



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 to your MERS 457 Plan in a given year, you may be eligible to contribute additional amounts under the 457 Program's **Special Catch-Up Contribution** rules for a three-year period preceding a date that you select that is near your retirement eligibility period.

The date that you select (called your **Normal Retirement Age**) can be, at the earliest, the date you are eligible to retire and receive an unreduced retirement benefit under the Defined Benefit Plan (or, if you do not participate in a governmental defined benefit plan, age 60), and at the latest, age 70½. Employees who have provided full-time police protection, fire-fighting or emergency medical services for at least 15 years may select a Normal Retirement Age between 40 and 70½. You may use the special catch-up provision during the three-year period prior to the year in which you reach the Normal Retirement Age described above. You do not have to commit to retiring on the date you select for this purpose – it just sets the three-year period for this Special Catch-Up Contribution provision.

If you have not contributed the maximum annual amount allowed by IRS for any years during your participation in the 457 Plan, during this three-year period, you are permitted to contribute an amount equal to the amount you under-contributed during this three-year period, to a maximum of twice the annual limit per year. This is a one-time opportunity – once the Special Catch-Up Contributions begin, you may not establish another Special Catch-Up Contribution period, even if you decide to discontinue making the Special Catch-Up Contributions before the three-year period ends.

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

For the purpose **Special Catch-up Contributions**, I hereby designate my **Normal Retirement Age** as _____ years of age. At this age, I will be eligible to receive unreduced benefits under my employer's Defined Benefit pension plan or, if none, age 60 must be used.

I will reach my Normal Retirement Age in the year _____.

Year One of catch-up begins on 01/01/_____

Year Three of catch-up ends on 12/31/_____

I understand that the Normal Retirement Age I have designated above is only for the purpose of establishing the 457 Special Catch-Up Contributions period, and does not affect any other retirement benefits to which I may be entitled, and that I do not have to retire when I reach the age I have designated above. I understand that this election is irrevocable after I begin using the 457 Special Catch-Up Contributions provision.

Check here if you have worked at least 15 years as a **full-time employee of any police or fire department to provide police protection, firefighting services, or emergency medical services** for any area within Michigan or a political subdivision of Michigan. Your Normal Retirement Age (above) must be between 40 and 70½ years.

* 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

If more space is required, please attach additional sheets.

Processing times may vary. If the special-catch up period is prior to being with MERS, additional contribution details will be required in the form of W2 and/or quarterly statement history in years where catch-up is being applied. To expedite processing, please include documentation along with this form; otherwise, acceptance of contributions may be delayed until documentation is received

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 and our recordkeeper, Alerus, 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) *

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 Alerus at the address on the last page of this form.

Employer signature *

Date (mm/dd/yyyy) *

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 **all** 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 are retiring this year or plan a retirement date within three years of this Special Catch-Up

You will also designate your **Normal Retirement Age** for the purpose of using the “Special” Catch-Up provision. Normal Retirement Age is defined by your pension plan and determines the age you are eligible to retire with an unreduced benefit; for example:

- Age 60
- Age 55 with 25 years of service
- An age later than your plan’s Normal Retirement Age (not to exceed age 70½)
- If you do not participate in a pension plan, Normal Retirement Age for MERS 457 is age 60

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.
- If the special-catch up period is prior to being with MERS, additional contribution details will be required in the form of W2 and/or quarterly statement history in years where catch-up is being applied. To expedite processing, please include documentation along with this form; otherwise, acceptance of contributions may be delayed until documentation is received.

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.

See the Example on the next page.

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. Log in, click your MERS program under Accounts - Retirement, View Plan Summary, then look for the **File Upload** feature at the top to securely submit completed forms.

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

Alerus Retirement Solutions
P.O. Box 64535
St. Paul, MN 55164

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 (2015 in this case) and began making "Special" Catch-Up Contributions in 2018, 2019, and 2020. 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
2015	-	\$ 18,000	\$ 18,000
2016	\$ 18,000	\$ 18,000	-
2017	\$ 10,000	\$ 18,000	\$ 8,000
Total			\$ 26,000

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
2018	\$ 18,500	\$ 26,000	\$ 37,000	\$ 7,500
2019	\$ 19,500	\$ 7,500	\$ 27,000	-
2020	\$ 19,500	-	\$ 19,500	

**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.