



RETIREMENT SERVICES DIVISION

DEFINED CONTRIBUTION PLAN ENROLLMENT MANUAL

The Office of the State Comptroller has configured the Savings Plans page in Core-CT to administer the four State of Connecticut defined contribution plans: the Tier IV Defined Contribution Plan (Tier IV DC), Alternate Retirement Program (ARP), 457 Plan, and 403(b) Plan.

PERSONNEL SECURITY ROLES

Agency personnel who require access to the Savings Plans page must be assigned the role “**CT AGY PA SPECIALIST**” in Core-CT.

To request the role, agencies should contact their security liaison. Requests must specify that the access is needed for the *Savings Plans* page.

SAVINGS PLANS PAGE FUNCTIONALITY

Automatic Annual Limits

The Savings Plans page automatically applies the IRS annual limits to the defined contribution plans. Contributions automatically stop when an employee reaches their IRS annual limit. In the following plan year, contributions automatically re-start.

The Retirement Services Division advises agencies to verify that their employees do not exceed their annual limits, to ensure complete IRS compliance. Processing errors, such as plan enrollment errors, may cause an employee to exceed their annual contribution limit.

Partial Contributions

When an employee has insufficient earnings to cover a full contribution to any of the defined contribution plans, a partial contribution is taken. The system re-calculates the maximum amount that can be processed and deducts the re-calculated amount. Please be advised that this may result in an employee’s net earnings being \$0.00.

Plan Eligibility

The defined contribution plans are configured with eligibility rules to help prevent ineligible contributions from occurring.

DEFAULT PROGRAM

The defined contribution plan default enrollment program is run each night to default employees who are newly hired, rehired, or employed in multiple job records. While the program is robust, not all employees will be defaulted, so it remains the agency's responsibility to verify proper enrollment for all employees who experience a change in job status.

Employees who elect a retirement plan which differs from their default retirement plan must be terminated on the Savings Plans page or "Create General Deductions" page if the default enrollment process has already occurred. If the agency enrolls the employee in their elected plan on the first day of employment, the employee will not be captured in the default enrollment process.

BENEFIT PLANS AND DEDUCTION CODES

On the Savings Plans page, each defined contribution plan has assigned benefit plans.

Agencies must enroll eligible employees in the proper Tier IV DC or ARP benefit plan. To enroll an employee, select the benefit plan which corresponds to the employee's retirement plan election. Contributions will then be automatically deducted based on the plan enrollment.¹

Employees who are active in multiple retirement-eligible job records **must** be enrolled in the Tier IV DC or ARP benefit plan on each eligible job record for contributions to be deducted.

The benefit deduction codes have the same name as the benefit plan to which they correspond. Each Tier IV DC and ARP benefit plan has one (1) deduction code with two (2) deduction classes: pre-tax and nontaxable. The deduction class indicates whether a contribution is an employee contribution or an employer contribution. A pre-tax deduction class indicates that the contribution is an employee contribution. A nontaxable deduction indicates it is an employer contribution.

State Employees Retirement System Tier IV DC

For SERS, **only** the Tier IV Defined Contribution (Tier IV DC) plan is administered through the Savings Plans page. The Tier IV Defined Benefit (DB) plan and SERS Tiers I, II, IIA, and III are administered through the Create General Deductions page in Core-CT.

Tier IV DC benefit plan names and deduction codes are listed below:

SERS Tier IV Defined Contribution (Tier IV DC)			
<u>Plan</u>	<u>Benefit Plan Name</u>	<u>Employee Code</u>	<u>Employer Code</u>
Tier IV DC	4SERDC	4SERDC (Pre-Tax)	4SERDC (Nontaxable)
Tier 4S DC	4SUBDC	4SUBDC (Pre-Tax)	4SUBDC (Nontaxable)

¹ To view the step-by-step job aid, visit our website at <https://osc.ct.gov/retirement/sers/employers/defined-contribution-enrollments/>.

Alternate Retirement Program (ARP)

ARP's primary benefit plans cover the employee and employer contributions remitted to the participant's account at Empower. The benefit plan names and codes are listed below:

Plan	Benefit Plan Name	Employee Code	Employer Code
Legacy ARP 401(a)(17) Limit	ARPLGY	ARPLGY (Pre-Tax)	ARPLGY (Nontaxable)
Legacy ARP 415(c) Limit	ARP415	ARP415 (Pre-Tax)	ARP415 (Nontaxable)
New ARP 6.5% (Default)	ARPDEF	ARPDEF (Pre-Tax)	ARPDEF (Nontaxable)
New ARP 5%	ARPNW5	ARPNW5 (Pre-Tax)	ARPNW5 (Nontaxable)
Post Doc ARP (UConn Only)	ARPPD5	ARPPD5 (Pre-Tax)	ARPPD5 (Nontaxable)

Employees who participate in Legacy ARP must be placed in the appropriate benefit plan based on the IRS annual limit(s) to which they are subject.

Legacy ARP participants who entered ARP prior to January 1, 1996 are only subject to the 415(c) contribution limit and should be placed in “**ARP415**.” Legacy ARP participants who entered ARP on or after January 1, 1996 are also subject to the 401(a)(17) compensation limit and should be placed in “**ARPLGY**.” An employee's ARP entry date is the first day of employment for which they made their first ARP contribution.

ARP participants who do not contribute to Social Security are not identified through the ARP benefit plan in which they are enrolled.

The ARP fringe benefit has separate benefits plans. Fringe benefit plan enrollment occurs automatically during the overnight cycle after an employee is enrolled in the primary ARP benefit plan. Agencies may choose to manually enroll employees in their proper fringe benefit plan or allow the automatic enrollment process to occur.

Plan	Fringe Benefit Plan Name	Fringe Code	Corresponding ARP Benefit Plan
Legacy ARP 401(a)(17) Limit	FRARPL	FRARPL (Nontaxable)	ARPLGY
Legacy ARP 415(c) Limit	FRA415	FRA415 (Nontaxable)	ARP415
New ARP 6.5% (Default)	FRARPN	FRARPN (Nontaxable)	ARPDEF
New ARP 5%	FRARPN	FRARPN (Nontaxable)	ARPNW5
Post Doc ARP (UConn Only)	N/A	N/A	ARPPD5

457 AND 403(b) PLANS

Plan Information and Eligibility

Eligible employees can elect to make contributions to the voluntary defined contribution plans: the 457 Plan and the 403(b) Plan.

All employees, including rehired retirees, are eligible to contribute to the 457 Plan. The only employees who are not eligible to contribute are non-resident aliens.

Only employees of certain educational agencies are eligible to contribute to the 403(b) Plan. A list of eligible agencies can be found on our website.² Rehired retirees employed at an eligible agency are also eligible to contribute to the 403(b) Plan. Non-resident aliens are not eligible to contribute to the 403(b) Plan.

Plan Enrollment

Plan enrollments and contribution changes must be made through Empower.

Eligible employees enrolling in the 457 Plan or the 403(b) Plan for the first time may log in to their account at www.ctdcp.com and answer a few simple prompts to complete their enrollment. Both plans offer the option to make pre-tax contributions, Roth contributions, or both pre-tax and Roth contributions.

Participants may elect to contribute either a percentage of compensation or a flat dollar amount. Participants may only elect one option per plan. For example, an employee can choose a percentage-based contribution for the 457 Plan and a flat dollar amount for the 403(b) Plan, but they cannot choose a percentage for their 457 pre-tax contribution and a flat dollar amount for their 457 Roth contribution.

Eligible employees with multiple employment records are allowed to contribute to the 457 Plan and/or 403(b) Plan on all active and eligible records. If employees would like to contribute on multiple records, they will be required to complete the enrollment process for each record.

There is an automated process to notify Empower about terminations, hires, and rehires. A daily file is sent to Empower to update the employee's employment status on their account, based on the effective date entered by the agency on the employee's "Job Data" record.

Each time an employee is rehired after a termination on a specific employee record, they must make a new election with Empower to re-start their contribution(s) on that record.

403(b) Dept ID

403(b) plan eligibility is configured in Core-CT by Department ID (Dept ID). Agencies whose employees are eligible for the 403(b) plan must notify the Retirement Services Division when a new Dept ID is added in Core-CT. Failure to do so will result in employees under the new Dept ID experiencing a delay in plan enrollment or posting of contributions.

² <https://osc.ct.gov/retirement/voluntary-retirement-plans/>

Non-Resident Aliens

When hiring an employee who is a non-resident alien, agencies are required to mark their non-resident alien status on the “Update Employee Tax Data” page in Core-CT.³ This information must be recorded to ensure non-resident aliens do not make ineligible contributions to the 457 or 403(b) plans.

Update Employee Tax Data

Federal Tax Data | State Tax Data | Local Tax Data | Ct Tax Pfmla Bypass

Employee Type | Person ID

Tax Data

Company CT State of Connecticut

*Effective Date 12/13/2014

Updated By System Date Last Updated 12/19/2014

Federal Form Version

*Form Version W-4 - 2019 or Earlier

Federal Withholding Elements

*Special Withholding Tax Status None

*Tax Status
Maintain taxable gross
No taxable gross; no tax taken
None
Nonresident alien

Withholding Allowances

Additional Amount \$0.00

Additional Percentage 0.000

If there is a change in the employee’s status, this page **must** be updated to ensure they can make allowable contributions, if they elect to do so.

³ [CORE-CT HRMS → Payroll for North America → Employee Pay Data USA](#)

MORE INFORMATION

Please visit our website <https://osc.ct.gov/retirement/sers/employers/defined-contribution-enrollments/> for additional information, including a training video, job aid, and reference charts.

Any questions on the defined contribution plans and enrollment process can be directed to the Defined Contribution Plans Unit at DeferredCompPlans@ct.gov. Other retirement questions can be directed to the Retirement Services Division Customer Service Center at [\(860\) 702-3480](tel:8607023480) or osc.rsd@ct.gov.

Employees can contact Empower at www.ctdcp.com or 844-505-7283.

Listed below are the defined contribution descriptions that appear on an employee's paystub:

<u>Plan</u>	<u>Paystub Description</u>
Tier IV DC	Tier IV DC
Tier 4S DC	Tier 4S DC
Legacy ARP 401(a)(17) Limit	ARP Legacy
Legacy ARP 415(c) Limit	ARP Legacy
New ARP 6.5% (Default)	ARP 6.5%
New ARP 5%	ARP 5%
Post Doc ARP (UConn Only)	ARP PD
457 Pre-Tax	457 Pre-Tax
457 Roth	457 Roth
403(b) Pre-Tax	403(b) Pre-Tax
403(b) Roth	403(b) Roth