



# County of Santa Cruz

## PERSONNEL DEPARTMENT

AJITA PATEL, DIRECTOR

701 OCEAN STREET, SUITE 510, SANTA CRUZ, CA 95060-4073

(831) 454-2600 FAX: (831) 454-2411 TDD: 711

### Important Information for Separating Employees who Participate in the County's 457 Deferred Compensation Plan

Dear County Employee:

You have several options available to you regarding your 457 deferred compensation account if you are planning to separate employment. Please be aware that you can leave your money in the County's plan to continue receiving personalized service, financial planning services and access to low-cost mutual funds and low administrative fees.

- Option 1. Commence a systematic (monthly/semi-annually/annually) distribution of your account balance.
- Option 2. Take a fully taxable lump sum distribution of your account balance (Roth assets are non-taxable).
- Option 3. Leave your money in the County's plan; The plan assets will grow tax deferred until you reach age 72 at which time minimum distributions are required.
- Option 4. Request a Direct Rollover to your new employer's plan or to an IRA. Please be aware that a transfer to an IRA or another employer's retirement plan may jeopardize your ability to take a penalty-free distribution prior to age 59 ½.

#### Rollover Option

You may rollover all or a portion of your **annual/vacation/sick/administrative leave** accruals into your 457 deferred compensation account (subject to the IRS maximum limits)

#### **If you would like to defer any of your accrued leave hours, you must do the following:**

1. **Complete** the Deferral Election form (department head authorization required) AND Deferred Compensation Deduction form **while you are still employed by the County;**
2. **Submit** the original Deferral Election form and Deferred Compensation Deduction form to the Personnel Department **four weeks prior to your separation date in order to meet IRS rules and regulations and the Auditor's Office payroll deadlines.**

**IMPORTANT NOTICE:** The County shall in no way be liable should the requested deferral not occur because of untimely submission of the necessary documents or for any other reason. In the event the deferral does not occur, you shall receive accrual payoff in accordance with established payroll procedures.

Please contact **Ray Ortiz**, of MissionSquare Retirement, at 202-759-7126 or at [rortiz@missionsq.org](mailto:rortiz@missionsq.org) for any questions you may have regarding your account or visit [www.missionsq.org/santacruzca](http://www.missionsq.org/santacruzca) to login in your account. You may also contact Franchezca Diaz, in the Personnel Department, at 831-454-2926.



# County of Santa Cruz

## Election of Deferral of the Rollover of Vacation/Sick/Annual/Administration Leave Hours Into 457 Deferred Compensation

I, \_\_\_\_\_, am separating from employment with the County of Santa Cruz (hereinafter referred to as County). I understand that my **separation** from employment is irrevocable and will become effective \_\_\_\_\_ (PP \_\_\_\_).

In accordance with the Internal Revenue Service, Department of Treasury, Final Regulations 26 CFR Parts 1 and 602, this is my election to defer, subject to the maximum deferral limitations of Section 457 of the Internal Revenue Code (**choose one option**):

( ) A specific dollar amount of \$ \_\_\_\_\_ (not to exceed the IRS limits) of the available accrued vacation/sick/annual/administrative leave pay-off to my deferred compensation account. **(SDI and/or FICA tax deductions are applicable)**

OR

( ) The maximum available accrued vacation/sick/annual/administrative leave hours pay-off to my deferred compensation account, as allowed by the IRS limits **(SDI and/or FICA tax deductions are applicable)**. Please allow \_\_\_\_\_ hours vacation to be use in the **last 2 pay periods** of employment.

I understand that this deferral election must be made during my employment with the County of Santa Cruz. **The election will occur the full pay period before my separation date, and will also be made before the beginning of the month when the compensation would have been payable.**

I acknowledge that the County shall in no way be liable should the requested deferral not occur as a result of untimely submission of the necessary documents or for any other reason. In the event the deferral does not occur, I shall receive accrual payoff in accordance with established payroll procedures.

I further understand that in accordance with Article 2.18 of the County's Section 457 Plan Document, both the County and I consider my severance from employment with the County as termination of my employment relationship with the County as of the effective date specified above, and neither the County nor I anticipate that I shall be employed by the County in the future.

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee's Printed Name

\_\_\_\_\_  
Employee's Department

\_\_\_\_\_  
Employee Number

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Employee's Home Mailing Address

\_\_\_\_\_  
Department Head's Signature

\_\_\_\_\_  
Date



**County of Santa Cruz**  
**457 Deferred Compensation Deduction Form**



**Instructions:** Complete the information below and send to Personnel, at 701 Ocean Street, Rm 510, along with the Election of Deferral form.

Index Code	Employee #	Employee Name	Phone #

Effective PP \_\_\_\_\_ Dept. Name \_\_\_\_\_

The County's Deferred Compensation program is governed by IRS regulations, which state that:  
*"Salary Deferral Agreements (Deferred Compensation Deduction Form) must be submitted prior to the first day of the month in which the paycheck will be received."*

C = Change 

Action: <b>C</b>
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**2024**

# Rollover Request

**2023 ANNUAL 457 CONTRIBUTION AMOUNTS**

- \$23,000 Normal Limit
- \$30,500 Age 50 Catch-Up Limit
- \$46,000 Pre-Retirement / Three-year Catch-Up Limit (prior enrollment required)

DEDUCTION CODE	Dollar Amount
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**TRADITIONAL PRE-TAX CONTRIBUTION (SDI & FICA taxes are applicable)**

4600X	Fixed \$ Amount	\$
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**ROTH 457 AFTER-TAX CONTRIBUTION**

4602T	Fixed \$ Amount	\$
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You may request the "maximum" amount allowed  
 OR  
 You may request a specific dollar amount

***I HEREBY AUTHORIZE THE AUDITOR-CONTROLLER TO TAKE ACTION ON MY REQUEST STATED ABOVE. Please note that the Rollover Request will occur the beginning of the full pay period before your separation date.***

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Authorized Signature (Personnel)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**For Personnel Use**

<u>Amount Left to Contribute:</u>	<u>Hourly Rate:</u>	<u>Vacation/Sick/Admin Hours:</u>	<u>BU</u>