

Memorandum



Metropolitan Transportation Authority

State of New York

Date: August 11, 2021

To: Employees Eligible for MTABC TSO_L106 Retroactive Wage Adjustment

From: Tax Favored Programs

Re: Retro Pay 401(k)/457 Plan Deferrals:
SUBMIT ELECTION ONLINE BY 09/10/2021

The MTA Tax Favored Programs Unit has been advised that you may be eligible to receive a Retroactive Wage Adjustment (RWA) which is scheduled to be paid in October. This payment will be issued in a separate payment from your regular paycheck.

If you do not want any deferrals withheld from this check or you wish to defer an amount other than your normal deferral, you will have to submit your election online on My MTA Portal:

1. Go to www.mymta.info. **Note:** The online deferral feature is for RWA only and is available on your laptop or desktop computer; it is not available on your mobile device.
2. Click **Employees & Retirees** and then sign on with your BSC ID and password.
3. Click the **Deferred Compensation Election** link under the My Tax Favored Programs ribbon and click on the drop-down box for Form Type to elect Retro Active Payment. Follow the onscreen instructions to enter a percentage from 0% to 100%. **Note: Deduction must be a percentage in increments of 5% and all four fields must be completed.**
4. Please be sure to hit Save, and this information will automatically be sent to the BSC.
5. You may print the form for your records. The form does not need to be sent to the BSC.

All deferral elections must be submitted online by 09/10/2021. No late elections will be accepted, and no checks will be reissued. If you want to change your election before the deadline, you may enter another election and the latest election will be used for the Retro-Active payment. For assistance with portal sign-on please contact the BSC at 646-376-0123.

Traditional 401(k) and 457 Plan contributions are exempt from federal and state taxes; Roth contributions are made on an after-tax basis; therefore, they are NOT exempt from federal and state taxes. Whether you elect to make traditional, pre-tax deferrals or Roth, after-tax deferrals, the gross amount of your payment is always subject to FICA (Social Security and Medicare required withholding, or the equivalent under the RRB). Since the amounts withheld for FICA (or the equivalent) cannot be deferred into the plan, they are considered income/wages and are therefore (federally and state) taxable. As a result, even if you elect to defer 100% of your payment, the final percentage deferred will be less than 100% because of the required withholdings. You should always consult a tax advisor for advice on your personal tax situation.

All amounts deferred (pre-tax and Roth) will be limited by the IRS annual contribution limit, which is inclusive of any contributions already made through payroll deductions during the same calendar year. The 2021 contribution limit in each Plan is \$19,500 if you are under age 50, or \$26,000 if you are age 50 or older at any time during the calendar year. If you are a 457 Plan participant participating in the "3-YEAR CATCH- UP," your maximum contribution is \$39,000.

If you have never participated in the Deferred Compensation program, now may be a good time to enroll. Please log onto the Prudential website www.prudential.com/mta, or call Prudential at 1-877-PLN-4MTA (877-756-4682) Monday through Friday, from 8 a.m. to 9 p.m. to enroll. Prudential representatives are also available for personal, virtual meetings. To schedule a one on one meeting with a representative, go to the Prudential website and click on “Personal assistance” link to make an appointment.