



**California State University
Tax Sheltered Annuity (403(b))
IRC Section 402(g)(8) Catch-up Calculation Worksheet
Effective for the 2002 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 2002, the 402(g) limit is \$11,000; the 415(c) limit is 100% of compensation. The \$11,000 limit is an annual limit; it is reduced if you contribute to a §401(k) plan or a Simplified Employee Pension during the year, even if those plans are sponsored by a different employer. However, it is not reduced by your 457(b) or PERS retirement contribution.

There is a IRC §402(g)(8) "catch-up" rule for the \$11,000 limit, which may permit some employees to contribute up to \$14,000 during the year. **If you wish to contribute more than \$11,000 under this provision, you must demonstrate your eligibility for the catch-up rule by completing this worksheet.**

Information you will need before completing this worksheet:

- ⇒ Your years of service with CSU.
- ⇒ The maximum contribution you would be eligible to make during 2002 to the 403(b) program before considering the 402(g)(8) catch-up rule. 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 rule. _____ **Years(1)**

Step 2: Enter your maximum 2002 403(b) contribution under the lesser of 100% of compensation or \$40,000. (Compensation for the percentage calculation is taxable income plus pretax employee contributions to an IRC 403(b), 457, 401(k), 132(f) (pre-tax transportation reimbursement) or 125 plan but does not include pretax contributions to PERS retirement.) The \$11,000 402(g) limit is not considered in Step 2 of the calculation. Only the 415(c) limit (100% of adjusted gross income or \$40,000) is considered. If your answer is less than \$11,000, **STOP** -- you are not eligible for the catch-up rule and your limit for 2002 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 =	_____
TOTAL=			_____

If total exceeds \$15,000, **STOP** -- you are not eligible for the catch-up rule.
 If total is less than \$15,000, subtract total from \$26,000: \$26,000 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. (Do not include your 457(b) or PERS retirement contributions.)

Step 4: Enter the RESULT from Step 3: \$ _____ (4)

a) Years of Service entered in Step 1 _____ years

b) Multiply by \$5,000 x \$5,000
 This equals \$ _____

c) Subtract your prior 403(b) or 401(k) contributions for
 the entire period of your CSU employment - _____
 This equals \$ _____

If the answer to 4(c) is less than zero, **STOP** -- you are
 not eligible for the catch-up rule and your limit for 2002
 is \$11,000.

d) If 4(c) is greater than zero, add \$11,000 + \$11,000
 RESULT: \$ _____

Step 5: Enter \$14,000 \$ _____ (5)

Step 6: Enter the least of the amounts from steps (2), (3), (4), and (5). This is the
 maximum amount you are permitted to contribute in 2002 considering the
 catch-up rule. \$ _____ (6)

Note: If you are or will be age 50 by the end of the plan year, and you have contributed the lesser of 100% of pay or \$11,000, you are eligible to defer an additional \$1,000 to the amount shown in Step 6.

REMINDER FOR EMPLOYEES CONTRIBUTING TO THE STATE DEFERRED COMPENSATION (457) PLAN: In general, the limit on your annual contribution to the State Deferred Compensation Plan is the lesser of \$11,000, or 100% of your taxable compensation. Any amounts you contribute to the 403(b) plan no longer have to be subtracted from the 457 limit. In addition, age 50 catch-up contributions to a 403(b) or 401(k) plan do not count against the age-50 catch-up contributions to a governmental 457 plan.

I certify that to the best of my knowledge, the information used in completing this worksheet is accurate.

Employee Signature: _____ Date: _____

Please Print Name: _____ Soc. Sec. No.* _____

** Your Social Security number is required because it is your payroll identification number and your 403(b) contribution affects payroll transactions.*

Accepted by:
 Campus Representative: _____ Date: _____

