

# 3-Year Catch-Up Option

If you are within three years of Normal Retirement Age (NRA) and would like to set aside more money for your retirement years, consider taking advantage of the City and County of Honolulu Deferred Compensation Plan 3-year Catch-Up option today.

## Where can I get information about the 3-year Catch-Up option?

To obtain information on the 3-year Catch-Up option, contact your local Voya representatives<sup>1</sup> who are providing in person meetings on an appointment only basis. Telephone appointments may also be made. Individuals are encouraged to call the local office to speak with a Voya representative at **(808) 597-8213**.

## What is the 3-year Catch-Up option?

This is a provision of the Internal Revenue Code (IRC) that permits participants who are in a governmental 457(b) plan (such as the City and County of Honolulu Deferred Compensation Plan (the Plan)) and who are within three calendar years of Normal Retirement Age (NRA) whether you retire then or not, to defer additional amounts over the normal maximum contribution allowed.

## Who is eligible?

You are eligible only if:

- You are under age 70½ (catch-up contributions are not permitted in the same year you turn 70½) or any year thereafter;
- You are within three calendar years of your NRA;
- Have under-contributed in prior years for which you were eligible; and
- You have not previously participated in the 3-year Catch-Up option with the City and County of Honolulu Deferred Compensation Plan.

## How much can I contribute through the 3-year Catch-Up Option?

The maximum annual contribution allowed under the IRC catchup provision is double the normal contribution limit. In 2024,

the maximum normal contribution is \$23,000; thus, the 3-year Catch-Up contributions may total as much as \$46,000 each year depending on how much you under contributed in prior years.

How much you under contributed is dependent on the following: If in prior years, you were eligible to contribute to the Plan but did not, or contributed less than the maximum for which you were eligible, you have an unused or “underutilized” amount for catch-up. For example, if you contributed only \$2,500 in a year in which you were eligible to contribute \$7,500, you would have under contributed (had an unused balance of) \$5,000 to catch up on.

## How do I determine my normal retirement age?

For purposes of the 3-year Catch-up option, your “normal retirement age” is no earlier than the earliest age you can retire with unreduced benefits from the retirement system with your current employer, but no later than age 70½.

For example, unreduced benefits can be attained as follows:

- **General service employees**  
The earliest date a general employee can retire is age 55. Accordingly the earliest general employees can begin their catch-up contributions is 3 years prior to turning age 55.
- **Safety service and other special category employees (police, fire and lifeguards)**  
The earliest date a safety service employee can retire is age 45. Accordingly, the earliest a safety service employees can begin their catch-up contributions is 3 years prior to turning age 45.

Contact your local Voya representatives if you have questions about the 3-year Catch-Up option. The Voya representatives are providing in person meetings on an appointment only basis. Telephone appointments may also be made. Individuals are encouraged to call the local office to speak with a Voya representative at **(808) 597-8213**.



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## When can the 3-year Catch-Up option be used?

The 3-year Catch-Up option may only be used for three consecutive calendar years. The three consecutive calendar years must be within the window that begins three years prior to your NRA and ends the calendar year before you reach age 70½. You cannot enroll or make catch-up contributions the year you reach age 70½. You determine when in the window you will begin your catch-up contributions. If you stop making your catch-up contributions at any time during the eligibility period, you cannot restart them. You may, however, resume standard contributions at the standard contribution limit.

## What happens if I enroll in the 3-year Catch-Up option but then do not retire at my stated NRA?

If you are eligible and enroll in the 3-year Catch-Up option but then do not retire upon reaching your stated NRA, your catch-up contributions would not be affected. You only need to be within three years of the Plan's NRA to make catch-up contributions, even if you retire at a later date.

## What happens when I complete my 3-year Catch-Up?

Once the 3-year Catch-Up period is over, you will automatically be defaulted to the "normal" maximum contribution allowed for the 50+ Catch-up, if you are age 50 or older. Your payroll deduction amount will continue "as is" unless you change your savings rate by logging in to your account at [hawaii.beready2retire.com](https://hawaii.beready2retire.com) or by calling (800) 584-6001 and speak with a Customer Service Associate to make this change. Associates are available Monday – Friday, 2:00 a.m. to 3:00 p.m. Hawaiian Standard Time (HST).

## Can I stop catch-up contributions in the middle of the three-year period?

Yes, you can, but there are possible repercussions to doing so. Once the NRA has been designated for purposes of using the catch-up provision, it becomes irrevocable. Should you decide not to utilize one of the years, it may not be made up later. You cannot participate in catch-up in the year of your declared NRA—only in the three calendar years prior to your NRA. However, if you retire sometime during your 3-year Catch-Up window, you can still deposit up to your maximum allowable 3-year Catch-Up limit for that year. Three-year Catch-up deferrals can be stopped, started, or changed during the three consecutive taxable years before the year in which you reach your NRA, but no action will extend this period beyond three years. Moreover, you cannot start another three-year catch-up period under any circumstances.

## When does the three-year period start?

The three-year period is counted on a calendar year basis. You may commence catch-up at any time during an eligible calendar year; however, whether you start at the beginning or end of the year, that year counts as a full catch-up year.

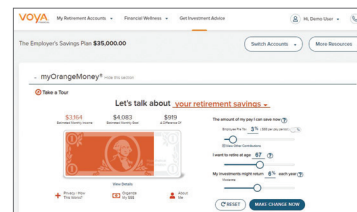
## Can I also contribute using the Age 50 and Over Catch-Up option?

No, you cannot participate in the Age 50 and Over Catch-Up and the 3-year Catch-Up options simultaneously. You may want to utilize the catch-up that provided the greater contribution as soon as you are eligible or may want to use it at a later time during the eligibility period. The decision is yours to make and would depend on your specific situation and plans.

## How do I apply for the 3-year Catch-Up option?

If you are interested in learning more or applying for the 3-year Catch-Up option, contact your local Voya representatives who are providing in person meetings on an appointment only basis. Telephone appointments may also be made. Individuals are encouraged to call the local office to speak with a Voya representative at (808) 597-8213. The Voya Office is available Monday – Friday, 7:30 a.m. to 4:00 p.m. HST.

## Don't know how much retirement income you'll need?



Find out with **myOrangeMoney®**, an interactive educational online experience<sup>2</sup> that helps you determine your retirement income needs and illustrates if there is a gap. Log into your account at [hawaii.beready2retire.com](https://hawaii.beready2retire.com) to check it out.



<sup>1</sup> Investment adviser representative and/or registered representatives of, and securities and investment advisory services offered through Voya Financial Advisors, Inc. (member SIPC) Investment advisory services are only offered through Investment adviser representatives of Voya Financial Advisors.

<sup>2</sup> **IMPORTANT:** The illustrations or other information generated by the calculators are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. This material is intended to provide educational information on the subjects covered. It is general in nature and the strategies suggested may not be suitable for everyone. It is not intended to provide specific tax, legal or other professional advice. You should seek advice from your tax and legal advisors regarding your individual situation.

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