



457 Special Catch-Up (Pre-Retirement)

Send completed form to MERS and provide one copy to employer • Please print clearly • See attached guide for details • Retain a copy for your records

Introduction:

If you don't contribute the maximum amount in a given year, you may be eligible to utilize the IRS "Special Catch-Up" contributions as you near retirement. During the three-year period prior to the calendar year in which you reach Normal Retirement Age (generally determined by your pension plan, not to exceed 72 – or 70½ if you reached age 70½ before 12/31/2019) and plan to retire, you can contribute the lesser of 1) the normal contribution limit + previously unused deferrals **OR** 2) two times the federal maximum limit. See example on page 3.

Additional amounts are determined by the IRS on an annual basis. For annual contribution limits, see our [Contribution Limits and Reporting](#) document, visit www.irs.gov, or contact MERS at 800.767.6377.

Employer verification - To be filled out by your employer

Name of employer *	Municipality number *	Plan number (6 digits) *
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1. Information about you

Last name *	First name *	Social Security Number *	Phone number (with area code) *
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2. Eligibility

If you are doing an "Age 50" catch-up, DO NOT use this form. See your employer to adjust your payroll contribution.

Are you part of a full time police, fire, or EMS unit? YES NO

Plan's Normal Retirement Age: _____

I hereby designate age _____, which I will attain in the year _____, as my Normal Retirement Age for the purpose of using the "Pre-Retirement" catch-up provision. I understand that:

- This age determines the **three-year period** during which I am eligible to make "Special Catch-Up" contributions
- At this age, I must be eligible to receive unreduced benefits under my employer's primary retirement plan
- This election is irrevocable after I begin using the "Special Catch-Up" provision

* Required field

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3. Account history

Year	Your 457 Contribution That Year	Maximum Amount	Underutilized Amount
TOTALS			
Total Actual Contribution		Total Maximum	Total Underutilized Amount

4. Special catch-up (pre-retirement) contributions

Year	Maximum Regular Contribution	Underutilized Amounts from Prior Years**	Maximum amount, including "Special" Catch-Up (lesser of normal deferrals + underutilized deferrals OR 2X normal limit)	Remaining Catch-Up

** See Total Underutilized Amount in Section 3.

5. Change in deferred compensation

This section is for your employer to process payroll changes to your deferred compensation. It does not need to be completed if your employer has a preferred method for employees to request changes in payroll deduction.

I authorize my employer to defer _____% or \$_____ from my pay each pay period to be contributed to my MERS 457 account.

Effective date of change: _____
dd/mm/yyyy

6. Required signatures

My signature acknowledges that I have received, read, understand and agree to all pages of this *457 Special Catch-Up (Pre-Retirement) Form* and the attached guide.

Data collected on this form will be used by MERS staff for identification and documentation. Your Social Security number is classified as private and will not be shared with an unauthorized person without written consent.

Participant signature *	Date (mm/dd/yyyy) *
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Employer signature acknowledges the validation of all pages of this *457 Special Catch-Up (Pre-Retirement) Form*. Please keep a copy for processing and send original to MERS.

Employer signature *	Date (mm/dd/yyyy) *
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Step-by-Step Guide to Completing the 457 Special Catch-Up Form

This form is available for download at www.mersofmich.com.

Please print clearly. Fields with an asterisk (*) are required fields and must be completed to submit the form accurately.

The Employer Verification section should be filled out by your employer, so proceed directly to Step 1. Information about you.

1. Information about you

This section gathers basic information about you – your full name, Social Security number, and contact phone number.

2. Eligibility

If you are doing an “Age 50” catch-up, DO NOT use this form. Instead, see your employer to request an adjustment to payroll contributions.

You are eligible to use the “Special” Catch-Up provision prior to retirement if **both** of these conditions apply:

- You were eligible to participate in your current employer’s 457 deferred compensation plan any time from January 1, 1979, to the present, and you are currently participating in the plan.
- You did not defer the maximum amount allowed by law in one or more of the years you were eligible to participate in your current employer’s 457 plan since 1979. This includes years when you did not choose to join the plan, although you were eligible.

You will also designate your **Normal Retirement Age** for the purpose of using the “Special” Catch-Up provision.

Notes:

- This age determines the three-year period leading up to the year in which you turn Normal Retirement Age and designates the period in which you may utilize the “Special” catch-up provision.
- This election is irrevocable after the “Special” Catch-Up payments begin. If your retirement date changes, you will not be able to apply for another Catch-Up plan in the future.
- The total amount of the catch-up may not exceed IRS maximums on “Special” Catch-Up contributions over the designated three-year period. For example: you plan to retire in three years. “Special” Catch-up maximum is the *lesser of*:
 - 1) the maximum deferral limit + any unused deferrals
– OR –
 - 2) twice that of the federal maximum limit.
- Full time police, fire, or EMS employees may be eligible for a lower Normal Retirement Age. See your employer for details.

3. Account history

The catch-up provision allows you to make additional contributions to your 457 program in order to make up for years in which you did not contribute the maximum permissible amount. You may catch up for any year(s) going back to the LATER OF January 1, 1979, OR your eligibility in this employer’s program.

To catch up, you must use the three-year catch-up period immediately preceding the year of your declared Normal Retirement Age to defer additional income through your employer. The amount you are permitted to contribute during this three-year period is determined by subtracting the actual amount you have already contributed to your plan from the maximum allowed by law.

Use the table to list actual contribution amounts compared to maximum allowable amounts for each year in order to determine your unused deferral. The **Total Unused Deferral** should be carried over to the fourth column in Section 3.

Example

In 2015, Cara planned her retirement three years before reaching her normal retirement age (2018). She reviewed all past years for which she was eligible to participate in her employer’s 457 program (2012 in this case) and began making “Special” Catch-Up Contributions in 2015, 2016, and 2017. Below is a chart that shows an example of how catch-up contributions may have worked for her, based on IRS limits.

Year	Your 457 Contribution	Maximum Amount	Underutilized Amount
2012	-	\$ 17,000	\$ 17,000
2013	\$ 17,500	\$ 17,500	-
2014	\$ 10,000	\$ 17,500	\$ 7,500
Total			\$ 24,500

Year	Maximum Regular Contribution	Underutilized Amounts from Prior Years	Maximum amount, including special catch-up (lesser of normal deferrals + underutilized deferrals OR two times normal deferral limit)	Remaining Catch-Up
2015	\$ 18,000	\$ 24,500	\$ 36,000	\$ 6,500
2016	\$ 18,000	\$ 6,500	\$ 24,500	-
2017	\$ 18,000	-	\$ 18,000	

**Additional dollar amount contributions per year as a regular contribution or as a “Special” Catch-Up Contribution do not need to be equal from year to year, but they cannot exceed the federal maximum which is set each year by the IRS. Participants are responsible for discussing with their tax consultants if circumstances change that do not allow you to retire in the year completed on this form.

Step-by-Step Guide to Completing the 457 Special Catch-Up Form

4. Catch-up contributions

Use this table to show the total amount you wish to defer from your yearly salary. You will do this by filling in the year you wish to make the deferral and your annual salary along with the normal deferral. Add the unused deferral derived from Section 3 and that will be your total deferral. If there is any remaining unused deferral, it can be entered in the last column and carried to future years.

The three years applicable to this section are determined in Section 2 by your designation of Normal Retirement Age.

5. Change in deferred compensation

This section is for your employer to process payroll changes to your deferred compensation.

6. Required signatures

Your signature acknowledges that you have read and agree to the terms of this application. You are also acknowledging that the information you have provided to MERS is true and correct.

Your employer must sign the form to ensure they are aware of, agree with the information, and will process your request for payroll deduction. They must maintain a copy of this form for their records.

You can submit this form online! 

If you already have a myMERS account, you can also upload this form online. Look for the **File Upload** feature in the top navigation to easily and securely submit completed forms.

You may also mail completed form to MERS' recordkeeper at:

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