

## Sick and Annual Leave Deferrals

If you are eligible to receive payment for sick and annual leave at termination of employment, you may defer up to the maximum limit in the year you terminate employment. For example, if you retire in 2009 and receive payment for sick and annual leave, you can defer up to the limit of \$16,500 (\$22,000 for age 50 and older) less any deferral you have already made to RSA-1 within that same calendar year.

If you have not made a deferral to RSA-1 in the calendar year of termination of employment, you may defer up to the full \$16,500 (\$22,000) for 2009. If you retire on January 1 of a year, you may defer up to the limit of the new calendar year. Deferring sick and annual leave payments to your RSA-1 account instead of receiving them in a lump-sum payment can save you 28% in taxes.