



Volume No. 1—Policies & Procedures	TOPIC NO. 50420 – Cardinal
Section No. 50400—Deductions	TOPIC RETIREMENT CASH MATCH PLANS
	DATE November 2015

Table of Contents

Table of Contents	1
Overview	2
Introduction	2
Legal Requirements Governing the TSA Cash Match	2
TSA Cash Match Plan - Agency Legal Requirements.....	2
Eligibility Rules	3
Deferred Compensation Supplemental Cash Match Program Rules	3
TSA Cash Match Plan - Program Rules	3
Compliance Monitoring.....	4
CIPPS Deduction Data Entry.....	4
CIPPS Deductions and Edits.....	4
Online Data Entry	4
Internal Control.....	6
Internal Control.....	6
Records Retention.....	6
Time Period.....	6
Contacts.....	7
DOA Contact	7
Subject Cross References.....	7
References.....	7
CARS to Cardinal Transition.....	7
Cardinal Transition	7

Volume No. 1—Policies & Procedures	TOPIC NO.	50420 – Cardinal
Section No. 50400—Deductions	TOPIC	RETIREMENT CASH MATCH PLANS
	DATE	November 2015

Overview

Introduction

An employer-paid supplemental cash match is provided under *Code of Virginia* section 51.1-609 and the Appropriation Act for eligible employees who participate in the 457, Deferred Compensation Plan (DCP) or a 403(b), tax-sheltered annuity (TSA). The supplemental cash match for DCP participants is administered under the Virginia Cash Match plan by VRS. Institutions of higher education or other educational agencies with qualifying TSA participants individually administer their own cash match plans.

Establishment of supplemental cash match deductions is systematically performed with the automated interfaces for Deferred Compensation and Annuities discussed in CAPP – Cardinal Topic 50415, *Retirement – Salary Reduction Plans*.

Employees enrolled in the Hybrid retirement program receive an employer-paid matching contribution as defined in Code of Virginia section 51.1-169. Hybrid employees are not eligible for the employer DCP supplemental or TSA cash match until they are contributing the maximum voluntary contribution amount permitted under the hybrid plan. (See CAPP – Cardinal Topic 50410, Retirement – VRS and ORP.)

Legal Requirements Governing the TSA Cash Match


TSA Cash Match Plan - Agency Legal Requirements

Legal requirements governing cash match plans are complex. VRS has ensured these requirements have been met for the cash match plan for employees who participate in the DCP. However, agencies with eligible TSA participants are individually responsible for ensuring the legal requirements are met. These requirements include but may not be limited to:

- Preparation and maintenance of a Plan document
- Procurement, negotiation and execution of trust agreements
- Preparation and distribution of administrative forms to participants
- Preparation and distribution of plan summaries to participants
- Submit Determination Letter Application to the IRS.

Note: In executing these requirements, agencies should consult their agency legal counsel.

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO.	50420 – Cardinal
Section No. 50400—Deductions	TOPIC	RETIREMENT CASH MATCH PLANS
	DATE	November 2015

Eligibility Rules

Deferred Compensation Supplemental Cash Match Program Rules

All salaried employees are eligible to receive DCP supplemental cash match contributions on paydays on which they receive a salaried paycheck, and make contributions to the DCP (Deduction 038). *Employees who participate in the Hybrid Retirement plan must first contribute the maximum amount allowed to the voluntary defined contribution portion before the supplemental cash match is allowed.*

The supplemental cash match amount for the Commonwealth is 50% of the employee’s contribution made to the DCP up to \$20/per semi-monthly payday (Amount subject to appropriations; divergence from limits stated above are communicated in the Fiscal Year End Payroll Bulletin).

Accelerated contributions are generally not permitted. Exceptions for Deferred Compensation supplemental cash match must be approved by VRS.

TSA Cash Match Plan - Program Rules


A TSA cash match can only be provided for eligible employees who make a 403(b) contribution to a 403(b) provider who participates in the agency’s cash match plan (Deduction 039).

The current TSA cash match amount for the Commonwealth is 50% of the employee’s contribution made to a participating 403(b) provider, up to \$20/per semi-monthly payday. (Amount subject to appropriations; divergence from limits stated above are communicated in the Fiscal Year End Payroll Bulletin). Only amounts contributed to participating providers are included in applying the 50% rule above.

An employee’s TSA cash match contribution **cannot** be split between providers. Eligible employees with multiple 403(b) providers must designate a single TSA cash match provider using a Cash Match Agreement form, even if only one provider participates in the cash match plan.

Accelerated contributions are generally not permitted. Exceptions for an agency TSA cash match are determined by the individual agency plan.

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO. 50420 – Cardinal
Section No. 50400—Deductions	TOPIC RETIREMENT CASH MATCH PLANS
	DATE November 2015

Eligibility Rules, Continued

Compliance Monitoring Agency compliance monitoring is facilitated through use of the semi-monthly Report U149. Agencies must review their cash match deductions and the report to ensure pay period and annual limits are not exceeded.

CIPPS Deduction Data Entry

CIPPS Deductions and Edits The following CIPPS deductions have been established to process employer paid cash match contributions:


CIPPS Ded #	Purpose	CIPPS Description
045	Supplemental Cash Match for Deferred Compensation	DC MATCH
046	TSA Cash Match	AN MATCH
105	<i>Hybrid Mandatory Employer Match</i>	<i>HBMCMATCH</i>
106	<i>Hybrid Voluntary Employer Match</i>	<i>HBVCMATCH</i>

Edits have been established to ensure that the corresponding employee contribution, CIPPS deductions 038 (deferred compensation) / 039 (TSA), is active *and a maximum voluntary contribution for Hybrid employees exists* before allowing a supplemental cash match deduction to be established. Similarly, when the employee deduction is deactivated, the corresponding supplemental/TSA cash match deduction is automatically deactivated.

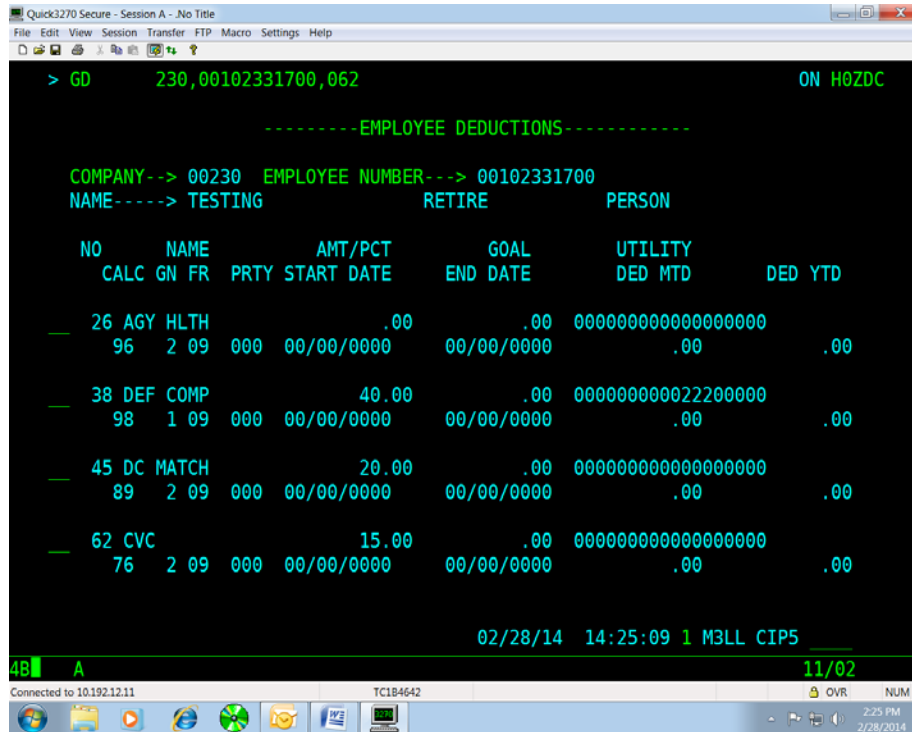
All amounts for the Hybrid Employer Match are controlled by data entry on HMCUI, Employee Benefits. (See CAPP – Cardinal Topic 50410, Retirement – VRS and ORP.)

Online Data Entry While deduction activity for Cash Match amounts should be largely controlled by the automated interfaces, there may be times when manual data entry will be required. Access the Employee Deductions screen (H0ZDC) as instructed in CAPP – Cardinal Topic No. 50110, *CIPPS Navigation*.

Continued on next page


Volume No. 1—Policies & Procedures	TOPIC NO. 50420 – Cardinal
Section No. 50400—Deductions	TOPIC RETIREMENT CASH MATCH PLANS
	DATE November 2015

CIPPS Deduction Data Entry, Continued



- NO** (Required) Enter deduction number 045 (DC MATCH) or 046 (AN MATCH).
- NAME** Do not enter. The system will display the corresponding deduction name after the information is entered into the system.
- AMT/PCT** (Required) Enter the dollar amount, to two decimal places, to be withheld each pay period.
- GOAL** May be used to ensure the cash match amount does not exceed policy limitations.
- UTILITY** Do not enter. Not used in cash match deduction processing.
- CALC** Do not enter. This field indicates the type of calculation to be performed. This field is displayed by the system.
- GN** Do not enter. This field will be displayed by the system.
- FR** (Required) Enter “09” for the deduction frequency, indicating that the deduction will be taken every pay period.

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO. 50420 – Cardinal
Section No. 50400—Deductions	TOPIC RETIREMENT CASH MATCH PLANS
	DATE November 2015

CIPPS Deduction Data Entry, Continued

<i>PRTY</i>	Do not enter. Not used at this time.
<i>START DATE</i>	Not used for these deductions.
<i>END DATE</i>	Not used for these deductions.
<i>DED MTD and YTD</i>	Do not enter. Automatically updates each time the deduction is taken.

Internal Control


Internal Control

Report U149, CASH MATCH (DED 45 + 46) DISCREPANCY LISTING, provides a listing of potential exceptions for the cash match. The U149 analyzes both the deferred compensation and annuity cash match together on one report. The report lists potential discrepancies/errors that each agency is required to review and resolve as needed. If there are no discrepancies detected for the entire agency, then the message “No errors found” will be issued. This report is automatically created on a semi-monthly basis after the certification deadline.

Records Retention

Time Period

All enrollment information and reports should be retained for five years or until audited, whichever is later. The retention of related agency source documents/records is determined by agency policy.

Volume No. 1—Policies & Procedures	TOPIC NO. 50420 – Cardinal
Section No. 50400—Deductions	TOPIC RETIREMENT CASH MATCH PLANS
	DATE November 2015

Contacts

DOA Contact Director, State Payroll Operations
Voice: (804) 225-2245
E-mail: Payroll@doa.virginia.gov

Payroll Support Analyst/Trainer
Voice: (804) 786-1083
E-mail: Payroll@doa.virginia.gov

Subject Cross References

References CAPP – Cardinal Topic No. 50110, *CIPPS Navigation*
CAPP – Cardinal Topic No. 50415, *Retirement – Salary Reduction Plans*

CARS to Cardinal Transition

Cardinal Transition CIPPS interfaces to both CARS and Cardinal. No additional action needs to be taken by agencies in order to record CIPPS entries. After CARS has been decommissioned, agencies will no longer use NSSA to establish programmatic data in CIPPS. Instructions on how to load this information to CIPPS will be distributed at a later time.
