Tax-sheltered Annuity products are supported through payroll deductions for employees at higher educational institutions and 501(c)(3) agencies and are processed through the Commonwealth Integrated Payroll/Personnel System (CIPPS).

The Commonwealth does not sponsor the products offered under Tax-sheltered Annuity program. The program is intended to benefit employees by providing payroll deduction services for commercially available products among a “network” of independent vendors.

Salaried employees receive Cash Match contributions on paydays in which they receive a salaried paycheck and make a contribution to a 403(b) (i.e., tax-sheltered annuity). If the employee is receiving a cash match in conjunction with the Commonwealth’s 457 program the employee is ineligible for an additional cash match. The cash amount is 50 percent of the 403(b) contribution, up to the amount authorized in the Fiscal Year Appropriations Act (Currently $20 semi-monthly and $40 monthly, respectively). Accelerated or catch-up contributions are not permitted in order to reach the maximum annual Cash Match. An employee may make one (1) change of participating vendor company annually. Employees who are participants of the VRS Hybrid Retirement Plan can only receive the cash match once they have enrolled up to the maximum percentage of voluntary contribution.

Administrative fees are charged to fund the consolidated billing process, as the Commonwealth does not sponsor the tax-sheltered annuities for which deductions take place. The provider pays the administrative fee on behalf of the employee. In the rare case when the vendor does not pay the administrative fee, the fee is charged to the employee and is taken through payroll deduction.

As an eligible employee, you must:
1.) Complete necessary paperwork required by the agent.
2.) Confirm approval by the vendor for the tax-sheltered annuity.
3.) You and the provider agent must complete the necessary salary reduction agreement form located at: www.doa.virginia.gov/forms.shtml#pomiscellaneousian
4.) You must also complete the Cash Match Agreement form and submit to your Payroll Officer (if eligible).
5.) The provider agent will submit the completed salary reduction form to FBMC.
6.) FBMC will communicate to your employer to begin withholding contributions to your annuity through payroll. Your employing agency CANNOT establish a payroll deduction upon your direct request. The authorization must be provided by FBMC.

Questions related to your tax-sheltered annuity must be directed to the provider company. If you have questions concerning deduction amounts or the timing of your payroll deduction, contact FBMC at 1-855-569-3262.