

**CITY OF PORTLAND  
457 DEFERRED COMPENSATION PLAN  
CATCH-UP INSTRUCTIONS AND APPLICATION FORM**

Eligible employees may increase the amount of their annual deferred compensation plan contributions by electing one of two “catch up” provisions allowed by law. The Catch-up Provisions of the City’s 457 Deferred Compensation Plan are contained in Section 5.09.055 A. of City Code. The Plan allows two separate Catch-up provisions: (1) Three years to Normal Retirement Age (“NRA”) and (2) Age 50 and Over Catch-up. **You may not use both of the Catch-up provisions in the same year, but you may use one before and/or after the other.**

Three Years to NRA Catch-up

The Three Years to NRA Catch-up Provision allows participants to make up contributions for prior eligible years for which the maximum contribution allowed by the IRS was not made. This can include years that you did not participate and you were eligible or you did not contribute the maximum amount. **If you made deferrals to other qualified plans while participating in the City’s 457 Plan, you should notify the Plan Administrator. You will be required to provide additional information.** Upon receipt of your application form, the Human Resources – Deferred Compensation Office will research your payroll records to determine your unused deferrals from prior eligible years. Once the research is complete, the worksheet will be sent to you to review and sign the Certification on page 2.

The IRS allows two times the regular maximum limit during each of the three full calendar years before you attain NRA. For the calendar year 2015 the maximum catch-up limit will be \$36,000. This limit amount includes the annual contribution amount of \$18,000 allowed to all participants plus an additional \$18,000 for catch up.

NRA is any age selected by you in writing at which age you have the right to retire and receive immediate and unreduced retirement benefits from the pension plan of which you are a member: PERS/OPSRP or Police and Fire Pension Fund. The earliest date you may select is the date you first meet the eligibility requirements. You may also select any later date if you wish up to age 70-1/2. Once you have started the Catch-up, you may not change the NRA you declared for catch-up purposes.

Your actual retirement date may vary from your selected NRA for Catch-up purposes. You may retire in the middle of Catch-up or you may continue to work past your three years of Catch-up. You may continue to defer income until you do retire. However, the Three years to NRA Catch-up is only available one time and for the three years declared on your application form.

Age 50 Catch-up

If you are age 50 or older, you may defer up to \$6,000 over your maximum base contribution of \$18,000 (for a maximum total contribution of \$24,000). You may take advantage of this additional amount if your 50<sup>th</sup> birthday is anytime during the calendar year.

## **THE APPLICATION PROCESS IS AS FOLLOWS:**

1. Review the Catch-up Instructions and Application Form packet.
2. Complete the Application Form for Catch-up and submit the form to the Human Resources Office, Deferred Compensation Administrator. If you wish to increase your contributions, you must submit a Participation Agreement Form to increase your per pay check deductions.
3. For 3 Year to NRA applications the Deferred Compensation Administrator will research your payroll records to determine your allowable amount of Catch-up.
4. The Deferred Compensation Administrator will then send you the Worksheet and Certification once it has been completed. Review the information on the Worksheet and read the Certification Letter on page 2. If you agree with the information, sign and date the Certification and return it to the Deferred Compensation Administrator.
5. The Deferred Compensation Administrator will send you a letter of approval for your Catch-up.
6. If you have not submitted a Participation Agreement Form previously, you may do so now to increase your deduction amount. Send the form to the Human Resource Office, Deferred Compensation Administrator.

**Remember that the 15th of each month is the deadline for your Participation Agreement to be received by Human Resources Office (either online or hard copy of form) in order to be effective the first pay period of the following month.**

See Page 3 for answers to some of our frequently asked questions, Page 4 is the Application Form for Catch-up.

## FREQUENTLY ASKED QUESTIONS

Q. Would you give an example of a Participant determining their Catch-up years?

A. A Participant declares age 58 to be the NRA in the year 2018. The three calendar years for Catch-up are 2015, 2016, and 2017.

Q. May I use the three years counting from my hire date anniversary or from my birthday?

A. No. The Catch-up years must be the three calendar years prior to the year that you declare for your NRA.

Q. I have been approved for Catch-up, but I don't have enough money to put in the allowed maximum limit of \$36,000.00. What are my options?

A. You may put in any amount above the annual contribution amount (\$18,000 for 2015 up to the maximum of \$36,000.00 allowed for 2015).

Q. I have been contributing under the Catch-up provision, but now I am off work on injury leave. May I adjust my NRA and my three calendar Catch-up years?

A. Unfortunately, no. The IRS regulations do not allow any changes to the NRA and three calendar Catch-up years - not even for injury leave.

Q. I contributed my first year of Catch-up, but now I need the money for another purpose. May I stop my contributions?

A. Yes, you may stop contributing at any time. You may restart Catch-up contributions again, **PROVIDED YOU ARE STILL IN THE DECLARED THREE CALENDAR YEARS TIME FRAME.** You would not be able to extend your Catch-up beyond your declared three years.

Q. What happens if I don't sign the Certification and return it to the Deferred Compensation Administrator?

A. You will not be allowed to do the 3 year Catch-up if you do not sign the Certification that states that you agree with the information gathered to document your Catch-up.

Q. Do I need to apply for the Age 50 catch-up provision?

A. No. If you are age 50, your annual contribution for the year will be based on your bi-weekly contribution amount (for example, if you contribute \$750 per paycheck your contribution will automatically continue on past the regular limit of \$18,000 to \$19,500 for the year unless you change or stop contributions during the year).

**CITY OF PORTLAND  
457 DEFERRED COMPENSATION PLAN  
APPLICATION FORM FOR 3 YEARS TO NRA CATCH-UP**

Name (Please print clearly) \_\_\_\_\_  
 Address \_\_\_\_\_ Interoffice Address \_\_\_\_\_  
 City, State, Zip \_\_\_\_\_ Work Phone \_\_\_\_\_  
 Birth Date \_\_\_\_\_ Home Phone \_\_\_\_\_

**I wish to apply for the 3 Years to NRA Catch-up**

**Catch up amounts are an additional amount set by the IRS  
for 3 Years to Normal Retirement Age.**

**3 YEARS TO NORMAL RETIRMENT AGE – NEW APPLICATION**

I request to exercise the Catch-up Provision for employees 3 years to Normal Retirement Age.

- I declare my Normal Retirement Age to be \_\_\_\_\_. This is the age that I am eligible to receive immediate and unreduced benefits from my pension plan.
- I will attain this age in the calendar year \_\_\_\_\_.
- My three calendar years of Catch-up will be \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.  
**(These are the three calendar years prior to my Normal Retirement Age declared in 1 above.)**

Participant Signature \_\_\_\_\_ Date \_\_\_\_\_

**Return form to:** 106 / 404 / Human Resources / Deferred Compensation  
OR  
Human Resources – Deferred Compensation  
1120 SW 5<sup>th</sup> Ave, Room 404  
Portland OR 97204