

New Way to SAVE in the 457 Deferred Compensation Plan

Save a percentage of your pay rather than a dollar amount. When you contribute based on a percentage of pay to your WRS 457 Plan you automatically have a savings increase when you have a pay increase. The authorized percentage is applied to your pay each pay period, but when a pay increase occurs, you have more dollars going into your Plan without doing a thing. For example 3% of \$3,000 results in a \$90 contribution. If your pay increases to \$3,075 (a 2.5% pay raise), your savings amount automatically goes up to \$92.25. Over many years, this subtle increase can make a difference in retirement outcomes.

Percentage elections can only be made online at www.wrsdcp.com and this is available for employees of the state of Wyoming's executive, legislative and judicial branches. At this time, 457 Plan participants working for non-state employers do not have the percent election feature available to them.

Participants can defer a percentage of includable compensation from 1% to 100%, but there is a \$20 minimum contribution. Includable compensation consists of gross salary, longevity pay, overtime pay and most additions to compensation. Includable compensation does not include reimbursement money such as housing, mileage, uniform, meal or travel reimbursement.

When deferring a percentage of pay, you must consider having enough net pay from which your contribution is deducted. For example if your compensation is \$3,000 and you elect to contribute 50% of your gross compensation ($\$3,000 \times 50\% = \$1,500$) but your net pay is \$1,200 after deductions, you would not have enough for your authorized contribution to the 457 Plan. In which case, nothing would be deducted for the deferred compensation election.

Participants may elect to contribute a percentage of pay as before-tax contributions, Roth contributions (after-tax) or both; however both contribution types must be a percentage election. When contributing to two contribution types, "before tax" and "after-tax" the total percentage amount will be deducted from your pay. For instance, a 3% election to a pre-tax contribution and a 2% contribution to an after-tax contribution results in a 5% total contribution.

If you are logging on to your WRS 457 account for the first time, visit www.wrsdcp.com and follow the prompts as a "first time visitor." You will be prompted to establish a username and passcode. Once logged into your account, click "change paycheck contribution" in the Transaction tab.

Contact WRS at 457pln@wyo.gov with any questions.