



Payroll Bulletin

Office of the State Comptroller
Bureau of State Payroll Services

Date: December 5, 2005

Bulletin Number: 599

Subject Change to the Maximum Deferred Compensation Contribution Limits for Calendar Year 2006

Purpose To notify agencies of increases in the maximum contribution limits for employees enrolled in the Deferred Compensation Plan for calendar year 2006, pursuant to IRS Section 457 Regulations.

- The regular yearly contribution amount for Deferred Compensation has been increased from \$14,000 to \$15,000.
- The Deferred Compensation "Retirement Catch-Up" provision, available to employees in each of the last three years prior to normal retirement age, has been increased to \$15,000, for a combined maximum total contribution of \$30,000 for calendar year 2006.
- An additional deferral is available to employees age 50 and over. These employees can defer up to \$5,000 in addition to their regular contribution amount, for a combined total contribution limit of \$20,000 in 2006. However, employees cannot choose to have both the "Retirement Catch-Up" and the "50 and Over Catch-Up" additional amounts deferred in the same year.

Affected Employees Employees enrolled in the Deferred Compensation Plan.

Effective Date(s) Institution paychecks dated January 5, 2006.
Administration paychecks dated January 11, 2006.

OSC Actions OSC will update the Deferred Compensation Limit table.

Questions Questions regarding Deferred Compensation deductions and catch-up plans may be directed to the NYS Deferred Compensation Helpline at 1 -800-422-8463. The NYS Deferred Compensation Web site at www.nysdcp.com may provide additional information.

Questions regarding this Bulletin may be directed to the Payroll Deductions Planning Team by e-mail to payrolldeduction@osc.state.ny.us.