



Finance Department, City Controller
"Building Pride in Providence"

City of Providence 457B Plan
Procedure for Limitations and Handling of Excess Deferrals

The City of Providence has implemented an adaptation of the allowable IRC 457 procedure for limitations and handling of excess deferrals of 457B plans. The current method includes supplemental worksheets and computer generated reporting tools. The city's current operating software has been programmed with maximum yearly amounts as well as maximum catch-up amounts. Once an employee has reached the maximum amount, they will no longer be eligible for the payroll deduction.

Special catch-up along with the age fifty catch-up require completion and approval of an elective contribution limits worksheet (Appendix A). Special catch-up is defined as three years prior to normal retirement age. Normal retirement age is defined by the city as possessing the ability to retire from city employment with full eligibility to collect a service pension. Upon approval of the elective contribution worksheet, a manual over-ride must be done in the payroll system before this deferral will take effect.



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(Appendix A)

Certification Worksheet A
For Plans with only Elective Contribution Limits

Name: _____

Date of Employment: _____ Date of Birth _____

Normal Retirement Age per Plan Document _____

Normal Retirement Age Catch-up Election Period _____

1. Enter **Includible Compensation** for your most recent year of Service..... \$ _____
2. Enter the **applicable IRC 457 Salary Deferral limit** for the applicable year from column A below. \$ _____
3. If **Age 50** or older enter the applicable amount for the applicable year from column B below. If not Age 50 or older enter (0). This is your **Catch-up increase for Age**..... \$ _____
4. If **3 years prior to normal retirement age and a catch-up election is on record with the employer** add the applicable amount for the applicable year from column A \$ _____
5. Add lines 2, and the greater of line 3 or 4, **this is your maximum limit on elective salary deferrals** (Can not be greater then line 1)..... \$ _____

Note: The 3 year prior to Normal Retirement Age election can only be used once and must be a 3 consecutive year period prior to the year of termination

Applicable IRC 457 Salary Deferral Limit/Age 50 Catch-up/Special Catch-up Table			
Tax Year	Column A IRC 402(g) limit	Column B Age 50 or Older Catch-up	Column C Special Catch-up
2002	\$11,000	\$1,000	\$22,000
2003	\$12,000	\$2,000	\$24,000
2004	\$13,000	\$3,000	\$26,000
2005	\$14,000	\$4,000	\$28,000
2006	\$15,000	\$5,000	\$30,000
2007	\$15,500	\$5,000	\$31,000
2008	\$15,500	\$5,000	\$31,000

Signature: _____ Date: _____

**** Please attach a schedule showing what was the amount of elective deferrals made for each year of employment plus the cumulative total of the deferrals. This schedule must show all years for IRC 457 deferrals and all years prior to 1/1/2002 for IRC 403(b) deferrals.