



August 18, 2023

To: NYCT, MAB & MTB Employees Eligible for the (TWU Local 100) Essential Worker Bonus

From: Tax Favored Programs

Re: Essential Worker Bonus 401(k)/457 Plan Deferrals: SUBMIT ELECTION ONLINE BY 09/08/2023

The MTA Tax Favored Programs Unit has been advised that you may be eligible to receive an Essential Worker Bonus which is scheduled **to be paid in September**. This payment will be issued in a separate payment from your regular paycheck.

If you do not make a special election, your normal 401(k)/457 deferral elections will apply. If you want no deferrals withheld from this check or wish to defer an amount other than your normal election, you will have to make a special election on My MTA Portal at www.mymta.info by following these steps:

1. Sign on with your BSC ID and password and click on the My Self-Service tile.
2. Expand the My Tax Favored Programs folder on the left and select the Deferred

folder on the left and select the Deferred Compensation Election link.

3. Click on the drop-down box for Form Type to select Lump Sum Payment Form. If you do not see the link, it means you are not eligible to defer from this payment; if you believe this to be incorrect, please contact the BSC.
4. Follow the onscreen instructions to enter your desired deferral election. You must enter a percentage between 0% and 100%, in increments of 5%, and all four fields must be completed.
5. Hit Submit, and this information will automatically be sent to the BSC.
6. On the pop-up confirmation screen, click OK to print or save a copy of the form for your records. This form does not need to be sent to the BSC.

All deferral elections must be submitted online by September 8, 2023. No late elections will be accepted, and no checks will be reissued. If you want to change your election before the deadline, you may enter another election and the latest election will be used for the Essential Worker Bonus. For assistance with portal sign-on please contact the BSC at [646-376-0123](tel:646-376-0123), weekdays, 8:30 a.m. to 5 p.m.

Traditional 401(k) and 457 Plan contributions are exempt from federal and state taxes; Roth contributions are made on an after-tax basis; therefore, they are NOT exempt from federal and state taxes. Whether you elect to make traditional, pre-tax deferrals or Roth, after-tax deferrals, the gross amount of your payment is always subject to FICA (Social Security and Medicare required withholding, or the equivalent under the RRB). Since the amounts withheld for FICA (or the equivalent) cannot be deferred into

FICA (or the equivalent) cannot be deferred into the plan, they are considered income/wages and are therefore (federally and state) taxable. As a result, even if you elect to defer 100% of your payment, the final percentage deferred will be less than 100% because of the required withholdings. You should always consult a tax advisor for advice on your personal tax situation.

All amounts deferred (pre-tax and Roth) will be limited by the IRS annual contribution limit, which is inclusive of any contributions already made through payroll deductions during the same calendar year. The 2023 contribution limit in each Plan is \$22,500 if you are under age 50, or \$30,000 if you are age 50 or older at any time during the calendar year. If you are a 457 Plan participant using the special 3-Year Catch-Up Provision, your maximum 457 contribution may be as high as \$45,000.

If you have never participated in the Deferred Compensation program, now may be a good time to enroll. Please log onto the Prudential/Empower website www.prudential.com/mta, or call Empower at [1-877-PLN-4MTA](tel:1-877-PLN-4MTA) ([1-877-756-4682](tel:1-877-756-4682)) Monday through Friday, from 8 a.m. to 9 p.m. to enroll. Empower representatives are also available for personal, virtual meetings. To schedule a one-on-one meeting with a representative, go to the Prudential/Empower website and click on the "Personal assistance" link to make an appointment.

MTA Employee Communications
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