INVESTMENT PLANS COMMITTEE
Bay Area Rapid Transit

457 DEFERRED COMPENSATION PLAN CATCH-UP PROVISION

- Age 50 Catch-Up Contributions
- Pre-Retirement Catch-Up Contributions

Introduction

BART offers two catch-up provisions that allow participants to contribute an amount greater than the normal maximum contribution amount in effect for the year.

The two options are:

- **Age 50 Catch-Up** — Allows participants reaching age 50 or older during the year to contribute an additional amount annually. The ability to take advantage of the age 50 catch-up provision is not dependent on your prior years' deferrals to a 457 deferred compensation plan.
- **Pre-Retirement Catch-Up** — Allows participants to make up for eligible contributions not deferred in prior years, permitting contributions up to double the normal maximum in effect for the year. PLEASE NOTE THAT THE AGE 50 AND PRE-RETIREMENT CATCH-UP PROVISIONS MAY NOT BOTH BE USED IN THE SAME CALENDAR YEAR.

2013 Contribution Limits

Year	Maximum Contribution Limit	Additional Age 50 Catch-Up Contribution Limit	Additional Pre-Retirement Limit
2013	**$17,500**	**$5,500**	**$17,500**
	Total	**$23,000**	**$35,000**

457 plan contribution limits apply to the combination of pre-tax and Roth deferrals. 457 Deferral limits may change every year.

Roth 457 Deferral Option

You can designate a portion (or all) of your contributions as Roth 457, which are made on an after-tax basis. These contributions and associated earnings can later be withdrawn tax free if the requirements for a qualified distribution are met.

Age 50 Catch-Up Provision

If you will be 50 years old or older by the end of the year, you are eligible to make additional age 50 catch-up contributions to your BART 457 Deferred Compensation Plan. The additional contribution amounts may exceed the normal maximum contribution limit in effect for the year, but not by more than the additional age 50 catch-up dollar limit in effect for the year.

In order to increase your contribution amount and take advantage of the age 50 catch-up provision, you should complete the ***BART 457 Deferred Compensation Plan Catch-Up Provision Enrollment Form*** enclosed in this packet. If you are enrolled in Age 50 Catch Up Provision, you will be automatically enrolled for the following calendar year unless you notify BART Benefits.

Pre-Retirement Catch-Up Provision

The pre-retirement catch-up provision allows you to make additional contributions to your BART 457 Deferred Compensation Plan in order to make up for years in which you did not contribute the maximum permissible amount. You may catch up for any year(s) that you were employed by BART going back to January 1, 1981, the year that the BART 457 Deferred Compensation Plan was established.

How does the pre-retirement catch-up provision work?

To catch up, you must use the three-year catch-up period immediately preceding the year of your declared normal retirement age to defer additional income through BART. The amount you are permitted to contribute during this three-year period is determined by subtracting the actual amount you have already contributed to your plan from the maximum allowed by law. For assistance with determining how much you are eligible to contribute for pre-retirement catch-up, please contact the BART Investment Plans Assistant at 510-464-6208.

Who is eligible to use this provision?

You are eligible to use the pre-retirement catch-up provision prior to retirement if both of these conditions apply to you:

- You were eligible to participate in your BART 457 Deferred Compensation Plan any time from January 1, 1981, to the present, and you are currently participating in the plan.

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- You did not defer the maximum amount allowed by law in one or more of the years you were eligible to participate in your BART 457 Deferred Compensation Plan since 1981. This includes years when you chose not to defer compensation, although you were eligible.

How much may I defer?

The amount you may defer during any year of your pre-retirement catch-up period is a combination of your normal deferral for that year plus amounts not contributed to the BART 457 Deferred Compensation Plan in earlier years since 1981, up to a maximum of double the normal contribution limit in effect for that calendar year.

The ***BART 457 Plan Pre-Retirement Catch-Up Opportunity Worksheet*** will help you determine how much you may contribute during your catch-up period. Please contact the BART Investment Plans Assistant at 510-464-6208 for a copy of this worksheet which must be completed and submitted in order to begin catching up. The worksheet will contain your taxable compensation from BART, your deferred amount, and the annual limit from 1989 to the current date.

Information for years 1981–1988, if needed, must be provided by you. While taking advantage of the pre-retirement catch-up, you may contribute any portion of this; you are not required to contribute the full amount, nor are you required to use the provision for all three years.

When can I start this provision?

BART permits the pre-retirement catch-up provision to be used as follows:

- Police Officers
  3% at 50 — between age 47 and 67½
  2.7% at 57 — between age 54 and 67½
- All other employees
  2% at 55 — between age 52 and 67½
  2% at 62 — between age 59 and 67½

What is the declaration of normal retirement age?

This is the age that you will turn in the year **after** you have completed three calendar years of pre-retirement catch-up.

The declaration of normal retirement age:

- Is used for purposes of catch-up only.
- Does not mean that you intend to retire in this year.
- Determines the three-year period during which you are eligible to make pre-retirement catch-up contributions.
- Is irrevocable once you begin to use the pre-retirement catch-up provision to any extent.
- You may not designate a normal retirement age later than 70½.

Can I use the pre-retirement catch-up provision more than one time?

Once you have begun using the pre-retirement catch-up provision, you may not use it a second time under your **current employer**. You may designate only one period of time (one to three years) under **your current employer** as your catch-up period. This period will immediately precede your declared normal retirement age. You cannot use the provision during or following the year of your declared normal retirement age. If you have completed your three-year catch-up period, you may still be eligible for the age 50 catch-up provision.

Please be advised that if you change from pre-retirement to age 50 or the basic limit during the three year period, you will not be able to restart the pre-retirement provision at a later date. Also, you are not permitted to change from one catch-up provision to the other mid-year.

May I use the pre-retirement catch-up provision after I retire?

No. All contributions to your deferred compensation account, including catch-up contributions, must be made through payroll deduction and submitted through your employer. Personal checks cannot be accepted for your contributions.

May I use the pre-retirement catch-up provision in the year in which I actually retire?

You may not use the catch-up provision in the year of your declared normal retirement age. However, on occasion, circumstances may change and your separation from service could take place prior to the year of your declared normal retirement age. In this situation, you may take advantage of the provision in your year of separation from service as long as it is earlier than the year of your declared normal retirement age.

How do I begin to use the pre-retirement catch-up provision?

1. Please contact the BART Investment Plans Assistant at 510-464-6208 to obtain the ***BART 457 Plan Pre-Retirement Catch-up Opportunity Worksheet.***
2. Complete the worksheet and the ***BART 457 Deferred Compensation Plan Catch-up Provision Enrollment Form*** included in this packet.
3. Please return these forms to the BART Benefits Office located at:

   300 Lakeside Drive
   20th Floor
   Oakland, CA 94612

   Alternatively, you can fax the forms to 510-464-7618.
4. BART will adjust your payroll deduction per your written request.

INVESTMENT PLANS COMMITTEE
Bay Area Rapid Transit

BAY AREA RAPID TRANSIT 457 DEFERRED COMPENSATION PLAN
CATCH-UP PROVISION ENROLLMENT FORM

To enroll in either catch-up provisions, please complete this entire form and return it to the BART Benefits Office, 300 Lakeside Drive, 20th Floor, Oakland, CA 94612, or fax to BART Benefits Office at (510) 464-7618.

Note that this form completely replaces all prior elections.

Employee Name (please print): _____

Employee Number: _____

I authorize my employer to change my annual deferral limit of my BART 457 Deferred Compensation Plan by signing up for:

Catch-up contributions: Please indicate **ONE** of the following types of catch-up rules you are using:

❒ **Age 50** catch-up provision[1]

❒ **Pre-Retirement** catch-up provision (The BART 457 Plan Pre-Retirement Catch-Up Opportunity Worksheet MUST be completed and submitted in order to begin the pre-retirement catch-up provision. Call the BART Benefits Office at 510-464-6208 for your worksheet).

Specify the total dollar amounts you wish to contribute each pay period. Contributions will begin as soon as administratively possible following the month in which this form is signed.

❒ **Pre-Tax** deferrals of $_____ each pay period.

❒ **Roth 457** deferrals of $_____ each pay period.

_____ _____

Employee Signature **Date**

REMINDER: 457 Deferral Limits May Change Every Year

Contribution limits may change each year effective January 1. You may want to change the amount you defer periodically in order to reach the maximum dollar limits. **457 plan contribution limits apply to the combination of pre-tax and Roth deferrals. You can continue making pre-tax contributions only or designate a portion (or all) of your contributions as Roth deferrals.**

[1] *Age 50 catch-up status continues once started unless specifically stopped in December for the following year. Age 50 and pre-retirement catch-up may not be used in the same year.*

Please consult the current applicable prospectus carefully for a complete summary of all fees, expenses, charges, financial highlights, investment objectives, risks and performance information. Investors should consider the Fund's investment objectives, risks, charges and expenses before investing or sending money. Investing in mutual funds and other investment vehicles involves risk, including possible loss of the amount invested. The prospectus contains this and other information about the investment company. Please read the prospectus carefully before investing. For a current prospectus, contact ICMA-RC Services, LLC, ICMA-RC or any of its affiliates call 1-800-669-7400 (TDD: 1-800-669-7471) or write to 777 North Capitol Street, NE, Washington, DC 20002-4240. You may also visit us on the Web at www.icmarc.org. Para asistencia en Español llame al 1-800-669-8216.