



Payroll Department

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Dear Valued Client,

The IRS has recently announced the 2021 Maximum Allowable Contribution (MAC) limits for 403(b) and 457(b) plans.

The elective deferral limit for 403(b)/457(b) plans will remain at \$19,500. Employees age 50 and over will continue to be entitled to contribute an additional \$6,500 to their 403(b) or 457(b) plan(s), thereby increasing the elective deferral limit to \$26,000.

Individuals with at least 15 years of service with their current employer may be entitled to contribute up to an additional \$3,000 above their age-based limit, potentially increasing the limit to \$29,000 for a participant utilizing both the age based and the full amount of the service based catch-up provisions.

If you expect to make or receive a non-elective/employer contribution in 2021, please note that the 415(c) limit has increased from \$57,000 to \$58,000, permitting employers to contribute up to \$58,000 to an employee's 403(b) plan.

Recipients of non-elective contributions aged 50 and up will retain the opportunity to utilize the age based catch-up beyond the 415(c) limitation, allowing for a "combined maximum" of \$64,500 in 2021. Please note that the amount of non-elective employer contributions is reduced by employee elective deferrals.

If you have any questions concerning contribution limits, or any other 403(b)/457 matter, please contact OMNI at 877-544-6664.

Regards,
The OMNI Group