



# Important Retirement Planning Information

## City of San José Deferred Compensation Plan

### Defer Leave Cash Outs to Your Deferred Compensation Plan

Employees who are considering retirement or separation from City service **may** be eligible to defer leave payouts from unused sick leave, vacation, compensatory or executive leave balances into their Deferred Compensation account. By deferring leave pay outs, you can reduce your tax liability, and save for your future. Of course, taxes will be deducted when distribution occurs from the Deferred Compensation Plan. To take advantage of this Deferred Compensation plan feature, you will need to plan ahead.

### Deferred Compensation Retirement Planning Checklist

- ☑ Schedule an appointment to meet with a Deferred Compensation [Representative](#) to discuss options as soon as you've identified your separation/retirement timeframe. (An exact date is not needed).
  - ❖ Deferral consultation appointments can be arranged several months in advance.
  - ❖ Employees can benefit by understanding the options early when planning for retirement and/or leave pay outs.
  - ❖ Employees who are not currently enrolled in Deferred Compensation will need to set up an account prior to the leave pay out distribution.
- ☑ A leave cash out requires a deferral change in Deferred Compensation contributions which must be timed to the pay day leave cash outs will be paid to the employee.
  - ❖ To make an election, an employee must complete the [Leave Payout Form](#) to request deferral of leave payouts and submit to Deferred Compensation Staff or the department's ING Representative on or before the actual separation/retirement date.
  - ❖ Per IRS rules, no deferrals or changes to deferrals are allowed after an employee has separated from City service.
- ☑ Access Deferred Compensation information [online](#) or call **(408) 975-1465** for more information.

