

## **Proposed Regulation 56 - Employer Contributions to the Government Employees' Deferred Compensation Plan and Trust**

### **101 Purpose**

The purpose of the regulation is to provide administrative guidance for administering employer contributions to the Government Employees' Deferred Compensation Plan and Trust.

### **102 Authority for Employer Contributions**

Miss. Code Ann. Section 25-14-1 et. seq. (1972, as amended) authorizes the establishment of the Government Employees' Deferred Compensation Plan and Trust. Pursuant to this authority, MCA Section 25-14-5 provides that a county, municipality, or other political subdivision, except community and junior college districts, may make contributions to the Plan on behalf of actively participating members, provided such contributions are made on a uniform basis through an employer contribution agreement as provided for in the Mississippi Deferred Compensation Plan and Trust Plan Document.

### **103 Actively Participating Member**

An actively participating member is any **employee** of an employer authorized to make Employer Contributions to the Mississippi Deferred Compensation Plan and Trust who has enrolled as a participant in the Plan and who is actively contributing to the Plan. For purposes of this regulation, such employee will be referred to as an actively contributing participant.

### **104. Employer Election to Provide for Employer Contributions**

1. Any employer eligible to make employer contributions as noted in **Section 102** who participates in the Government Employees' Deferred Compensation Plan and Trust may execute an **Employer Contribution Addendum** to provide an employer contribution to the account of actively contributing participants. The employer contribution must be made available to all actively contributing participants of the employer, without regard to any probationary period, in accordance with one of the methodologies noted in **Subsection 3** of this Section.
2. Each **Employer Contribution Addendum** shall expressly provide the following:

- a. that the employer has the budgetary and statutory authority to make contributions to the Plan on behalf of actively contributing participants; and
  - b. that, if adopted, employer contributions will be available on a uniform basis to all actively contributing participants; and
  - c. the basis for making employer contributions as noted in Section 104.3.b. below; and
  - d. the time period for which employer contributions will be made, if such contributions are not anticipated, intended, or guaranteed to be on-going. Employer contributions shall be transferred to the Third Party Administrator as part of the regular payroll process and included with the employee contributions; and
  - e. the actively contributing participant will be 100% vested in the employer contributions at the time the contributions are made on the participant's behalf.
3. In order for employer contributions to be considered made on a "uniform basis," such contributions must:
- a. be made for all actively contributing participants not to exceed the basic annual deferral amount specified in Section 4.1 of the Deferred Compensation Plan Document when aggregated with the employee contributions; and
  - b. be based on one of the following methodologies:
    - (i) a specific dollar amount per pay period; or
    - (ii) a dollar for dollar match per pay period; or
    - (iii) a specific dollar amount per pay period or a dollar for dollar match per pay period up to a specific percent of either salary or employee contribution.

### **105 Timing and Method of Payment of Employer Contributions**

Each employer who has executed an **Employer Contribution Addendum** shall make all contributions to the Plan and Trust in the form of cash. Employer contributions shall be paid to the Plan and Trust monthly as part of the regular payroll process no later than the seventh (7<sup>th</sup>) working day of each month.

**106 Allocation, Investment, and Accounting for Employer Contributions**

The Third Party Administrator shall allocate the employer contributions to the account of each actively contributing participant on whose behalf such contributions are made. Such amounts shall be invested in accordance with the investment election of the participant. The amounts shall be accounted for as a part of the participant's account subject to the same limitations and rights as contributions made by the participant. The employer, Board of Trustees, and Third Party Administrator shall be under no duty to question any investment direction of a participant; nor shall they be held responsible in any manner for investment loss or depreciation in asset value of any such investments.

**107 Benefits, Withdrawals, and Distributions**

All benefits, withdrawals, and distributions, whether attributable to employee contributions or employer contributions, will be disbursed according to the terms of the Plan and Trust.

**108 Maximum Contribution Limits to Deferred Compensation Plan**

Employer contributions shall be aggregated with any employee contributions for purposes of determining compliance with the applicable basic annual deferral amount specified in Internal Revenue Code Section 457(e) and as outlined in Section 4.1 of the Deferred Compensation Plan Document.