

EMPLOYER BULLETIN

SSP UPDATE: REMOVAL OF THE 1ST OF THE MONTH RULE FOR NEW ENROLLMENTS & CHANGES

October 2023

In accordance with the TRS Supplemental Savings Plan (SSP) Updates shared in [Employer Bulletin FY24-04](#), the SSP has eliminated the “first day of the month” rule. Under prior law, a new deferral or a deferral change made by a participant in a governmental 457(b) plan did not take effect until the first of the month following the month the deferral was requested.

SECURE Act 2.0 allows governmental 457(b) plans to eliminate the first of the month rule, permitting participants to change their deferral rate at any time. The benefit of eliminating this rule is to allow participants’ elections to be applied more timely. The TRS Board of Trustees approved this provision at a recent Board meeting and the change has been implemented, effective September 29, 2023.

What This Means to You, the Employer

- SSP deferrals, including new enrollments or changes, should be deducted from the participant’s pay-check which covers the first pay period with a **Pay Period Begin Date on or after the Contribution Effective Date** listed on the SSP Deferrals Report.
- Effective immediately, the Contribution Effective Date will be the day the election was made with Voya or the Automatic Enrollment Effective Date, for members who are automatically enrolled in the SSP. The Contribution Effective Date was previously the first day of the following month.
- If you are unable to take or change the SSP deferral on the first pay period with a Pay Period Begin Date on or after the Contribution Effective Date listed on the SSP Deferrals Report, it should begin as soon as administratively practicable after being received on the SSP Deferrals Report. Payroll personnel should review the most recent SSP Deferrals Reports each pay period to ensure SSP deferrals are applied timely.

SSP Training Resources

SSP Overview and Updates Training

This training is intended for all employer contacts and includes: high-level overview of the SSP, automatic enrollment, Plan Document changes and high-level SSP/Defined Contribution (DC) reporting training. The presentation and recording are available at:

<https://www.trsil.org/SSP-Overview-Updates-Sept23>.

SSP Plan and Reporting Training

This training is intended for new bookkeepers, employers who have not previously reported for SSP and those who would like more details about the SSP. The presentation and recording, including a Defined Contribution (DC) reporting demo, are available at:

<https://www.trsil.org/employers/Supplemental-Savings-Plan/Plan-Reporting-Training>.

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