



County of Santa Cruz

HUMAN RESOURCES DEPARTMENT

AJITA PATEL, DIRECTOR

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Important Information for Separating Employees who Participate in the County's 457 Deferred Compensation Plan

Dear County Employee:

You have several options available to you regarding your 457 deferred compensation account if you are planning to separate employment. Please be aware that you can leave your money in the County's plan to continue receiving personalized service, financial planning services and access to low-cost mutual funds and low administrative fees.

- Option 1. Commence a systematic (monthly/semi-annually/annually) distribution of your account balance.
- Option 2. Take a fully taxable lump sum distribution of your account balance (Roth assets are non-taxable).
- Option 3. Leave your money in the County's plan; The plan assets will grow tax deferred until you reach age 73 at which time minimum distributions are required.
- Option 4. Request a Direct Rollover to your new employer's plan or to an IRA. Please be aware that a transfer to an IRA or another employer's retirement plan may jeopardize your ability to take a penalty-free distribution prior to age 59 ½.

Rollover Option

You may rollover all or a portion of your **annual/vacation/sick/administrative leave** accruals into your 457 deferred compensation account (subject to the IRS maximum limits)

If you would like to defer any of your accrued leave hours, you must do the following:

1. **Complete** the Deferral Election form (department head authorization required) AND Deferred Compensation Deduction form **while you are still employed by the County;**
2. **Submit** the original Deferral Election form and Deferred Compensation Deduction form to the Human Resources Department **four weeks prior to your separation date in order to meet IRS rules and regulations and the Auditor's Office payroll deadlines.**

IMPORTANT NOTICE: The County shall in no way be liable should the requested deferral not occur because of untimely submission of the necessary documents or for any other reason. In the event the deferral does not occur, you shall receive accrual payoff in accordance with established payroll procedures.

Please contact **Ray Ortiz**, of MissionSquare Retirement, at 202-759-7126 or at rortiz@missionsq.org for any questions you may have regarding your account or visit www.missionsq.org/santacruzca to login in your account. You may also contact Franchezca Diaz, in the Human Resources Department, at 831-454-2926.