



Dear Employer:

To prevent employee over-deferrals due to a 27<sup>th</sup> paycheck in 2009, please take one of the following actions:

- **If you will be leaving your Friday January 1, 2010 pay date in calendar 2010, please notify us by replying to this email.**
- **If you choose to stop all deferred compensation deductions for all employees for this one pay period to prevent over-deferrals in 2009, please notify us by replying to this email.**
- **If you move your pay date to Thursday December 31, 2009, you do not need to contact us. We will provide you with change reports in December to reduce/stop deferrals for your employees reaching their annual maximum.**

Because of the New Year's Holiday, we assume that you will be paying your Friday January 1, 2010 pay date on Thursday December 31, 2009, so we will create your regular billing and change reports with this revised date.

For most employers, the change in pay dates from Friday January 1, 2010 to Thursday December 31, 2009 will mean that 27 pay dates will fall in 2009. If your employees are deferring near the maximum annual limits, the extra pay date could put them over this limit.

If you send employee deferrals that exceed their annual limits, the Program will refund the excess to you, and you must return these funds to the employee and make sure that a correct Form W-2 is issued for 2009. **The annual limits in 2009 are \$16,500 for most employees, \$22,000 for those age 50 or older, and \$33,000 for those employees in "catch-up" status.**

To prevent over-deferral situations due to a 27<sup>th</sup> pay in 2009, you may choose to stop deferrals for all employees for this one pay, or as an alternative, you may choose to stop deferrals for just the individual employees who will over-defer. Depending on your number of employees, you may find one method easier to implement than the other.

Please feel free to contact us if you have questions.

Finance Department  
Ohio Deferred Compensation