

## DEFERRED COMPENSATION PLAN

Supplemental Benefit

## DEFERRED COMPENSATION PLAN - SUPPLEMENTAL BENEFIT LEAVE PAYOUT CONTRIBUTION

Leave payouts are eligible for contribution into the Deferred Compensation Plan, within annual IRS deferral and catch-up limits. Deferred comp accounts have certain tax advantages as outlined in Section 457(b) of the IRS tax code.

### Enroll Today

If you do not yet participate in deferred comp, you will need to [enroll in the plan](#). There are a number of HR, payroll, and retirement system deadlines that could take up to two months, so the sooner you enroll the better. (You need to have at least one payroll contribution into your new deferred comp account in order to contribute your leave payout.)

See the deferred comp [Features and Highlights](#) for more information on the plan.

### To Contribute Your Leave Payout

- 1 Contact your HR office to learn if you are eligible for a leave payout and the dollar amount.
- 2 [Contact a deferred comp specialist](#) or call 1.866.737.7457, to discuss the contribution process and if you can make catch-up contributions.
- 3 Submit a *Sick and Annual Leave Deduction Agreement* form, at least 45 days before your last day on the job.\* The form is available after you [sign into your personal deferred comp account](#), and at [www.SERS.pa.gov/DeferredCompensationPlan-Forms](http://www.SERS.pa.gov/DeferredCompensationPlan-Forms). If you do not submit your form through your online account, please mail it in a way that you can track delivery.

\*If the 45-day mark has passed, please [contact a deferred comp specialist](#) to discuss your options for submitting the form.

### 2026 Contribution Limits

Unlike rollovers from other retirement accounts that may be unlimited, leave payout contributions count toward the IRS' annual contribution limits.

#### Maximum

If you are not eligible for one of the special catch-up provisions, you may contribute a maximum \$24,500 or 100% of your compensation, whichever is less.

#### Catch-up Provisions

- If you are age 50 or older, you may make additional contributions up to an additional \$8,000 for a maximum of \$32,500 in 2026.
- If you turn age 60, 61, 62, or 63 in 2026, you may make additional contributions, up to an additional \$11,250 for a maximum of \$35,750.
- If you are within three calendar years of your SERS retirement age/date,<sup>1</sup> you can contribute up to double the annual contribution limit, or \$49,000 in 2026, with special catch-up contributions. The amount you may be able to contribute depends on the amounts you were eligible to contribute in previous years but did not. Special catch-up contributions are not permitted in, or after, the year you turn 70½.

Only one catch-up provision may be used in any one tax year.

#### Minimum

\$5 each pay period or 0.5% of pay each pay period (increases may be in increments of 0.5%).

<sup>1</sup> Generally, age 67, 65, 60, 55, or 50, depending on your SERS class of service, as listed on your annual member statement.

### Questions or Request Your Free Retirement Readiness Review

1.866.737.7457 | [SERSDeferredComp@pa.gov](mailto:SERSDeferredComp@pa.gov)

