

# Application for One-Time Deferral to the Minnesota Deferred Compensation 457(b) Plan (MNDCP)

**Note to Employer:** This form is for a one-time payment only to an employee's MNDCP account. It is not to be used for ongoing salary deferrals. Please ensure contributing employees' salary deferral amounts continue after this payment.

## Employee Information

Name (print last, first, MI)	Social Security Number	Date of birth	Daytime phone
Street address	City	State	Zip Code
Employer	Employer ID (if applicable)	Payroll Effective Date	

## One-Time Payment Amount

Specify the total dollar amount to be deferred as a one-time payment to the MNDCP from your paycheck.

**Note:** To change investment allocation, call 1-800-657-5757 or log on to your account online at [www.msrs.state.mn.us](http://www.msrs.state.mn.us)

Total amount to defer to MNDCP

\$

## One-Time Payment

Providing this form to your employer allows one-time deferrals to the MNDCP.

The following are some examples eligible for deferral:

- Unused vacation or sick pay
- Overtime pay
- Compensatory pay

## Required Signature

I have read and acknowledge the provisions of this Application and the Memo of Understanding on page 2 of this form.

Employee Signature	Date
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## Form Return Instructions

Return this form to your employer's HR or payroll department.

**Please do not return to MSRS,** plan administrator of the MNDCP. Forms received by MSRS will be returned to you.

## Memo of Understanding

1. I understand that distributions from my Deferred Compensation Plan account cannot begin until 30 days after separation from service except for an approved unforeseeable emergency. IRS regulations define an unforeseeable emergency as severe financial hardship to the participant resulting from an illness or accident of the participant or a dependent, loss of the participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant. Examples of what are not considered to be unforeseeable emergencies include college tuition or purchasing a home. Likewise, divorce, in and of itself, is not an unforeseeable emergency. Participants are expected to utilize liquid savings to cover other emergencies. Deferred Compensation Plan payments are subject to taxation as ordinary income in the year received.
2. I understand that my total annual contributions to the Deferred Compensation Plan are subject to limitations in accordance with section 457(b) of the Internal Revenue Service Code. The Annual Maximum is up to 100% of your annual includible compensation or \$23,500 in 2025; whichever is less. Includible compensation is your gross compensation minus any mandatory pre-tax contributions to your qualified retirement plans (414(h)). In the year in which a participant attains age 50, an additional \$7,500 contribution can be made to the MNDCP for an annual maximum total of \$31,000. In the year in which a participant attains ages 60, 61, 62 and 63, an additional \$11,250 contribution can be made to the MNDCP for an annual maximum total of \$34,750. Beginning with age 64 and beyond, the age 50 and over limit applies. The age-based contribution limits cannot be used at the same time as the Special Catch-Up Provision, which is detailed in number 3. **Note that any employer contributions and annual leave deferrals are included in determining the annual maximum.**
3. I understand that a Catch-Up Provision is available if I am within three years of the year I am eligible for an unreduced pension and I have not put in the maximum per year since 1979. The Catch-Up maximum is twice the normal maximum (\$47,000 in 2025). The Catch-Up is available only for three consecutive calendar years. If I elect to utilize the Catch-Up Provision, I must complete the *MNDCP Catch-Up Rules and Election* form. This Catch-Up cannot be used at the same time as any age-based additional contribution provision in number 2. For additional details, contact your MNDCP Retirement Counselor at 1-800-657- 5757 or 651-296-2761.
4. **I understand that this is a one-time only deferral request and that this form may not be used to change my ongoing salary deferral contributions. The responsibility for this transaction and the timing of this one-time deferral is between me and my employer's payroll center and any questions regarding timing and amount of deduction are to be directed to my payroll center. This form is to be submitted to my payroll center.**

Your Social Security number and other requested information on the authorization is private data. The data will be used to determine your eligibility and to process your payroll deductions for the Minnesota Deferred Compensation Plan. You are not legally required to supply this data. The data may be supplied to the MNDCP Record Keeper, MSRS, your employer, and the Federal and State tax officials, for payroll and tax purposes.