

504 - DEFERRED COMPENSATION

**Section 504.01
Deferred
Compensation
Program**

Deferred Compensation is a voluntary benefit available to public service non-profit employees only and is not available to employees in the private sector. Fort Bend County employees have a choice of two vendors that administer a deferred compensation plan.

**Section 504.02
Definition**

Internal Revenue Code 457, Section (b)(2), allows public sector employees to defer a portion of their income, and the taxes on that income, to build a greater fund for supplemental retirement income. The minimum that an employee may contribute to a deferred compensation plan is set by the plan administrator, and the maximum contribution is set by the Internal Revenue Code 457 on an annual basis.

**Section 504.03
Participation
Eligibility**

All full-time employees of the County are eligible to participate in the Deferred Compensation plan. Part-time employees are eligible to participate in a Deferred Compensation plan as soon as they work more than 899 hours in a year. Once an employee begins participation in a deferred compensation plan, they may continue as long as Fort Bend County employs them.¹

**Section 504.04
Discontinuation**

Employees participating in a deferred compensation plan may discontinue contributions to the plan at any time.

**Section 504.05
Withdrawals**

Money contributed toward deferred compensation can only be withdrawn at retirement, separation of employment with Fort Bend County, or in case of an emergency. Circumstances that qualify for an emergency are defined by the Internal Revenue Code 457.

Information on the deferred compensation plans is available in the Human Resources Department.

Policy Approved and Adopted By:
Fort Bend County Commissioners Court
July 20, 1993
Revised: February 10, 2004

¹ Amended 11/10/98