

EMPLOYER BULLETIN

FOLLOW-UP AND FAQs ABOUT THE SSP EMPLOYER PARTICIPATION AGREEMENT

Feb. 2021



On Feb. 8, 2021, TRS sent information to all district superintendents and chief executive or operating officers regarding the System's new Supplemental Savings Plan (SSP) and a request to approve and sign an SSP Employer Participation Agreement so that their eligible employees may participate in the SSP if they so choose.

The System has received many phone calls and emails regarding the SSP and this agreement. This bulletin will provide some background about the SSP and answer some of the most common questions about the agreement.

TRS Supplemental Savings Plan Offered to All Active TRS Members

State law – 40 ILCS 5/16-204 – requires TRS to offer an optional defined contribution benefit to any active members of the System who choose to participate. The new TRS defined contribution benefit is the Supplemental Savings Plan.

Eligibility for the SSP

TRS has determined that all full-time and part-time contractual TRS-covered employees will be eligible to participate in the plan.

The Role of Employers

To allow their employees to participate in the SSP if they so choose, employers must adopt the SSP Employer Participation Agreement provided by TRS and must withdraw the applicable contributions from participating members' paychecks.

TRS urges each employer to formally approve the SSP Employer Participation Agreement. This approval requires a formal adoption of the agreement by a government authority, such as a board of education, and a signature from an authorized signatory. The completed agreement must be returned to TRS.

When considering the participation agreement, employers are encouraged to review the SSP Plan Document and consult their own legal counsel. TRS cannot offer legal advice on these matters. The SSP Plan Document can be found here: <https://www.trsil.org/TRS-Plan-Document>

The date on the completed form should match the date on which the agreement was adopted by the employer and not the start date for the plan. Page 3 of the participation agreement should be signed by an authorized signatory of the district, such as the school superintendent, executive director or board president. (more)



Action Needed Prior to the Launch of the SSP

Given the concerns expressed by many employers that do not have a board of education meeting scheduled before March 31, 2021, TRS requests that employers return the adopted and approved Supplemental Savings Plan Employer Participation Agreement as soon as possible. TRS expects the SSP to be launched later in 2021.

Do not return the form to TRS until after it has been adopted by your government authority and signed. Only return the Supplemental Savings Plan Employer Participation Agreement and the Authorized Contact Form to TRS.

How the SSP fits in with Other Retirement Plan Offerings

The SSP will be offered to TRS members in addition to any other optional retirement savings plans that your district currently offers to TRS members. TRS will not be responsible for coordinating or monitoring contribution limits. If a member participates in multiple plans, the employer and the member must monitor deferral amounts within each plan and ensure they do not exceed the maximum deferral amounts.

TRS-covered members and employers will be provided additional information about the SSP as 2021 moves forward.

Thank you for your cooperation.