or 33 1/3% of compensation
2015: \$18,000	2008: \$15,500		
2014: \$17,500	2007: \$15,500		

TOTAL UNDERUTILIZED DEFERRALS \$ _____, _____

Authorization

I understand that:

- I cannot select a Normal Retirement Age that occurs before I could retire with normal pension benefits or later than age 70½ (age 70 for Probate Court Judges).
- The total deferral amount I elect during the three-year catch-up period cannot exceed the IRS annual Special Catch-Up maximum deferral amount.
- The Special Catch-Up contributions cannot exceed the underutilized amount shown on the worksheet above.
- Once I begin making Special Catch-Up contributions I cannot change the Normal Retirement Age I have elected.
- I cannot use the Special Catch-Up option in the calendar year in which I reach Normal Retirement Age or any years thereafter.
- If circumstances change and I leave State service or retire during one of the three calendar years preceding the year of my declared Normal Retirement Age listed above, I may utilize the Special Catch-Up option.
- I hereby direct Prudential to implement the transaction(s) indicated above.
- I affirm that the information given in this form is true and accurate.

X _____
Participant's Signature

Date _____
month day year