***Please distribute this alert to any users within your agency who are responsible for transaction processing.***

**Increased /PCU 457 Underutilized Amount for Special 457 Catch-Up Elections and Leave Deferral Processing**

* Information regarding the increased /PCU underutilized amount for special 457 catch-up elections and leave deferral processing

Effective immediately, the /PCU 457 underutilized amount housed on the IT0015 (Additional Payments) will be increased from $60,000 to $80,000 for all special catch-up elections. Additionally, all users executing leave deferral transactions should utilize the increased $80,000 amount moving forward.

Due to the continued increase in the maximum allowable amount for special 457 catch-up elections under the Internal Revenue Service (IRS) guidelines, the increase to the /PCU amount is necessary to allow for SAP configuration to take the maximum allowable amount for an employee. Below are the maximum allowable amount deferred compensation limits for calendar year 2023.

* + - **Under age 50** – $22,500
		- **Age 50 and above (age 50 catch-up) –** $7,500

		When combined with the normal contribution of $22,500, an employee over age 50 can defer a total of $30,000 ($22,500 + $7,500 = $30,000).
		- **Special Catch-up (must be within three years of retirement age) -** $45,000.

The /PCU 457 underutilized amount will be reviewed yearly to determine if an additional increase is needed based on the yearly deferred compensation limits issued by the IRS.

**Questions?**

Any system questions regarding the Increased /PCU 457 Underutilized Amount for Special 457 Catch-Up Elections and Leave Deferral Processing, can be submitted via an
[Ask HR Help Desk Ticket](https://copahrprod.servicenowservices.com/esc?id=sc_cat_item&sys_id=49dc343f1b0c0d10075ca932f54bcb65&sysparm_category=3d00682a1bbea410075ca932f54bcb3c) via Service Now in the benefits category.