



Deferring your Buydown to your Section 457 Plan

To defer funds from your buydown into the Section 457 Plan, you need to complete a *Section 457 Plan Buydown Agreement*.

You must submit the Buydown Deferral Agreement ("Agreement") no later than the last day of the pay period prior to your requested buydown check date.

Occasionally, there is confusion regarding the withholding and taxation issue. The following information may be helpful.

- The Roth option is an **after-tax** deferral so the entire amount of the buydown is subject to taxes.
- The Section 457 Plan **pre-tax** option isn't subject to income taxes but it is subject to applicable deductions including FICA, MEDI, SDI, and retirement contributions (if applicable), and subsequent income taxes on those deductions. These withholdings and taxes can be handled one of two ways:

Option 1: Withheld from your regular earnings, which will maximize your deferral, but reduces your take-home pay,

OR

Option 2: Withheld from your buydown, which will reduce the amount of your deferral, but not your take-home pay.

The Deferred Compensation Program does not process the request to **initiate** your buydown. You must log into VCHRP (Payroll tile > Vacation Buydown Request) and initiate your buydown.

Return completed forms by email or brown mail #1970. If you have any questions, call the Deferred Compensation Program at 805.654.2620 or e-mail us at deferred.compensation@venturacounty.gov.



SECTION 457 PLAN BUYDOWN DEFERRAL AGREEMENT

This agreement must be submitted no later than the payday prior to your requested buydown date.

I. PARTICIPANT INFORMATION

Check Date of Buydown: _____ *Please select one of the following based on your request in VCHRP:*

Full Name: _____ Regular on-cycle check OR Separate supplemental check

Employee ID Number: _____

Birthdate: _____ Bargaining Unit / Union: _____

Work E-mail Address: _____ Agency: _____

Personal Email Address: _____ Primary Phone: _____

Please select your deferral option: _____ Special Catch-up (prior authorization required):

Standard 457B (pre-tax) Yes

Roth Basic 457 (after-tax) No

II. CONTRIBUTION INCREASE (select one option below)

Step 1 Maximum annual contribution allowed, minus any contributions year-to-date

OR

Specific amount: \$ _____ + Regular bi-weekly contribution amount, optional (if applicable): _____

Step 2 Requested Buydown Hours: _____

Withholding and Tax Handling (for pre-tax contribution only, mandatory deductions are withheld)

Regular Earnings (will maximize your deferral, but reduce your take-home pay)

Buydown (will reduce the amount of your deferral, but not your take-home pay)

III. CONTRIBUTION DECREASE / CANCEL (occurs the following pay period after the buydown is processed)

Decrease (indicate bi-weekly deferral amount): \$ _____ Cancel

IV. PAYROLL/FIDELITY AUTHORIZATION TO INCREASE AND DECREASE OR CANCEL CONTRIBUTION

For the paycheck date that I have indicated on this form, I hereby authorize the County to reduce my salary by the amount specified in Section II (Contribution Increase) and to contribute this amount to my Section 457 Plan, to be invested as I have previously elected with Fidelity Investments. I also authorize the County to reduce my salary by the amount specified in Section III (Contribution Decrease/Cancel) or cancel the contribution after the deferral occurs.

Employee Signature: _____ Date: _____

*Authenticated digital signature or handwritten signature required.

**Authenticated digital signature will require you to save the document to your computer before signing.

V. INVESTMENT ELECTIONS

Contact Fidelity by calling them at 800-343-0860 or by logging on to their website at nb.fidelity.com to set-up or change your investment elections. If you do not indicate your investment elections, your contributions will be invested in the Plan's default fund.

DC Program (internal use only)

Keyed _____ Spreadsheet created _____ Verified _____ Savings Plan update _____