



**STATE OF CONNECTICUT
HEALTHCARE POLICY & BENEFIT SERVICES DIVISION
OFFICE OF THE STATE COMPTROLLER**

DIVISION MEMORANDUM 2019-07

November 19, 2019

**ATTENTION: Human Resource, Benefit and Payroll Officers and State Employees
Participants in the 457 Deferred Compensation and 403(b) Plans**

**SUBJECT: 2020 IRS Maximum Contribution Limits and the Need to Restart
Contributions for Participants who stopped contributions during 2019**

I. INTRODUCTION

The purpose of this memorandum is to announce the 2020 limits for contributions to the State of Connecticut 457 Deferred Compensation Plan and the 403(b) Plan, the need for employees to monitor their contributions to avoid exceeding the Internal Revenue Service (IRS) limit, and to advise participants who elected to stop plan contributions during 2019 how to restart them for 2020.

II. CONTRIBUTION LIMIT

Each year, the maximum amount that employees can contribute to the 457 or the 403(b) Plan is limited by the IRS. For 2020, the maximum amount someone under the age of 50 can contribute to a 403(b) or 457 Plan is \$19,500. Employees who will be at least age 50 by December 31, 2020 can contribute an additional \$6,500.

The annual limit applies to pre-tax contributions, post-tax contributions or any combination of the two. Employees who are eligible for both the 403(b) and 457 Plans can contribute the 2020 maximum amount to each plan. The minimum contribution amount for the 457 Plan is \$20 per pay period and \$200 annually for the 403(b) Plan.

For employees who have applied and were approved for the 457 Plan Special 3 Year Catch Up Option may be eligible to contribute a maximum of \$39,000 in 2020. If you are eligible and wish to use the Special 3 Year Catch Up option, you must apply to do so the year before you want to begin making such contributions.

III. RESTARTING AND INCREASING CONTRIBUTIONS IN 2019

Employees who elected to stop their contribution(s) to the 403(b) or 457 Plan during 2019 must take action to re-start them for calendar year 2020. The attached Payroll Cut-off Schedule shows the effective date of the contribution change based upon the date your request is received by Prudential. Employees whose Plan contributions stopped due to an unpaid leave of absence will also need to re-start contributions following return to work. Prudential will restart contributions for employees whose deduction was suspended automatically due to reaching the IRS maximum in 2019. All employees are encouraged to review the first paycheck in January to confirm that their 457 or 403(b) Plan contribution amounts are correct.

Employees enrolled in the 457 and 403(b) Plans can restart their contributions online by following these instructions:

- 1) Log onto www.ctdep.com
- 2) Click on 'access account'
- 3) Enter your userid and password
- 4) Under the 'go to' box select Contribution Rate
- 5) Next to your contribution amount, select 'change'
- 6) Enter your contribution amount
- 7) Click on "OK"
- 9) Review your new contribution amount
- 10) Select 'apply changes'
- 11) You'll receive your confirmation page with a tracking number.

Prudential can also accept contribution changes and restarts for the 457 and 403(b) Plans by telephone. You can reach Prudential at **844-505-SAVE (7283)**.

For all other employees actively contributing to the 403(b) and 457 Plans in 2019, your contribution election will continue for 2019 unless you initiate a change.

IV. MONITORING ANNUAL CONTRIBUTIONS

Employees should monitor their total plan contributions to avoid exceeding the IRS limit. For most participants, the CORE-CT system will automatically suspend contributions once the IRS limit is reached. However, the automatic suspension in CORE-CT does not prevent over-contributions where an employee:

- 1) Makes both pre-tax and after-tax contributions to the same plan,
- 2) Submits a new contribution amount after the IRS limit is reached,
- 3) Restarts a contribution after reaching the IRS limit or
- 4) Changes employee record numbers within the calendar year.

If an employee has excess contributions at the end of the calendar year Prudential will perform a review and refund the excess contribution in 2021.

Employees can suspend contributions after reaching the IRS maximum by submitting a contribution change to Prudential. See the attached Payroll Cut-off Schedule, which shows the effective date of the contribution change depending upon when the change request is received.

V. CONCLUSION

Payroll and Human Resources Personnel are encouraged to provide this information to all employees. Questions regarding the 403(b) or 457 Plan should be directed to **Prudential at 844-505-SAVE (7283)** or log onto www.CTDCP.com for more information. You may also contact the Employee Benefits Unit for assistance at 860-702-3543 or at osc.ebu@ct.gov.

Very truly yours,

A handwritten signature in cursive script that reads "Thomas C. Woodruff". The signature is written in black ink and is positioned above the typed name.

THOMAS C. WOODRUFF, Ph.D.
Director

Paper form contribution changes (faxed or mailed) received between these dates by 4pm EST	Online and Phone-In Contribution changes made between these dates by 4pm EST	Will be effective for the following pay date below		
		Bi-Weekly Check Date	Semi-Monthly Check Date	Monthly Check Date
11/14/19 to 11/27/19	11/16/19 to 11/29/19	12/20/19	12/31/19	
11/28/19 to 12/11/19	11/30/19 to 12/13/19	01/03/20	01/15/20	1/3/2020
12/12/19 to 1/1/20	12/14/19 to 1/3/20	01/17/20	01/31/20	02/07/20
1/2/20 to 1/15/20	1/4/20 to 1/17/20	01/31/20	01/31/20	
1/16/20 to 1/22/20	1/18/20 to 1/24/20	02/14/20	02/14/20	
1/23/20 to 2/5/20	1/24/20 to 2/7/20	02/28/20	02/28/20	03/06/20
2/6/20 to 2/19/20	2/8/20 to 2/21/20	03/13/20	03/13/20	04/03/20
2/20/20 to 3/4/20	2/22/20 to 3/6/20	03/27/20	03/31/20	
3/5/20 to 3/18/20	3/7/20 to 3/20/20	04/09/20	04/15/20	
3/19/20 to 4/1/20	3/21/20 to 4/3/20	04/24/20	04/30/20	05/01/20
4/2/20 to 4/15/20	4/4/20 to 4/17/20	05/08/20	05/15/20	06/05/20
4/16/20 to 4/29/20	4/18/20 to 5/1/20	05/22/20	05/29/20	
4/30/20 to 5/13/20	5/2/20 to 5/15/20	06/05/20	06/15/20	
5/14/20 to 5/27/20	5/16/20 to 5/29/20	06/19/20	06/30/20	
5/28/20 to 6/10/20	5/30/20 to 6/12/20	07/02/20	07/15/20	07/02/20
6/11/20 to 6/24/20	6/13/20 to 6/26/20	07/17/20	07/31/20	08/07/20
6/25/20 to 7/8/20	6/27/20 to 7/10/20	07/31/20	08/07/20	
7/9/20 to 7/22/20	7/11/20 to 7/24/20	08/14/20	08/14/20	
7/23/20 to 8/5/20	7/25/20 to 8/7/20	08/28/20	08/31/20	09/04/20
8/6/20 to 8/19/20	8/8/20 to 8/21/20	09/11/20	09/15/20	10/02/20
8/20/20 to 9/2/20	8/22/20 to 9/4/20	09/25/20	09/30/20	
9/3/20 to 9/16/20	9/5/20 to 9/18/20	10/09/20	10/15/20	
9/17/20 to 9/30/20	9/19/20 to 10/2/20	10/23/20	10/30/20	11/06/20
10/1/20 to 10/14/20	10/3/20 to 10/16/20	11/06/20	11/13/20	
10/15/20 to 10/28/20	10/17/20 to 10/30/20	11/20/20	11/30/20	12/4/20
10/29/20 to 11/11/20	10/31/20 to 11/13/20	12/04/20	12/15/20	
11/12/20 to 11/25/20	11/14/20 to 11/27/20	12/18/20	12/31/20	
11/26/20 to 12/9/20	11/28/20 to 12/11/20	12/31/20	Jan-21	Jan-21

The cut-off date is the last date that a participant can submit a change for the corresponding check date.