



Deferring your Payoff to your Section 457 Plan

To defer funds from your final check (payoff) into the Section 457 Plan, you need to complete a *Section 457 Plan Payoff Agreement*.

You must submit the Payoff Deferral Agreement ("Agreement") no later than the last day of the pay period prior to your final 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 payoff 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, and SDI (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 payoff, which will reduce the amount of your deferral, but not your take-home pay.

There is not a step to complete in VCHRP for the payoff as your final check will be processed by AC Payroll automatically. Deferred Compensation will coordinate with AC Payroll in the pay period indicated on your form.

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 PAYOFF DEFERRAL AGREEMENT

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

I. PARTICIPANT INFORMATION

Check Date of Payoff: _____

Full Name: _____

Employee ID Number: _____

Birthdate: _____

Work E-mail Address: _____

Personal Email Address: _____

Bargaining Unit / Union: _____

Agency: _____

Primary Phone: _____

Special Catch-up (prior authorization required):

Yes

No

Please select your deferral option:

Standard 457B (pre-tax)

Roth Basic 457 (after-tax)

II. CONTRIBUTION INCREASE

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

OR

Specific amount: \$ _____

Step 2 Last day of employment _____

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)

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

III. PAYROLL/FIDELITY AUTHORIZATION TO INCREASE 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.

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.

IV. 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 _____