

Deferral and County Match Calculation Worksheets—3% Match

These worksheets will help you calculate the payroll deferral percentage needed to meet your savings goal. If your savings goal is to:

- » Contribute just enough to receive the full County match, please complete the calculations described in A, B and C on pages 1-3.
- » Contribute up to the annual contribution limits, then continue with the calculations in D and E on pages 4-5.

Please note that these calculations will provide accurate results based on your “normal” pay status. Pay adjustments that alter your pay status, such as AWOP, Industrial Accident Leave, Part-Pay Sick Leave, Short-Term Disability, Retroactive Pay Adjustments and Overtime, may produce incorrect results that may result in losing a portion of the County match. For more details, read “Pay Adjustments” located on the last page of this document.

To complete the following calculations, you need a current paystub issued on the **15th of the month** to identify the corresponding pay events and deduction types.

Glossary of Terms

County match: The dollar amount the County contributes to the 401(k) Savings Plan.

Deferral: The dollar amount you personally contribute to the 401(k) Savings Plan from your pay.

Eligible earnings: The components of your pay that are used in the calculation of the dollar amount that you can defer into the 401(k) Savings Plan.

Payroll deferral percentage: The percentage you choose that is multiplied by your eligible earnings to determine the dollar amount of your semi-monthly deferral.

A) Calculate Your Semi-Monthly Eligible Earnings

Eligible earnings are the basis of your semi-monthly deferrals.

Enter your Current Earnings

On your 15th paystub, this is the amount listed in the “Earnings Information” section under “Current Earnings,” *plus* the amount listed in the “Employer Benefits/Imputed Income Information” section under “Current Imputed Income.”

\$

Subtract the sum of any current earnings reported but not subject to withholding

(pay event PP022) 100% I/A
(pay events PP028/OP028)
MILEAGE REIM
(pay events PP029/OP029)
PARKING REIM
(pay event PP031) 70% I/A

(pay event PP038) AUTO REIM
(pay event PP062) MEGA I/A
(pay event PP067) ADV DIS RET
(pay events PP110/OP110) NON-TAX TUITION
(pay event PM008) MISC EARN 2-PEN

—

Subtract the sum of your current contribution, if any, to LACERA or the Judges Retirement Plan (deduction types ER001-ER308)

—

Add any MetLife Life Insurance County Subsidy

(benefit type RL207)
(benefit type RL303)

+

RESULT: YOUR SEMI-MONTHLY ELIGIBLE EARNINGS

\$

County of Los Angeles 401(k) Savings Plan

B) Calculate the Semi-Monthly Maximum County Matching Contribution

Each pay period, the County will match your deferral dollar for dollar up to a maximum of 3%* of your “Salary” (normally pay event PP099 on your paystub) plus Transportation Allowance (pay event PP050). The MegaFlex County contribution (cafeteria category RF001) will be added to this match base only on the 30th pay period. Based on your County match base, the following formula calculates the County’s maximum semi-monthly matching contribution amount. In order to receive the maximum County matching contribution, you must defer at least this amount (the County’s maximum matching contribution) each pay period into the 401(k) Savings Plan.

Enter your “Regular Earnings” (pay event PP099)

\$

+

Add your “Trans Allow” Earnings (pay event PP050)

+

**Add (for MegaFlex participants) the amount listed in
“County Contribution” shown under the Cafeteria
Benefits Information section**

Result: County Match Base

Multiply by the 3% County match

x 0.03

**RESULT: The MINIMUM semi-monthly dollar amount
you must defer in order to get the MAXIMUM semi-
monthly 3% County matching contribution**

\$

* The 3% match is effective for the July 30, 2011, through July 15, 2012, paychecks.

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C) Calculate the Semi-Monthly Deferral Percentage Needed in Order to Receive the Maximum County Matching Contribution

Use the following calculation if you want to defer only enough to receive the County matching contribution.

Enter the result from “B” above (the minimum semi-monthly dollar amount you must defer in order to receive the MAXIMUM semi-monthly County matching contribution)

\$

Divide by the result from “A” (your semi-monthly Eligible Earnings)

÷

Multiply by 100 to get the percentage amount

x 100

RESULT: Semi-monthly deferral percentage

Round to the next highest tenth of a percentage (e.g., 2.5% not 2.46%)

__ . __ %

Remember, your deferral and County match percentages are based on different formulas. The dollar amount of the 3% County match is not the same as the dollar amount of 3% of eligible earnings. In order to receive the full dollar amount of the 3% County match, you must defer a dollar amount that is equal to or greater than the maximum County matching contribution each pay period.

If your savings goal is to contribute a large enough deferral to get the full County match, ***stop here***; you are done.

If, however, you want to maximize the deferrals you make to the 401(k) Savings Plan and save more for the future while reducing your current annual taxes, please complete the additional calculations beginning on the next page.

D) Determine Your Annual Personal Pre-Tax Contribution Limit

The maximum amount you can contribute on a pre-tax basis is determined by the contribution limit you elect (or are deemed to have elected) and whether you contribute to the Savings Plan or both the Savings and Horizons Plans.

Savings Plan Only:

If you currently contribute only to the Savings Plan, your annual personal pre-tax contribution limit is the amount listed in Table A or 100% of your eligible earnings, whichever is less.

Savings Plan and Horizons Plan:

If you currently contribute to both the Savings Plan and Horizons Plan and elected the “low” annual contribution limit, the combined Savings Plan and Horizons Plan contribution limit will remain unchanged at \$8,500 for the 2011 calendar year.¹

If you currently contribute to both the Savings Plan and Horizons Plan and elected or are deemed to have elected the “high” annual contribution limit, your annual personal pre-tax contribution limit to each Plan is the amount listed in Table A or 100% of your eligible earnings, whichever is less. For example, you can contribute \$16,500 (or \$22,000 if age 50 or older) to the Savings Plan and another \$16,500 or \$22,000 to the Horizons Plan. The Savings Plan contribution limit is comprised of your personal contributions. Your Horizons Plan limit is comprised of your personal contributions plus the County match.

If you are in the Savings Plan only or have elected the “high” contribution limit, use the following calculation to determine if your annual personal pre-tax contribution limit is the amount listed in Table A or 100% of eligible earnings.

TAKE your SEMI-MONTHLY ELIGIBLE EARNINGS (from “A”)

\$

MULTIPLY by 24

x 24

RESULT: YOUR ANNUAL ELIGIBLE EARNINGS

\$

Your Personal Pre-Tax Contribution Limit: The lesser of the amount listed in Table A or 100% of ANNUAL ELIGIBLE EARNINGS (See sidebar for restrictions.)

\$

Table A: Personal Pre-Tax Contribution Limits

Year	Contribution Limit	Contribution Limit if Age 50 or Older
2011	\$16,500	\$22,000

The annual contribution limit will be indexed for inflation in future years. According to Internal Revenue Service (IRS) regulations, the increases can only take place in \$500 increments and may not occur every year.

Can I Really Defer 100% of My Eligible Earnings in a Single Month?

Yes; however, you should also be aware that there are restrictions if you attempt to defer 100% of your eligible earnings in any one month.

Contributions to LACERA or the Judges Retirement Plan and your flexible benefit plan are taken out of your paycheck before deferrals to the Savings Plan are made. As such, a request to defer 100% of your eligible earnings will equate to that dollar amount less your LACERA/Judges Retirement Plan and flexible benefit plan deductions.

If 100% of your annual eligible earnings is used, you may need to make an allowance for the dollar amount of the Savings Plan County match. Your contributions may not exceed the applicable federal dollar limits.

If you are also contributing to the Horizons Plan, you should be aware that Savings Plan contributions are given precedence over Horizons contributions. Should you want to contribute 100% of your eligible earnings into the Savings Plan and also contribute to the Horizons Plan, you must make an allowance in the Savings Plan for the dollar amount you would like to contribute to the Horizons Plan. In particular, you should allow for a dollar amount at least equal to that of the Horizons County match.

If you want to change from the “high” contribution limit to “low” or vice versa, you must submit a change form before the month in which the change-in-limit election is to take effect. To request a change form, please call KeyTalk® at (800) 947-0845.²

County of Los Angeles 401(k) Savings Plan

E) Calculate the Semi-Monthly Deferral Needed to Reach the Maximum Annual Contribution Limit and Receive the Full County Match Every Paycheck

If your goal is to take full advantage of the annual personal pre-tax contribution benefit (as described in Table A), you can calculate the semi-monthly deferral percentage needed to reach that goal as follows:

Enter the result from “D” (your annual personal pre-tax contribution limit)	\$
Subtract your year-to-date and estimated deferrals* [On your 15 th paystub, this is the amount listed under “Taxes/ Deductions Information” section (deduction types ED009-ED023, ED044-ED049 and ED070) and “Employer Benefits/Imputed Income Information” section (benefit types RD009-RD023, RD044-RD049 and RD070)]	—
REMAINING ANNUAL DEFERRAL	\$
Divide by the remaining number of pay periods in the year	÷
Semi-monthly deferral dollar amount	\$
Divide by ELIGIBLE EARNINGS (from “A”)	÷
Multiply by 100 to get the percentage amount	x 100
RESULT: Semi-monthly deferral percentage Round to the next highest tenth of a percentage (e.g., 2.6% not 2.54%).	__ . __ %

* For example, if you are making a change between the first and 15th of the month and are using the previous month’s 15th paystub, you will need to add three deferrals plus year-to-date deferrals. If you are making a change between the 16th and 31st of the month and are using the current month’s 15th paystub, you need to add two deferrals plus year-to-date deferrals.

Deferral changes typically take two pay periods to take effect. For example, if you make a change between the first and the 15th, the change will be reflected on the following month’s 15th paystub.

Age 50+ Catch-Up

During 2011, participants who are contributing at the higher limit (as reflected earlier in Table A) and are age 50 or older are automatically eligible to contribute an additional \$5,500 to the Savings Plan. You can accomplish this by changing your deferral percentage. This \$5,500 is in addition to the \$16,500 annual personal pre-tax contribution limit.

Pay Adjustments

If your goal has been to defer only enough to receive the full County match, you generally do not need to recalculate your 401(k) Savings deferral if your pay increases due to overtime pay, a step advance, general pay increase or promotion during the year.

However, if your goal has been to defer the maximum amount allowed by law, a pay increase (as defined above) will result in an increased personal deferral, which may cause you to reach the annual limit earlier than previously calculated.

Deferral percentage changes will be applied to any earnings you make during the subsequent pay period. For example: Any deferral percentage changes made July 1-15, 2011, would be applied to your July 16-31, 2011, pay period earnings, which would be reflected on your August 15 paystub.

Remember: Your 401(k) Savings personal contributions will be deducted from your paycheck on the 15th and 30th of each month.

How to Change Your Deferral Percentage

You may make deferral percentage changes on the website at **www.countyla.com**. You may also contact Great-West Retirement Services[®] directly by calling the County of Los Angeles Service Center at (800) 947-0845. Service Center representatives are available between 7:00 a.m. and 5:00 p.m. Pacific Time, Monday through Friday. The automated voice response system is available 24 hours a day, seven days a week.²

¹ The low annual contribution limit includes your personal pre-tax contributions to the Savings Plan and your personal pre-tax contributions to the Horizons Plan plus County matching contributions to the Horizons Plan.

² Access to KeyTalk and the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or KeyTalk received on business days prior to close of the New York Stock Exchange (1:00 p.m. Pacific Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.