



OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

OHIO457.ORG

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877-644-6457

Help Your Employees Cash Out And Invest Unused Sick Leave And Vacation Time

Many employees can cash out a portion of their unused sick leave and/or vacation time at year-end. Likewise, many retiring employees will get a portion of their unused sick and vacation time paid to them at the end of their employment.

These cash outs are an opportunity to invest unused leave into their Ohio DC account because this income will not be taxed until it is withdrawn. They can then use these additional funds for whatever they may need in retirement, like home improvements, a vacation or to pay bills.

It's easy to do! To defer their year-end leave pay, have employees ask their payroll manager for the dollar amount of leave they have available and the date it will be paid. Ohio DC must receive their request at least 31 days before their pay date, so please call us at 877-644-6457 at least 31 days in advance of the pay date. Many participants must complete this request in early November to take advantage of the December cash out.

If their leave cash out is due to ending employment or retirement, the IRS requires the deferred cash out to be made within 75 days of their termination date or within the same calendar year in which they terminate, whichever is longer. To defer their termination leave cash out, the request must also be completed one month prior to that pay date.

Have your employees contact your payroll department and call our Service Center at 877-644-6457 to defer their leave pay. Visit Ohio457.org to learn more about Ohio Deferred Compensation.

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