

WAC 415-501-430 Are there exceptions to the annual deferral limits? As allowed by the Internal Revenue Service, you may defer more than the annual deferral limit if you qualify to use one of the "catch up" provisions described in this section. You may not use both catch-up provisions during the same taxable year.

(1) **Age fifty and over:** You may defer a higher amount during any year in which you are age fifty or older. The maximum you may defer each year is the sum of the annual deferral amount for the current taxable year plus the over fifty catch up amount established by the IRS under 26 U.S.C. 414.

(2) **Three years before normal retirement age:** You may defer a higher amount during a period of three consecutive years immediately preceding the taxable year in which you reach normal retirement age as defined in WAC 415-501-110 (10). The maximum you may defer during each of the three years is the lesser of:

(a) Twice the annual deferral limit; or

(b) The sum of the annual deferral limit for the applicable years, plus the portion of the annual deferral limit for any prior taxable year that you have not previously used.

(i) For years prior to 2002, amounts you deferred under certain other plans must be considered in determining the unused amount, consistent with Treasury Regulation 1.457-4 (c) (3) (iv).

(ii) A prior taxable year may be taken into account only if:

(A) It begins after December 31, 1978;

(B) You were eligible, during any portion of the taxable year, to participate in the plan; and

(C) Compensation deferred under the plan during that year, if any, was subject to a deferral limit under WAC 415-501-420.

[Statutory Authority: RCW 41.50.050(5). WSR 14-10-045, § 415-501-430, filed 4/30/14, effective 6/1/14. Statutory Authority: RCW 41.50.050(5), 41.50.780(10), and 41.50.770. WSR 04-22-053, § 415-501-430, filed 10/29/04, effective 11/29/04. Statutory Authority: RCW 41.50.050(5), 41.50.030(2), 41.50.088(2), 41.50.770, and 41.50.780, 26 U.S.C. (Internal Revenue Code) and related tax regulations. WSR 02-01-121, § 415-501-430, filed 12/19/01, effective 1/1/02. Statutory Authority: RCW 41.50.770, [41.50.]780 and 41.50.050. WSR 00-11-104, amended and recodified as § 415-501-430, filed 5/18/00, effective 6/18/00. Statutory Authority: RCW 41.50.050. WSR 98-20-047, § 415-512-030, filed 9/30/98, effective 10/31/98. Statutory Authority: RCW 41.50.050 and 41.50.780(11). WSR 96-16-020, § 415-512-030, filed 7/29/96, effective 7/29/96.]