

## You have a 403(b) and want to invest. What are your contribution limits?

- ❖ A 403(b) has a contribution limit in 2009 of \$16,500.  
(Please note: Your contributions to the 403(b) plan cannot exceed 100% of your includible compensation)
- ❖ If you are age 50 or older, you may also contribute another \$5,500 a year on top of the 403(b) contribution limit of \$16,500. This is called the Age 50 Catch-up.
- ❖ If you have worked in the district for a combined total of 15 years or more, you may qualify for up to a \$3,000 a year catch-up to a lifetime maximum of \$15,000. (Some restrictions do apply).
- ❖ If you are eligible for both the 15-year catch up and the Age 50 Catch-up, you must reach your maximum contribution limit for the 15-year catch up before your additional contributions are applied to the Age 50 Catch-up.

AGE	SERVICE YEARS	403(b) LIMIT	15 YR CATCH UP	AGE 50 CATCH UP	TOTAL LIMIT
35	10	16,500	n/a	n/a	\$16,500
49	24	16,500	3,000*	n/a	\$19,500
55	30	16,500	3,000*	5,500	\$25,000
<b>Watch for</b>					<b>Contributions</b>
50	25	16,500	3,000**	2,500**	\$22,000

\*=applicable if you haven't exhausted all of your 15-year catch up and you qualify for the \$3,000 per year maximum

\*\* = if you are putting \$5,500 into the Age 50 catch-up, but you still qualify for the 15 year catch-up, you must use the 15-year catch-up first. You cannot save it for later.

- ❖ Please note that the chart above shows the maximum contribution limits. These are in no way amounts that you are required to contribute.
- ❖ You may contribute to one or more of the vendors on your district's vendor list.

## You also have a 457(b) and would like to invest. What are your contribution limits?

- ❖ A 457(b) has a contribution limit in 2008 of \$16,500.  
(Please note: Your contributions to the 457(b) plan cannot exceed 100% of your includible compensation)
- ❖ If you are age 50 or older, you may also contribute another \$5,500 per year on top of the 457(b) limit of \$16,500. This is called the Age 50 Catch-up.
- ❖ You may contribute to both the 403(b) and 457(b) plans at the same time. The contributions to one plan do not offset the contributions to the other plan. (This is not the case for 401(k) contributions.)

AGE	SERVICE YEARS	457(b)	AGE 50 CATCH UP	403(b)	15 YR CATCH UP	AGE 50 CATCH UP	TOTAL CONTRIBUTIONS
35	10	16,500	n/a	16,500	n/a	n/a	\$33,000
49	24	16,500	n/a	16,500	3,000*	n/a	\$36,000
55	30	16,500	5,500	16,500	3,000*	5,500	\$47,000

\*=applicable if you haven't exhausted all of your 15-year catch up and you qualify for the \$3,000 per year maximum

- ❖ If you are within 3 years prior to your earliest retirement date according to the district's 457 (b) plan document (in the example below we are assuming this is 2010), you may use a "Special 457(b) Catch-up" This special catch-up allows you to make additional contributions for previous years where you did not reach the maximum contribution limit. (Some restrictions do apply). The Special Catch-up limit is equal to the 457 limit for that year and you cannot use the Age 50 Catch-up at the same time.

YEAR	457 CONTRIBUTION LIMIT	ACTUAL 457 CONTRIBUTIONS	AMOUNT NOT USED	TOTAL UNDER-UTILIZED CONTRIB.	SPECIAL CATCH UP USED	AGE 50 CATCH UP USED	TOTAL CONT.
2004	\$13,000	\$0	\$13,000	\$13,000	N/A	\$0	\$0
2005	\$14,000	\$8,000	\$6,000	\$19,000	N/A	\$0	\$8,000
2006	\$15,000	\$15,000	\$0	\$19,000	N/A	\$5,000	\$20,000
2007	\$15,500	\$15,500	\$0	\$19,000	\$13,000	N/A	\$28,500
2008	\$15,500	\$15,500	\$0	\$6,000	\$6,000	N/A	\$21,500
2009	\$16,500	\$16,500	\$0	\$0	\$0	\$5,500	\$22,000

- ❖ Again, these are contribution limits, not requirements to contribute.