



INSIDE edge

Our Employer Newsletter
keeping you informed of
all the latest knowledge at
US OMNI & TSACG
Compliance Services

Legal & Compliance Review

Non-Elective Contributions

Many employers offer Non-Elective Employer Contributions as an incentive for employees. These most commonly occur as sick time and vacation payouts but can include other situations at the discretion of the employer.

Non-Elective Contributions have several advantages: they are exempt from FICA/Medicare taxes, subject to a higher Maximum Contribution Limit, and can be paid out 5 years post-severance. In order for a Non-Elective Contribution to be permissible under the IRS Regulations, it must be listed in an employee's Collective Bargaining Agreement or other contract as a Non-Elective and specify that the funds must be paid into a 403(b). An incentive that is offered as cash, or in lieu of any other type of benefit (such as Health Insurance or Tuition Reimbursement) is not considered a valid Non-Elective Contribution.

If you are concerned about whether your Non-Elective Contribution meets IRS Regulations, please contact your Client Relations Manager!

OPERATIONS UPDATE

403(b) Financial Hardship Amendment

The Tax Cuts and Jobs Act of 2017 (TCJA) and the Bipartisan Budget Act of 2018 (the Budget Act) enacted several changes to the rules that govern financial hardship distributions made from 403(b) employer plans. Final regulations under §§ 401(k) and 401(m) were published in the Federal Register (84 FR 49651) on September 23, 2019, and require employers to amend their plans prior to January 1, 2022.

The amendment applicable to TSACG's pre-approved Volume Submitter 403(b) Plan Document has already been adopted in conjunction with our plan document services. No further action is required by employers who have adopted TSACG's Volume Submitter 403(b) Plan Document; however, a copy of the amendment should be retained in the employer's permanent 403(b) plan records file.

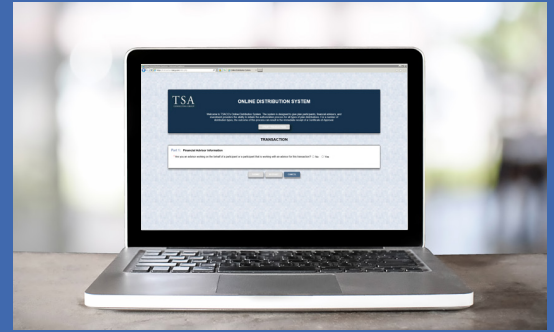
TSACG will archive a copy of the amendment on behalf of each employer, and in the coming weeks, a copy will be sent to each employer for their records.

SERVICE SPOTLIGHT

TSACG continues to maintain an advanced Web-based Online Distribution System for use by Plan Sponsors and participants. The system provides employees the ability to obtain an immediate Certificate of Approval. The system is available 24 hours a day, seven days a week.

Reports are available to authorized staff to view aggregate data on all plans hosted and provided to employees. In addition, TSACG representatives are available to assist with transactions for participants unable to use the Online Distribution System. Contact Recordkeeping for more information. The direct link is: <https://transaction.tsacg.com/index.php>

Online Distribution System



Support Tools

Contribution Remittance

We know that many of our clients continue to have remote work plans in place and/or have recognized the need to use digital services to a much greater extent. When funding contribution remittances, we recommend the use of an electronic method in lieu of mailing a check.

TSACG offers both ACH debit (pull) and ACH credit (push) functionality as components of our Electronic Process for Automated Remittance Services (EPARS) system. Sending monies electronically will ensure they are received and processed by TSACG in the most expeditious timeframe possible.

As an additional benefit, we are able to offer the ACH debit service to you free of charge. If you are interested in learning more about our ACH options, please contact a member of our common remitting team at epars@tsacg.com.

RESOURCES

Financial Wellness Center

TSACG is pleased to offer our Financial Wellness Center website to help your employees explore and plan for their current and future financial needs. This free educational resource provides powerful tools and unbiased information to guide employees with mapping out their journey to financial wellness at their own pace.

Financial wellness is influenced by several factors including an individual's personal characteristics, their knowledge of financial concepts, spending and saving habits, and unexpected financial events. Site visitors can learn more about retirement savings plans, managing personal finances, college funding options, and how to navigate Social Security when the time comes. Our site provides calculators, videos, and informative content on various topics to help guide the planning process.

Employees can access the site via the TSACG website (<https://www.tsacg.com>) or directly at <https://usrbpfinancialwellness.com>.

