

Deferral of Sick, Vacation and Back Pay

S A V E M O N E Y A N D R E T I R E T O M O R R O W

At retirement, you may be able to defer your sick and vacation pay into your Massachusetts Deferred Compensation SMART Plan account. A Participant who severs from employment due to retirement may elect to defer accumulated sick pay in accordance with M.G.L. c. 29. A retiring participant may elect to defer accumulated sick, vacation and/or back pay. You are only able to defer these payments at retirement.

Deferral of both sick and vacation pay and/or back pay is permitted provided the following conditions are met:

1. Sick and vacation pay may be deferred for any calendar month only if the amount would have been available for use or would have been paid to the employee if employment had not terminated.
2. The deferral is paid within two-and-a-half (2½) months following retirement (or other severance from employment).
3. An agreement providing for the deferral is entered into before the beginning of the month in which the amounts would otherwise be paid or made available.

Contact your local representative to learn more about deferring your sick, vacation and/or back pay. Your local representative can walk you through the process and help ensure that your deferral does not put you in danger of exceeding the maximum contribution limit allowable by the Internal Revenue Service.¹

To contact your local representative, call (877) 457-1900 (option 2) or go online to www.mass-smart.com > Contact Us > Find Your Local Representative.²

¹ Representatives of GWFS Equities, Inc. are not registered investment advisers, and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.

² Access to your SMART Plan Service Center and Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

Core securities, when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

