

LOS RIOS COMMUNITY COLLEGE DISTRICT

TDS/Security Benefit Group Deferred Compensation Plan (457)

Supplemental Information

Due Date

The deadline for submitting this form to the Employee Benefits Department is the last working day of the month preceding the month in which the deduction is to be effective.

Purpose

This form is used to provide for deductions from your salary into the TDS/Security Benefit Group 457 plan, as allowed by section 457 of the Internal Revenue Code.

Employee Investment Decisions

The employee is responsible for choosing the investment that is appropriate for their personal circumstances, and may choose from several investment options within TDS/Security Benefit Group. Investment choices are solely the responsibility of the employee. The District makes no recommendations and is not responsible for any gains or losses attributed to the investment, nor for any actions of the investment manager or custodian.

Maximum Annual Contribution Levels

The maximum amount that an employee may contribute is defined in section 457 of the Internal Revenue Code, and is explained in IRS publications. The employee is responsible for determining the amount that they may contribute within the IRS limits.

Regular Contributions

For Calendar year 2006, the maximum annual deferral amount permitted by Section 457 is 100% of compensation, or \$15,000, whichever is less.

Age 50+ “Catchup Contributions

For calendar year 2006, employees age 50 and over can defer an extra \$5,000 in addition to the statutory limit of \$15,000, for a total annual deferral of \$20,000. This catchup provision is available without regard to previous contributions and there are no additional documentation requirements.

Special “Catch-up” Rule

There is a special “catch-up” provision that allows you to defer an additional amount equal to any deferral limitations not utilized for prior tax years (beginning with the 1979 tax year) in which you were eligible to participate in the plan. This special provision may only be used during the last three tax years prior to the year of retirement. The current maximum contribution limits are double the applicable contribution amounts. This provision cannot be used during the year in which you retire. The special catch-up provision may only be started once by a participant whether all or part of the three-year catch up is used. Contact TDS/Security Benefit Group for more detailed information or Employee Benefits for the catch-up calculation form.