



## WHAT IS THE DEFERRED COMPENSATION PROGRAM?

The Washington State Deferred Compensation Program (DCP) is an IRC Section 457(b) plan which allows you to defer a portion of your salary until retirement. Automatic payroll deduction makes saving easy as the amount you defer is taken from your gross income before federal income tax.

### ELIGIBILITY

All employees working a regular schedule (part-time or full-time) may voluntarily choose to participate in the Deferred Compensation Program. An employee does not need to be a member of a state retirement system (SERS or TRS) to participate. Visit the DCP website at [www.drs.wa.gov/DCP](http://www.drs.wa.gov/DCP) to learn more about the program and how to enroll. A DCP Enrollment Guide can be requested by calling (360) 664-7011 (TTY phone 711).

### MAXIMUM DEFERRAL

Participants may contribute 100% of adjusted gross income up to \$18,500 for 2018. Minimum deferral is \$30 per month or 1% of wages. Deferrals can be suspended at any time by changing the contribution rate to "0". Enrollment and deferral changes may take up to 30 days to initiate.

### CATCH-UP OPTIONS

Plan participants that are age 50 or older at any point during the plan year are eligible to make an additional "catch-up" contribution. The allowed "catch-up" contribution may be as much as \$6,000 (\$24,500 for 2018). Such contributions to this plan directly reduce current federal taxable income.

Another catch-up option may be used in one or more of the three calendar years before reaching "normal retirement age." A participant may be eligible to defer an additional amount of up to twice the maximum deferral for the year (e.g. \$37,000 for 2018). Contact a DCP Retirement Specialist at (360) 664-7111 for details.

### ACCOUNT MANAGEMENT

Accounts can be accessed and managed by logging on to [www.drs.wa.gov/login](http://www.drs.wa.gov/login) or by calling the DCP Information Line at 888-327-5596 (TTY phone 711). Account balances are updated each business day and available 24 hours a day, 7 days a week. Management of an account includes the transfer of account balances between the investment options, changing the deferral amount, changing investment elections, and account rebalancing.

### LOANS

Loans from this plan are not available at this time.

### PENALTIES AT DISTRIBUTION

There is **NO** 10% tax penalty on a distribution at any age after separation from employment.

### DISTRIBUTION AVAILABLE

Withdrawals allowed at separation from employment, death, in-service, or for a qualified unforeseeable financial hardship/emergency. Federal income tax is withheld from each distribution. TRS members have an option to purchase an additional annuity prior to retirement. TRS members can roll their DCP funds over into their TRS account, tax-deferred, to purchase the annuity. Please visit the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov) for more information about the annuity purchase.

### PURCHASE SERVICE CREDIT

Yes for **eligible** Washington state public pension service credit.