



State of Louisiana
Division of Administration
Office of State Uniform Payroll

February 14, 2014

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2014-37

TO: LaGov HCM Paid Agency Human Resources
and Employee Administration Staff

FROM: Andrea P. Hubbard
Director

SUBJECT: Deferred Compensation and Tax Shelter Annuity Limits for Calendar
Year 2014

For calendar year 2014, the limitations on deferrals under §457(e)(15) of the Internal Revenue Code (LaGov HCM plans 457A, 457B, 457C, 457D, 457R, and 457S) and §403(b) of the IRS code (IT014 403(b) deductions) remain unchanged. The plan limits for employees under the age of 50 continue at \$17,500 per year or 100% of includible compensation (gross wages paid minus deferred retirement contributions), whichever is less. The limits remain at \$23,000 for employees age 50 or over. The catch-up limit for the §457(e)(15) remains at \$35,000 per year for those contributors who are within three years of retirement, but not in the year of retirement. Other limits under §403(b) may apply based on certain allowable elections made by the employee. Refer to the employee application or contact the vendor to determine if an employee is exercising an allowable election.

Employees enrolled in LA Deferred Compensation in lieu of Social Security/Retirement (LaGov HCM Plan Code 457R) contribute 7.5% on compensation equal to the Social Security wage base limit. The wage base limit increased to \$117,000 for calendar year 2014. LaGov HCM will automatically stop deductions when this limit is reached. Refer to [OSUP Memo #2009-01](#) for additional information on the 457R wage base limit.

Note: Employees who are enrolled in both the 457R and 457S plans may contribute a total of \$17,500 combined. Employees who work in agencies where both the 457 and 403(b) plans are available may fully contribute up to the annual contribution limits in both plans. Employees may contact the LA Deferred Compensation Plan staff at (225) 926-8082 extension "0" or their respective 403(b) provider for more information.

Agencies are responsible for monitoring employee contribution amounts throughout the year to avoid employees exceeding the annual limits. The following two reports are available in LaGov HCM to aid in the monitoring of balances:

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ZP68 Dependent Care/Health Care/Deferred Comp Balances Monitor Report
ZP119 403(b) Contributions Balance Report

Agencies should contact LA Deferred Compensation Plan staff on questions regarding §457 deductions. Agencies should contact the individual vendor on questions regarding 403(b) deductions. Agencies can also visit the IRS website (<http://www.irs.gov>) for more information about deferrals and tax shelters. Direct all other questions to a member of the OSUP Wage and Tax Administration Unit at _DOA-OSUP-WTA@la.gov or (225):

Penny Jones	342-2053	Wendy Eggert	342-0714
Tiko Ary	342-1651	Cindy McClure	342-5346
Gary Bennett	342-1652	Tracy Smith	219-0191

APH:pfj:ral