COUNTY OF SANTA CRUZ

HUMAN RESOURCES 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. Initiate 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 73 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 roll your eligible **annual/vacation/sick/administrative leave** accruals to 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 the Deferred Compensation Rollover form **while you are still employed by the County;**
2. **Submit** the original Deferral Election form and Deferred Compensation Rollover form to the Human Resources Department **three weeks prior to your separation date to meet IRS rules & regulations and Human Resources 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 unforeseeable reason. In the event the deferral does not occur, you shall receive an accrual payoff in accordance with the established payroll procedures.

Please contact ***Ray Ortiz***, of MissionSquare Retirement, at 202-759-7126 or at rortiz@missionsquare.com for any questions you may have regarding your account or visit www.missionsq.org/santacruzca to login in your account. You may also contact Human Resources, at 831-454-2600.

County of Santa Cruz

Deferred Compensation Election of Deferral for Accrued Leave Hours Upon Separation

I, _____, am separating from employment with the County of Santa Cruz ("County"). I understand that my decision to separate from County employment is irrevocable and that my separation will become effective on _____.

In accordance with the Internal Revenue Service, Department of the Treasury, Final Regulations (26 CFR Parts 1 and 602), this document serves as my election to defer all or a portion of my eligible accrued leave payout, subject to the maximum deferral limits established under Section 457 of the Internal Revenue Code.

Please select one of the following options:

☐ **Option 1 – Specific Dollar Amount**

I elect to defer $_____ from my eligible accrued vacation, sick, annual, and/or administrative leave payout into my Section 457 Deferred Compensation Plan.

☐ **Option 2 – Maximum Eligible Deferral**

I elect to defer the maximum allowable amount of my eligible accrued vacation, sick, annual, and/or administrative leave payout to my Section 457 Deferred Compensation Plan, subject to applicable IRS contribution limits. **I further request that _____ hours of vacation be held for use during my final pay period of employment.**

Applicable SDI and/or FICA taxes will be withheld, as required by law.

I understand that this deferral election must be made while I am actively employed by the County of Santa Cruz. This election must be submitted no later than the full pay period preceding my separation date.

I acknowledge that the County shall not be liable if the requested deferral cannot be processed due to the untimely submission of this election or any other circumstance that prevents the deferral from occurring. If the deferral cannot be completed, I understand that my accrued leave payout will be processed in accordance with the County's established payroll procedures.

I further acknowledge that, pursuant to Article 2.18 of the County's Section 457 Plan Document, both the County and I consider my severance from employment to constitute a bona fide termination of my employment relationship with the County as of the effective date listed above.

Employee Signature: _____ **Date:** _____

Dept. Head Signature: _____ **Date:** _____

Printed Dept. Head Name: _____ **Dept:** _____

County of Santa Cruz

457 Deferred Compensation Rollover Form

Instructions: Complete the information below and submit it to Human Resources Department, at 701 Ocean Street, Suite 510, along with the Election of Deferral form.

Dept. Name	Employee #	Employee Name	Phone #

Action: C

2026 Rollover Request

effective pay period: _____

2026 ANNUAL 457 CONTRIBUTION AMOUNTS

- ☐ $24,500 Normal Limit
- ☐ $32,500 Age 50 Catch-Up Limit (May be subject to the Roth Mandate)
- ☐ $49,000 Pre-Retirement / Three-year Catch-Up Limit (prior enrollment required)
- ☐ **ROTH Mandate Applicable**

TRADITIONAL PRE-TAX CONTRIBUTION (SDI & FICA taxes are applicable)

Fixed Dollar Amount	$

ROTH 457 AFTER-TAX CONTRIBUTION

Fixed Dollar Amount	$

You may request the "maximum" amount allowed

OR

You may request a specific dollar amount

I hereby authorize the Auditor-Controller to process on my request stated above.
I acknowledge the rollover request will be processed in the pay period of my separation.

_____ _____

Employee Signature — Authorized Signature (Human Resources)

_____ _____

Date — Date

For Human Resources Use:

2025 YTD FICA Earnings:	**Amount Left to Contribute:**	**Hourly Rate:**	**Vacation/Sick/Admin Hours:**	**BU:**
$	**$**	**$**	**V=** **S=** **A=**	