

457 Plan Enrollments and Deferral Changes Online

CIPPS Reporting Agencies

Effective **May 1, 2007** employees will be able to enroll and update their deferrals to the 457 Deferred Compensation Plan online. Online enrollment will be available first to employees of State agencies that report through the Commonwealth Integrated Payroll/Personnel System (CIPPS). Employees may enroll or make changes to the amount they are deferring to the Plan by logging in to their account and clicking on *Change Account* and then *Deferrals*. Deferral changes may also be made by telephone by using KeyTalk, 1-866-226-6682 (option1).

Payroll offices will not key 457 Plan enrollments or deferral changes after April 25, 2007. The May 1 pay date is the last pay date that the employer will key. Beginning that date employers will forward all Enrollment and Payroll Authorization Forms to Great-West Retirement Services (GWRS), 1108 East Main Street, Suite 1102, Richmond VA 23219. The new Payroll Authorization Form – State CIPPS Agency is enclosed. When printing the form be sure to include the instructions.

457 Plan Enrollment

Employees of State agencies that report through CIPPS who have never enrolled in the 457 Plan will receive a letter notifying them of the availability of online enrollment and giving them a PIN to use to log on and enroll. The letter will also provide a telephone number that the employee may call to obtain an enrollment kit.

Paper enrollment will continue to be available. The Enrollment Forms will go to the GWRS Local Service Center where they will be keyed into the GWRS system and imaged. GWRS enters both online and paper enrollments in a file that it will send to the Virginia Department of Accounts (DOA). Deferrals are taken from the employees' pay on the first pay date of the following month, or the next available pay date if later. Once processed in CIPPS, DOA will generate a report, available for agency review, indicating employees who have enrolled.

Employees enrolling online will be directed to the beneficiary designation function, which will allow them to name the beneficiary for their Plan accounts. Those enrolling with a paper form will complete a Beneficiary Designation 457/491(a) Plan form.

Both salaried and wage employees may use the online enrollment feature.

Deferral Changes

A letter will be mailed to employees who participate in the 457 Plan advising them that they may now make certain deferral changes online. Specifically, participants may increase, decrease, reinstate and suspend their deferrals, as well as use the Age 50+ Catch-Up. Participants who have forgotten their PIN will be provided instructions for obtaining a new one. These deferral changes may also be made by telephone using KeyTalk, 1-866-226-6682 (option1).

Participants may continue to change their deferral amount or suspend deferrals by using a paper Payroll Authorization Form. However, the procedure for handling this form will change. Beginning April 25, 2007 for CIPPS reporters the Payroll Authorization Forms will be sent to the GWRS Local Service Center rather than to the agency payroll office as is currently done. GWRS will enter the change into the system and image the form.

GWRS enters both online and paper deferral changes in a file that is sent to DOA. The change is effective on the first pay date of the following month, or the next available pay date if later. Once processed in CIPPS, DOA will generate a report, available for agency review, indicating employees who have changed their deferral.

A paper Payroll Authorization Form remains necessary for participants using the Standard Catch Up, or Military Leave Make-Up or deferring Termination Pay (unused compensatory, sick and annual leave) to the Plan. Employers will be required to sign the Payroll Authorization Form when the employee is deferring his Termination Pay to ensure that the pay date and deferral amount are correct. The paper Payroll Authorization Form is also used when an employee transfers from one agency to another. Special Payroll Authorization Forms will be included in the applications for the Standard Catch-Up and Military Leave Make-Up.

Decentralized State Agencies

Once the online enrollment and deferral change function is in place for CIPPS agencies it will be rolled out to the eight State agencies that are decentralized reporters. The goal is to have the feature operational for all State agencies by October 1, 2007.

Political Subdivisions and School Divisions Participating in the Commonwealth's 457 Plan

The online enrollment and deferral change feature will also be available to the employers who have adopted the Plan.