



California State University
 403(b) Tax Sheltered Annuity
 IRC Section 402(g)(7) Catch-up Calculation Worksheet

Effective for the 2006 Tax Year

Note to employee: Contributions to the 403(b) program must be no greater than the lesser of two different IRS limits. These limits are under Internal Revenue Code (IRC) §415(c), and §402(g). **For 2006, the 402(g) limit is \$15,000; the 415(c) limit is 100% of compensation (up to \$44,000).** The 402(g) limit is an annual limit; it is reduced if you contribute to a §401(k) plan or a Simplified Employee Pension (SEP) during the year, even if those plans are sponsored by a different employer. However, it is not reduced by your 457(b) or CalPERS retirement contribution.

IRC §402(g)(7) provides a “catch-up” provision for the 402(g) limit, which permits eligible employees to contribute up to an additional \$3,000 during the year. **If you wish to contribute more than the 402(g) limit under this provision, you must demonstrate your eligibility for the catch-up provision by completing this worksheet for each tax year that you wish to contribute a higher amount.**

Information you will need before completing this worksheet:

- ⇒ Your years of service with CSU.
- ⇒ The maximum contribution you would be eligible to make during 2006 to the 403(b) program before considering the 402(g)(7) catch-up provision. Contact your 403(b) vendor representative or tax advisor if you need assistance with these calculations.
- ⇒ The 403(b) contributions you made each year while employed by the CSU.

Step 1: Enter your years of service at CSU (complete attached “Years of Service Worksheet”). If you have less than 15 years of service, **STOP** -- you are not eligible to use the catch-up provision. _____ **Years (1)**

Step 2: Enter your maximum 2006 403(b) contribution under the lesser of the 415(c) “100% of compensation,” or \$44,000. (Compensation for the percentage calculation is taxable income plus pre-tax employee contributions to an IRC 403(b), 457, 401(k), 132(f) (pre-tax transportation reimbursement) or 125 plan but does not include pre-tax contributions to CalPERS retirement.) The 402(g) limit is not considered in Step 2 of the calculation. Only the 415(c) limit or \$44,000 is considered. If your answer is less than \$15,000, **STOP** -- you are not eligible for the catch-up provision and your limit for 2006 is the amount entered for this step. \$ _____ **(2)**

Step 3: 403(b) contributions prior to 1987 may be ignored for Step 3.

(A) <u>Year</u>	(B) 403(b) <u>Contributions*</u>	(C) 402(g) <u>Limit</u>	Difference: (B) minus (C), <u>but not less than \$0</u>
1987	_____ minus	\$9,500	= _____
1988	_____ minus	\$9,500	= _____
1989	_____ minus	\$9,500	= _____
1990	_____ minus	\$9,500	= _____
1991	_____ minus	\$9,500	= _____
1992	_____ minus	\$9,500	= _____
1993	_____ minus	\$9,500	= _____
1994	_____ minus	\$9,500	= _____
1995	_____ minus	\$9,500	= _____
1996	_____ minus	\$9,500	= _____
1997	_____ minus	\$9,500	= _____
1998	_____ minus	\$10,000	= _____
1999	_____ minus	\$10,000	= _____
2000	_____ minus	\$10,500	= _____
2001	_____ minus	\$10,500	= _____
2002	_____ minus	\$11,000	= _____
2003	_____ minus	\$12,000	= _____
2004	_____ minus	\$13,000	= _____
2005	_____ minus	\$14,000	= _____
TOTAL= _____			

If total exceeds \$15,000, **STOP** -- you are not eligible for the catch-up provision.
 If total is less than \$15,000, subtract total from **\$30,000**: \$30,000 minus total above _____ Enter **RESULT**: \$ _____ **(3)**

***Note: Column (B) should include contributions made by you to any Section 401(k) plan or Simplified Employee Pension (SEP). (Do not include your 457(b) or CalPERS retirement contributions.)**

