



22-2017

**OFFICE OF THE COUNTY EXECUTIVE
ALL-EMPLOYEES MEMORANDUM**

DATE: October 23, 2017

2018 Deferred Compensation Contribution Limits

The Internal Revenue Service has announced the 457(b) plan deferral limits for 2018. Deferred compensation annual contributions limits have increased to:

- \$ 18,500 Normal Contribution**
- \$ 6,000 Age 50 Plus***
- \$ 18,500 Retirement Catch-Up* †**
- \$ 37,000 Maximum Total Annual Contributions (Normal & Catch-Up combined)**

*Participants cannot combine Age 50 Plus contributions and Retirement Catch-Up contributions in the same calendar year.

† Retirement Catch-Up is subject to eligibility requirements. Please contact your Board Representative for more information.

For those who wish to contribute either the maximum **Normal** amount or, if eligible, the **Normal and Age 50 Plus** amount, in substantially equal contributions over 26 payroll periods during the year, please note:

- The **Normal** bi-weekly amount is approximately \$712.
- The **Normal and Age 50 Plus** bi-weekly amount is approximately \$943.

The payroll system is programmed not to exceed the applicable annual limit. In 2018, that limit will be set at \$18,500 for participants under age 50 (born January 1, 1969 or later) and \$24,500 for participants age 50 and above (born December 31, 1968 or earlier). All Participants are responsible for ensuring that the amount they wish to contribute, whether it is the maximum or less than the maximum, is communicated to T. Rowe Price.

It is possible to contribute the maximum annual amount in a shorter period of time (less than 26 payrolls) and Participants who would like to do so should notify T. Rowe Price of the specific bi-weekly amount that they want to contribute to reach the maximum deferral limit in less time.

Participants wishing to increase or decrease their bi-weekly contribution amount must contact T. Rowe Price directly. Changes can be made by either calling 1-888-457-5770, logging into your account at rps.troweprice.com or logging into your account using the T. Rowe Price App. It takes approximately 2 payroll periods for the change to take effect, as the IRC 457(b) rules mandate that all deferral changes must be filed prior to the **first of the month** in which the deferral will be deducted. For example, if a Participant contacts T. Rowe Price on January 2nd to increase/decrease the bi-weekly deferral amount, the change will be effective with the February 1st, 2018 paycheck. Please plan ahead!

If you do not change your bi-weekly deduction amount, your bi-weekly deferral in 2018 will be the same amount as you deferred bi-weekly in 2017, subject to the annual maximum noted above.

Contributions, whether **Normal** or **Normal Age 50 Plus** or **Catch-Up**, will be reflected with the payroll deduction code of **0608**.

Fee Disclosure

As previously announced, The Department of Labor has issued regulations regarding the disclosure of fees charged in the administration and investment management of private sector defined contribution plans, such as a 401k. These regulations do not apply to the Suffolk County Deferred Compensation Plan because it is a public employer plan under IRC 457b. However, the New York State Deferred Compensation Board has issued its own rules and regulations relative to fee disclosure requirements based on the premise that it is in the best interest of plan participants and plan sponsors such as the Suffolk County Deferred Compensation Plan. Fee disclosure information is posted on the Plan's website, www.scdeferredcomp.org, and updated each year. We encourage all participants to read the disclosure and contact T. Rowe Price or your Board representative if you have any questions.

Board Members' contact information, Plan forms and the *Plan Summary Guide* are available at www.scdeferredcomp.org.



Dennis M. Cohen
Chief Deputy County Executive

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