



# NYS DEFERRED COMPENSATION BOARD

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FREDERICK J. JACOBS

DIANA JONES RITTER

MICHAEL A. AVELLA

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## Retroactive Salary Increases and Deferred Compensation Deferrals

### Administrative Payroll

State employees represented by the Public Employees Federation (PEF) who are paid on the Administrative payroll will receive the negotiated retroactive salary payment in their July 9 paycheck. PEF-represented employees who are making deferrals to the New York State Deferred Compensation Plan should be aware that the deferral percentage on record with the Deferred Compensation Plan will apply to this paycheck as if it was an ordinary paycheck. For example, an employee who is deferring 5% of their salary on a biweekly basis will have that 5% deferral rate applied to this retroactive paycheck. Deferrals will be taken from ordinary pay and the retroactive pay contained in that paycheck.

### Institutional Payroll

State employees represented by PEF who are paid on the Institutional payroll will receive a negotiated retroactive salary payment in their July 3 paycheck. The Plan was not officially informed of this retroactive salary payment until June 19. The last date for the Plan to process changes for the July 3 payroll was June 18. Therefore, the Plan is unable to make deferral changes applicable to the July 3 payroll. Employees should be aware that they can change their deferral rate for any future payroll by providing notice at least two weeks prior to the applicable payroll.

### How to Make Changes

If you want to make any changes to your Deferred Compensation Plan to be effective for the July 9 retroactive paycheck, you must act quickly. The following chart indicates the last date on which deferral changes can be made to be applicable to the paycheck that includes the retroactive payment.

| Payroll        | Pay Date | Last Date to Submit Changes to the Deferred Compensation Plan |
|----------------|----------|---|
| Administrative | July 9   | Wednesday, June 25  |

**Deferral changes made after the appropriate date noted above will not apply to the retroactive paycheck.**

Call the Plan HELPLINE at 800-422-8463 if you want to increase or decrease your deferral rate for this payroll and identify yourself as a PEF-represented state employee. Deferral changes can be made over the phone and programmed to apply only to the upcoming retroactive paycheck or for all future payrolls. Be specific when talking to a HELPLINE Representative. Plan HELPLINE Representatives are available from 8 AM until 11 PM on weekdays and from 8 AM to 6 PM on Saturdays.

The maximum amount that an employee can defer to the Deferred Compensation Plan in 2008 is \$15,500. The state payroll system automatically limits payroll deferrals at the \$15,500 level.

### **Are You Eligible to Save More?**

There are two instances when an employee may defer more than the general \$15,500 deferral limit. Employees who are or will be at least 50 years old during 2008 may defer an extra \$5,000 in 2008, for a combined total of \$20,500. If you are eligible and not enrolled in this program and want to make these extra deferrals, contact the Plan HELPLINE at 800-422-8463 for an application form.

Employees who are within three years of retirement with full benefits (for example, Tier 1 members who will be 55 in 2011 or before, Tier 2, 3 and 4 members who will have at least 10 years of service and be 62 in 2011 or before, and Tier 2, 3, or 4 members who will have at least 30 years of service and will become 55 in 2011 or before) may participate in Retirement Catch-Up. The Retirement Catch-Up program allows employees to make up for contributions that could have been made in past years but were not. Depending on the employee's amount of "underutilized deferrals," an employee may defer up to an additional \$15,500 in 2008. If you want to determine your eligibility for the Retirement Catch-Up and your "underutilized deferrals" contact the Plan HELPLINE at 800-422-8463.

You may not make deferrals under both the Age 50 and Over and the Retirement Catch-Up programs in the same calendar year.