

Attention: Public Safety Employees

Public safety employees are not subject to the additional 10% early withdrawal tax from your Savings Plus 401(k) account.

Thanks to the Defending Public Safety Employees' Retirement Act, effective January 1, 2016, public safety employees age 50 or older who retire or separate from service are not subject to the additional 10% early withdrawal tax on their 401(k) plan account.

This includes distributions from qualified defined contribution plans when a participant separates from service while still serving as a public safety employee. It does not apply to any IRA money rolled into a government plan.

Public safety employees can include:

- Safety Patrol Members
- Peace Officer Members
- Firefighter/Peace Officer Members
- Safety Members

The chart on the right summarizes annual contribution limits to 401(k) and 457(b) plans.

Plan Type	2020		
	Regular Contribution Maximum	Age-Based 50+ Contribution	Total Contribution Allowed
401(k)	\$19,500	\$6,500	\$26,000
457(b)	\$19,500	\$6,500	\$26,000
Total 401(k) and 457(b)	\$39,000	\$13,000	\$52,000

Source: IRS.gov

Important tips for public safety employees:

- As long as you are age 50 or older and separated from service, there is no early withdrawal tax for assets taken from the 401(k). An additional 10% early withdrawal tax does not apply to the 457(b) plan.
- If you contribute the maximum to your 457(b) account, you can contribute up to an additional \$19,500, or \$26,000 if you are age 50 or older, into a 401(k) account.
- Unused leave time that has been cashed out (Lump Sum Separation Pay) is taxable. Another option is to contribute all or a portion of your Lump Sum Separation Pay into a 401(k) and/or a 457(b) account and let it grow until you need to take a distribution.

Act Today

- Contact your Human Resources department to confirm you are in a public safety classification.
- When submitting a Benefit Payment Application from the **Benefit Payment Booklet (BPB)**, ensure you complete section 9 to certify you are a public safety employee. The **BPB** is located in the **Forms/Publications/Support** section of **savingsplusnow.com**.



Contact the Savings Plus Service Center at (855) 616-4776, 5 a.m. – 8 p.m. (PT) to learn more.

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