RETIRE READY
TENNESSEE'S RETIREMENT PROGRAM

A program of the Tennessee Treasury Department | David H. Lillard, Jr., Treasurer

State of Tennessee 457(b) Plan Special Catch-Up Contributions

Participants are strongly advised to call 800-922-7772 or speak with a RetireReadyTN Plan Advisor prior to making 457(b) special catch-up contributions to ensure proper guidelines are followed.

- Special catch-up contributions allow a participant to contribute an amount above the regular 457(b) elective deferral limit catch-up limit set by the IRS[1] during the last three (3) calendar years before the year the participant reaches Normal Retirement Age (see below for definition).
- In order to make special catch-up contributions to the 457(b) plan, participants must complete a 457(b) Special Catch-Up Election Form, available by calling 800-922-7772 and speaking to a RetireReadyTN call center representative or by logging into the participant's 457(b) account at **www.RetireReadyTN.gov**, and selecting "plan forms." Completed forms should be returned no later than the 15th day of the month prior to the month in which you intend special catch-up contributions to begin. **Incomplete forms will not be processed.**
- Participants are responsible for complying with all Internal Revenue Code (IRC) deferral limits and are responsible for any costs, including taxes and penalties that may be incurred from excess contributions.

Determining the Normal Retirement Age

- Normal Retirement Age is 70 ½ unless the participant elects an alternate Normal Retirement Age and delivers such election to the State on the 457(b) Special Catch-Up Election Form. Once a participant begins making special catch-up contributions, the participant may not change the alternate Normal Retirement Age. The choice of alternate Normal Retirement Age depends on when the participant is eligible to receive benefits under the employer's defined benefit pension plan, if applicable. It cannot be earlier than the earliest date the participant could retire without a reduction in benefits. **Note that police officers and firefighters may choose a Normal Retirement Age between 40 and 70 ½ regardless of retirement plan.** Below are the ranges for Normal Retirement Age for all other plan participants, depending on retirement plan:
  - **TCRS Legacy Plan –** age 60 if vested, or an earlier age with 30 years of service, but no later than age 70 ½
  - **TCRS Hybrid Plan –** age 65 if vested, or an earlier age upon reaching the rule of 90 (combined age and years of service equal to 90), but no later than age 70 ½
  - **ORP/JCRS/No Defined Benefit Pension Plan –** at least age 65 but no later than 70 ½
  - **Defined Benefit Pension Plan other than TCRS –** no earlier than the age at which the participant is entitled to an unreduced pension benefit but no later than age 70 ½

Revised 09/2020

[1] Participants who turn 50 or older during the calendar year may make regular catch-up contributions. The regular catch-up contribution limit is a fixed maximum amount of contributions set by the IRS on an annual basis. Additional information may be found at **www.irs.gov**.

Determining the Special Catch-Up Contribution Amount

- Participants may use special catch-up contributions to contribute an amount up to the lesser of twice the 457(b) elective deferral limit or 100% of earnable compensation in each of the three eligible years.
- Total special catch-up contributions over the three year period may not exceed the calculated "underutilized amounts" for each participant and may never exceed twice the regular 457(b) catch-up limit set by the IRS in any one year. Underutilized amounts must be calculated on the 457(b) Special Catch-Up Election Form for the form to be processed.
- The underutilized amounts is the cumulative difference between the regular 457(b) elective deferral limit and what was actually contributed to a 457(b) plan.[2] The underutilized amount will be $0 for any year in which regular (over age 50) catch-up contributions are made.

Contact Us

Call (800) 922-7772 Monday through Friday 8:00 a.m. to 7:00 p.m. CT

Visit www.Retire*Ready*TN.gov @Retire*Ready*TN

Revised 09/2020

[2]For years 2001 and prior, the underutilized amount is the difference between contributions to any 457(b), 401(k), and/or 403(b) plan and the lesser of the 457(b) elective deferral limit for that year and 33.3% of earnable compensation.