

**LCTCS CENTRALIZED PEOPLESOFT PAYROLL  
MEMORANDUM  
#2008-37**

TO: All PeopleSoft Users

FROM: Lura A. Kamiya  
LCTCS Human Resources Director

DATE: July 3, 2008

RE: Deferred Compensation or FICA in Lieu of LASERS Retirement

**Eligibility Requirement for Option Election**

An employee hired into a LASERS eligible position who is age 60 or older OR age 55 to 60 with 40 credits/quarters of FICA may opt to pay FICA or LA Deferred Compensation (PeopleSoft retirement code DFCMPR) in lieu of LASERS retirement.

For the LA Deferred Compensation (DFCMPR) to qualify as an alternative to Social Security and/or Retirement, an employee must contribute 7.5% on compensation up to the annual wage base. For 2008, the wage base is \$102,000; therefore, the maximum employee contribution for 2008 is \$7,650. Note: A combined limit for deferred compensation plans for 2008 is \$15,500. Therefore, if the DFCMPR option is elected rather than LASERS retirement, and the employee also elect a deferred compensation deduction then he/she can then only contribute the difference between the \$15,500 combined deferred compensation limit for the calendar year and the amount that is contributed in lieu of a retirement contribution to LASERS (\$7,850 towards the deferred compensation deduction if the full \$7,650 is contributed in lieu of retirement).

If the employee meets the above eligibility requirement for option election and chooses to join FICA in lieu of LASERS retirement, then he/she will be enrolled in FICA and is subject to a 7.65 percent (Medicare included).