III. Deferred Compensation Plan (One-time Contribution for Retroactive Wages) FAQs[1]

Eligibility

Q. **Who is eligible to make the one-time pre-tax contribution?**

A. All City employees who will receive retroactive pay for 2015/2016.

Q. **Why might I want to contribute all or part of my retroactive pay into Deferred Compensation?**

A. Contributing money to Deferred Compensation is a way to supplement future retirement income. Any retroactive pay amount put into Deferred Compensation will be contributed on a pre-tax basis up to the IRS limit.

Q. **I don't contribute to the City's Deferred Compensation Plan. Can I still elect this option?**

A. Yes; all City employees are eligible to contribute to the City's Deferred Compensation Plan at any time. All employees have a Deferred Compensation account regardless of whether they participate or not. For account access, visit the City's Deferred Compensation Plan website at www.cityofseattledeferredcomp.com and the "Access Your Account" button.

How Do I Elect This Option?

Q. **I want to contribute some or all of my retroactive pay. How do I do this?**

A. To take advantage of this option, employees **must** complete the form (to be provided at a later date) and turn it into the City's Deferred Compensation office, using the contact information listed on page three (3) of this FAQ.

Q. **I've turned in my form, what's next?**

A. Once the City's Deferred Compensation Staff ("Staff") receives a retroactive pay election form, Staff will manually override the employee's biweekly contribution into the Plan for the specified pay date.

[1] The changes to wages and other provisions described in these FAQs do not apply to employees covered by a collective bargaining agreement unless the City and Union have agreed to such changes and the collective bargaining agreement has been ratified by City Council. Employees should direct questions about the status of their wages to their Union representative.

Q. **What will happen to my biweekly Deferred Compensation deduction after my one-time contribution is made?**

A. After the one-time contribution is made, the employee's prior standard biweekly contribution to the City's Deferred Compensation Plan will be restored by Staff.

Q. **Can I use this one-time option at any other time?**

A. No, this option is only available to employees when retroactive pay is given.

Amount of Retroactive Annual Pay

Q. **How do I find out how much my retroactive pay is?**

A. Employees will need to contact their department's human resources representative to get this information. Deferred Compensation staff do not have access to the amount employees are scheduled to receive.

Q. **The form requires a dollar amount. Can I simply put a percentage or state "all"?**

A. No, the extra contribution under this retroactive pay option **must be** expressed in a dollar amount, as this is the only allowable choice under the Deferred Compensation Plan.

Q. **How much of my retroactive pay can I contribute?**

A. Employees may contribute all or a portion of their retroactive pay into their City Deferred Compensation Plan account. The maximum amount employees are eligible to contribute to the Plan for 2016 is $18,000. If the employee will be at least 50 years of age by the end of the calendar year, the employee may contribute an **additional** $6,000 under the Age 50+ Catch-up option for a total of $24,000.

Q. **Will the dollar amount on the retroactive pay election form supersede my current bi-weekly deduction to the City's Deferred Compensation Plan?**

A. No, the dollar amount listed on the form is **in addition to** the employee's standard biweekly contribution. Also, if the employee selects an amount in excess of their retroactive pay, the amount selected, **in addition to**, their standard contribution will be deducted.

Q. **What will happen to my biweekly Deferred Compensation deduction after my retroactive pay is paid?**

A. After the retroactive pay is paid, the employee's prior standard biweekly contribution to the City's Deferred Compensation Plan will be restored by City Deferred Compensation Staff.

Where Do I Turn In My Form?

Q. **My one-time contribution form is complete with the dollar amount I'd like to contribute. Where do I turn in my form?**

A. The retroactive pay election form can be turned into Staff several ways. To ensure timely delivery, we encourage employees to e-mail their forms, using the last option below:

By mail:
City of Seattle, Seattle Department of Human Resources
City Deferred Compensation Staff
P.O. Box 34028, Mail Stop SMT 55-01
Seattle, WA 98124-4028

By inter-department mail:
Seattle Department of Human Resources
City Deferred Compensation Staff (c/o Crystal Roncek)
Mail Stop SMT 55-01

By fax:
(206) 615-0202

By e-mail:
deferredcompquestions@seattle.gov

Q. **I contacted the vendor for the City's Deferred Compensation Plan, but they do not know anything about this option. Why?**

A. The Plan's vendor Prudential Retirement only handles some administrative services for the City. The vendor does not handle the City's one-time retroactive pay option, and they will not be able to answer questions about this activity. Please send any questions to deferredcompquestions@seattle.gov

Additional Information

Q. **I'm in the Last Three-Year Special Catch-up. Can I still contribute my retroactive pay?**

A. Yes, employees who currently contribute to the Last Three Year Special Catch-up are permitted to contribute their retroactive pay as well. The amount of retroactive pay is applied to their allowable IRS maximum communicated to them by Staff in December 2015.

Q. **What if I don't contribute my retroactive pay into my City Deferred Compensation Plan account?**

A. Employees who choose not to contribute their retroactive pay into the Deferred Compensation Plan will receive their retroactive pay as taxable income.