

EMPLOYER BULLETIN

FOLLOW UP: SSP EMPLOYER PARTICIPATION AGREEMENT

March 2021



The Teachers' Retirement System has received many inquiries regarding the responsibilities of employers in the System's new defined contribution Supplemental Savings Plan (SSP). It has become apparent that TRS did not provide adequate time for employers to become familiar with the SSP and preparations needed to offer the SSP to their employees. The March 31 date originally indicated for submitting SSP Employer Participation Agreements has caused widespread concern and has been withdrawn.

By law, TRS has been required to establish and offer the option to participate in the plan to its members, yet it is silent regarding employer participation. See 40 ILCS 5/16-204. Because TRS is not the employer of its members, employer participation is the only way TRS members have the option to participate.

The purpose of the SSP Employer Participation Agreement is to confirm the employer's cooperation and responsibilities to the successful implementation of the SSP, including what, if any, employer contributions will be made to the SSP, to enter into salary deferral agreements with members, to establish payroll deductions for members and coordinate remittance of those contributions to the trust established for the SSP. These functions are similar to any employer's responsibilities for other 457(b) plans that may be offered at the local level.

For more details, consult the TRS Plan Document at: <https://www.trsil.org/TRS-Plan-Document>. All questions should be directed to your own legal counsel. Check the TRS website, <https://www.trsil.org/employers/Supplemental-Savings-Plan>, for further updates as the System rolls out the SSP, including notification once a date for launch of the SSP is established.