



Executive Summary Finance Committee Meeting

DATE: January 20, 2022

TOPIC: Supplemental Savings Plan (SSP) from IL Teachers' Retirement System (TRS)

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Recommended for:

- ☒ Action
- ☒ Discussion
- ☒ Information

Purpose/Background:

In 2018, an Illinois Pension Code amendment added a requirement that the Teachers Retirement System (TRS) provide an optional defined contribution benefit to all eligible members of TRS beginning in 2021. This is now known as the Supplemental Savings Plan (SSP). Last year, the Pension Code was further amended to explicitly state that TRS-covered employers must participate in the SSP through TRS. It also established automatic enrollment in the SSP and contribution amounts for new members on or as soon as possible after January 1, 2022, unless the new member opts out of enrollment. TRS has communicated it is not ready to implement the automatic enrollment provisions of the SSP. Until then, eligible members must opt-in to the SSP, if they wish to participate. Employee contributions would flow from the District directly to TRS where the SSP will be administered by Voya Financial.

Implementation of the SSP was delayed by TRS. In November 2021, TRS sent brochures to members stating that it was prepared to implement "opt-in" elections. Implementation of the "opt-out" part of the SSP is anticipated later this year. Eligible employees can begin to sign up for the SSP as soon as January 10, 2022, or as soon as their employers have formally agreed to offer the SSP. TRS announced that enrolled SSP participants will make their initial payroll contribution to the SSP on or after March 1, 2022.

In connection with the SSP, TRS-covered employers are responsible for the following:

- Employment Status Reporting: full- and part-time contractual teachers only
- Contribution Processing: enter into salary reduction agreements with participating employees and remit the elective deferrals to TRS
- Contribution Limit Monitoring: monitor 457(b) contribution limit as provided by the IRS

A resolution and Employer Participation Agreement should be adopted by the governing board as soon as possible to allow eligible employees to enroll in the SSP. Employers will also complete an Authorized Contact form.

Fiscal Impact:

None; extra time and tasks in Business Office/Payroll Department for reporting and reviewing

Recommendation:

The Finance Committee concurs with the Administration to recommend to the Board of Education to adopt the Teachers' Retirement System Supplemental Savings Plan Resolution and approve the corresponding Employer Participation Agreement.