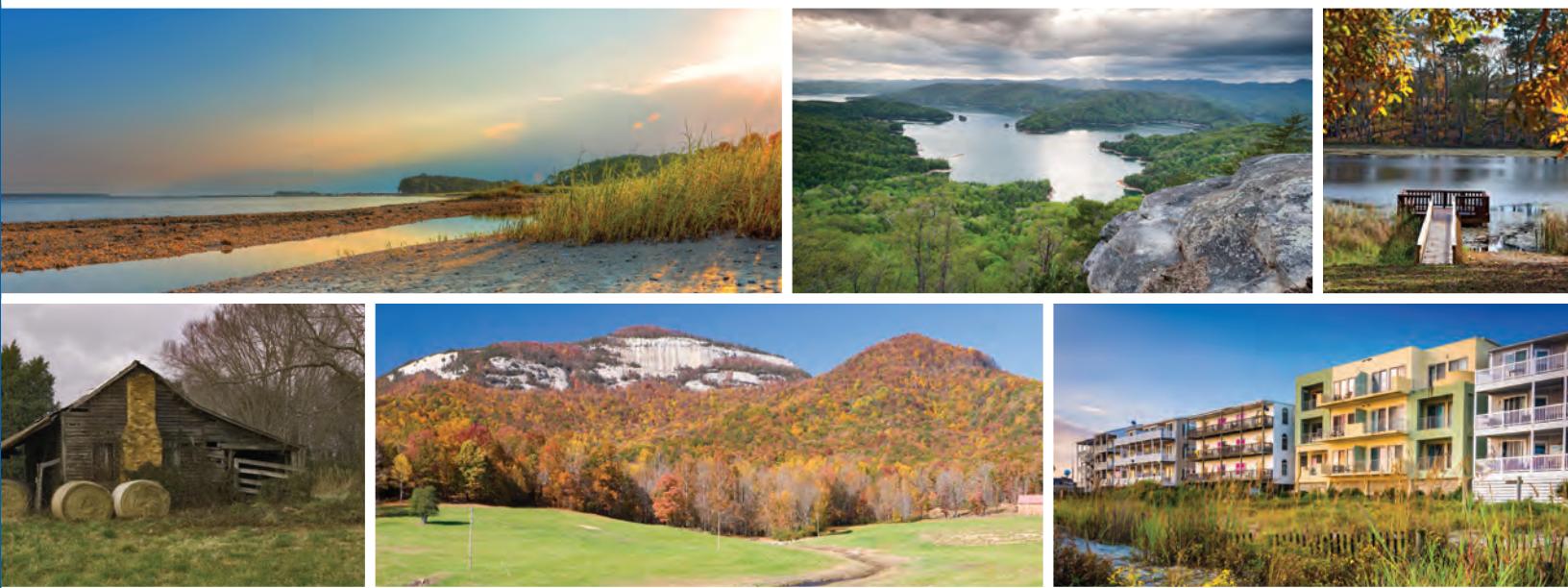


# South Carolina Deferred Compensation Program Business Transformation Guide



south carolina  
**opeba**  
state health plan | retirement systems

Administered by:

  
**EMPOWER**  
RETIREMENT™





Serving those who serve South Carolina

August 31, 2015

Dear Employer:

The South Carolina Public Employee Benefit Authority (PEBA) has been working with Empower Retirement (Empower) during 2015 to prepare for a special project related to the South Carolina Deferred Compensation Program (Program). This project, known as the Business Transformation Project, is scheduled to continue through 2016 and is intended to reshape your processes related to the Program. Our goal is to align those processes with Empower's administration and recordkeeping systems, thereby maximizing its capabilities and streamlining the experience for employers and participants.

**Effective January 1, 2017**, participating employers will be required to offer all features of the Program and to adhere to standardized remittance and reporting requirements. Some key requirements will be: 1) ability for participants to contribute on a pre-tax and post-tax basis to both the 401(k) plan and 457(b) plan; 2) ability for participants to repay loans via payroll deduction; 3) secure, electronic remittance of contributions; and 4) comprehensive, electronic reporting of participant data. These changes are intended to enhance the security of participant data and to benefit participants and their employers through improved efficiencies. Included below are some notable benefits:

1. **Demographic Information:** Ensuring that Empower's records remain up-to-date will help safeguard participant data. It will assist Empower when confirming a participant's identity, and it will help ensure that correspondence and statements reach their intended destination.
2. **Termination Dates:** By providing participant termination dates as they occur, employers will no longer need to manually provide this information each time a participant requests a withdrawal. The elimination of this manual step will result in significantly faster processing of participant withdrawal requests.
3. **Salary Information:** Retirement readiness is a high priority for PEBA and for the industry as a whole. Research indicates that the average participant has a difficult time estimating how his account balance will benefit him during retirement. As a result, Empower has developed a method to translate a participant's balance into a projected monthly income based on specific information such as his account balance, contribution amount and investment allocation. By incorporating salary data into this equation, the participant will get a clearer picture of how far that projected income might go toward replacing his pre-retirement income. It will also allow PEBA to better gauge retirement readiness at the program level.
4. **Electronic Remittance:** Employers should strive to remit participant contributions as quickly as possible. This is a requirement of the Internal Revenue Service, as well as the Program's governing documents. Electronic remittance is the fastest way for Empower to receive and invest participant contributions.

**Please note:** Empower has state-of-the-art system capabilities to securely transmit and store participant information. Data security is of paramount importance to PEBA and Empower.

Executive Director Peggy G. Boykin, CPA  
803.737.6800 | 888.260.9430 [www.peba.sc.gov](http://www.peba.sc.gov)  
202 Arbor Lake Dr., Columbia, SC 29223

PEBA is committed to assisting our participating employers during this transition. Our goal is to provide you with ample time and training to implement any necessary changes. Please contact Empower as soon as possible if you have concerns over the economic feasibility of the required changes.

We value your feedback, especially during this transition period. See below for the best ways to receive prompt responses to any questions or concerns that might come up:

1. Empower's technical support team can help you identify where you stand regarding compliance with the Business Transformation Project. This team is available toll-free at 800.695.4952 from 8:30 a.m. to 8 p.m. EST, Monday through Friday.
2. Empower's home office team specializes in assistance during the transition process. Please follow up with this team once you're ready to take action.
  - Caryn Davis – 303.737.3036 or [caryn.davis@empower-retirement.com](mailto:caryn.davis@empower-retirement.com)
  - Sheila Perkins – 303.737.6562 or [sheila.perkins@empower-retirement.com](mailto:sheila.perkins@empower-retirement.com)

In addition, Nancy Ornduff from Empower will be hosting monthly webinars to help employers prepare for and implement the requirements of the Business Transformation Project. There will be an opportunity during these webinars to ask specific questions or to schedule a follow-up meeting. For an invitation to these webinars, please email the local Empower team at [scdcp@empower-retirement.com](mailto:scdcp@empower-retirement.com).

We appreciate your participation in the Program, as well as your cooperation as we work to help participants achieve their retirement goals.

Sincerely,



Matthew M. Davis  
Defined Contribution Manager

# Table of Contents



Introduction .....	4
Employer Quick Start Guide .....	5
Plan Service Center overview.....	6-8
Explore the Plan Service Center.....	6
Getting started .....	7
Termination dates .....	8
Payroll processing option A: Guided Payroll.....	9-10
Payroll processing option B: Payroll Data Interchange .....	11
Payroll Data Interchange (PDI) Requirements .....	12
Employer Payroll Data form .....	13
Plan Service Center Authorization form.....	15-17
Automated Clearing House (ACH) Authorization .....	19
APPENDIX .....	21-35
Participant resources .....	22-23
Employer resources .....	24
Annual leave payout procedure .....	25
TERI payout procedure .....	26
Participant loans.....	27
Contribution limits .....	28
Changing a participant's contribution amount.....	29
Plan Comparison Reference Guide .....	30
Frequently asked questions .....	31-32
Employer fiduciary responsibilities .....	33-34
Retirement Plan Counselor territories.....	35



## Introduction

### Transforming your process

The South Carolina Deferred Compensation Program (Program) offers valuable benefits to its participants. In an effort to maximize this value, the South Carolina Public Employee Benefit Authority (PEBA) initiated the Business Transformation Project. This project, scheduled to continue throughout 2015 and 2016, is designed to accomplish two fundamental goals: 1) to standardize the Program experience for all participants and their employers; and 2) to increase the Program's efficiency in an effort to drive positive retirement outcomes.

### About this manual

This manual is designed to simplify your transition during the Business Transformation Project. It contains a Quick Start Guide, as well as any required forms. If you would prefer to work directly with Program staff, this manual also includes contact information to help you connect with them via phone or in person. Our goal is for this process to be as smooth as possible for you.

### Who is Empower Retirement?

PEBA has contracted with Empower Retirement (Empower) to provide recordkeeping, administration and communication services related to the Program. Empower's representatives are at your service. Please contact them any time you have Program-related questions or concerns.

### What is your role as an employer?

Your primary role related to the Program is to remit and report participant contributions to Empower in a timely manner. A central focus of the Business Transformation Project is to help you streamline your process, ultimately saving you time and energy.





**Below is a step-by-step guide on how to comply with the Business Transformation Project. If you have questions at any point, you may contact Plan Technical Support at 800.695.4952<sup>1</sup> or your local representative. Please see the Territory Map on page 35 to identify which representative supports you.**

## **STEP 1: Complete the Payroll Data Form** *If completed, please proceed to the next step.*

By completing this form, Empower will have a better understanding of your specific payroll process.

**Action:** Complete the Employer Payroll Data Form located on page 13.

## **STEP 2: Gain access to the Plan Service Center**

*If completed, please proceed to the next step.*

By completing this form, you will gain access to Empower's Plan Service Center (PSC), the system used to remit and report payroll contributions and loan repayments.

**Action:** Complete a Plan Service Center Authorization Form for each employee who needs PSC access. This form is located on pages 15-17.

## **STEP 3: Set up electronic banking** *If completed, please proceed to the next step.*

**Action:** Complete the Automated Clearing House (ACH) Authorization form, which is located on page 19.

## **STEP 4: Set up your payroll processing** *If completed, please proceed to the next step.*

There are two available methods for payroll processing. Guided Payroll is designed for employers with 25 or fewer employees, and Payroll Data Interchange (PDI) is designed for employers with more than 25 employees. For specific questions related to setting up your payroll process, please contact Caryn Davis at **303.737.3036** or Sheila Perkins at **303.737.6562**.

### **Action:**

A) Guided Payroll (25 or fewer employees): See pages 9-10 for a written tutorial to help set up Guided Payroll.

**or**

B) Payroll Data Interchange (more than 25 employees):

1. See pages 11-12 for a written tutorial and template to help set up your PDI file.
2. Create your PDI file using payroll or spreadsheet software (such as QuickBooks or Microsoft Excel).
3. Upload your PDI file via the PSC for testing.
4. Once your PDI file has been tested and verified, contact Plan Technical Support at **800.695.4952** to set up your first cash call.

## **STEP 5: Review deferral and loan files**

**Action:** Review each file you receive via the PSC to ensure your payroll system remains up-to-date regarding contribution and loan amounts. Remember to update the PSC for any status changes, such as a change in employment status or a change of address.

An email will be sent as a reminder to review your files. These files are available in the PSC under the Manage Your Reports tab.

*Please note: 401(k) Plan files are generated every Friday, and 457(b) Plan files are generated the first of every month.*

<sup>1</sup> Access to KeyTalk and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or KeyTalk received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of the transaction may vary depending on the investment option selected.



## Plan Service Center overview

### Explore the Plan Service Center

The Plan Service Center (PSC) is a website designed to help employers with plan administration needs. The PSC offers a unique combination of simplicity, sophistication and performance. The site provides an employer URL that is an access point to the participant site and the PSC, a more intuitive Web experience, and features and functionality that will continue to evolve as your needs change.

The PSC supports your day-to-day tasks, such as accessing plan information, updating employee information and processing plan contributions. The site remains content-rich, and the tab-based navigation makes it easier to find the information you are seeking. Highlights include the Reports tab and the Resource Center tab. The Reports tab features newly categorized reports, improved descriptions and accompanying report examples. As you navigate the website, you will occasionally see a question mark or tool tip next to a field. Simply hover over the question mark to access more information about the field or tool. The Employee Information tab provides an overview of employee and participant information. It is our goal to make the administration of your plan seamless.

The screenshot shows the homepage of the Plan Service Center. At the top, there's a navigation bar with links: About Your Program, Enroll Now, Resource Center, Investment Options, and Employers. Below the navigation is a large banner with a sunset over a lake and the text "Contribute more to your retirement plan." A "Learn why" button is at the bottom right of this banner. Below the banner are three smaller boxes: "How Do You Like the Website?", "IRS Announces 2015 Contribution Limits", and "Stable Value Fund Rate: 2.50%". The "Stable Value Fund Rate" box includes a note: "For the period July 1, 2015 through September 30, 2015". To the right of these boxes is a "ACCESS YOUR ACCOUNT" section with fields for "USERNAME" and "PASSCODE", a "Forgot Username or Passcode?" link, and a "SIGN IN" button. Above the "SIGN IN" button is a "Plan Sponsor" link, which is circled in yellow. Below the account access section is a "First Time Visiting? Register Your Account" link. At the bottom of the page is a financial chart titled "DIA - NASDAQ - S&P 500" showing a 1-month price chart from July 1, 2015, to September 30, 2015. The chart includes data for DIA, EOD, NASDAQ, EOD, and S&P 500, with specific values like 18505.58, 33379.20, 2111.27, and 2.32.

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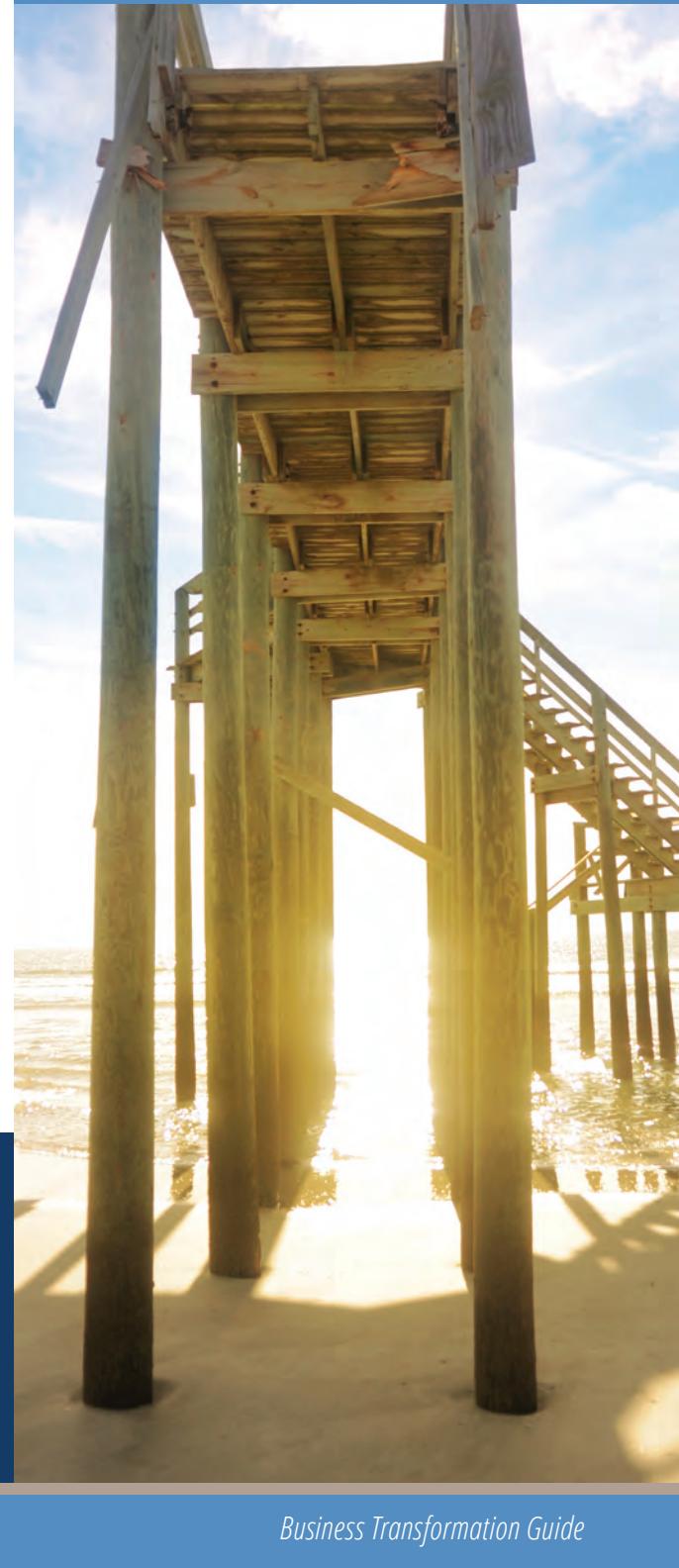
### Questions?

Please contact Plan Technical Support at **800.695.4952.<sup>1</sup>**

Plan Technical Support is made up of a highly trained staff of professional telephone representatives who are available to answer all of your Program questions and provide assistance with any ongoing support questions that you may have. Plan Technical Support staff is available at **800.695.4952** from 8:30 a.m. to 8 p.m. Eastern time, Monday through Friday.

### Plan Service Center

- Plan information
- Employee information
- Contribution processing
- Reporting
- Resource center



# Plan Service Center overview



## Getting started

The PSC offers you instant access to your Program information and employs a point-and-click interface that makes the application easy and convenient to use. Through the PSC, you will have easy access to Program and participant information, payroll processing, reports and participant forms.

## Online demo of the PSC

Go to [www.southcarolinadcp.com](http://www.southcarolinadcp.com) and click on the Employer tab. Click on Fiduciary Best Practices and select either Plan Service Center Webinar (WebEx®) or Plan Service Center Webinar (Windows® Media Player).

The screenshot shows a web page with a blue header bar containing links: About Your Program, Enroll Now, Resource Center, Investment Options, Employers, and ACCESS. Below the header, there is a large image of three stylized human figures in grey, green, and blue. To the left of the figures, text describes the program as a powerful tool for retirement savings. To the right, there is a sidebar with links for Participants, Usernames, Passwords, Forgot Usernames, and First Time Registration. At the bottom right, there is a small chart titled 'DJIA 1 Month Price' with a graph showing a range from 15 to 22.

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Home / Participating Employer / Fiduciary Best Practices  
Fiduciary Responsibilities  
**Plan Service Center Webinar (WebEx)**  
**Plan Service Center Webinar (Windows Media Player)**  
401(k) Plan Document  
457(b) Plan Document





## Plan Service Center overview

### Termination dates

It is critical that you promptly report termination dates via the PSC in order for Empower to provide efficient distribution services to your employees. Once you have received your PSC login ID and password, log in to the PSC and follow these steps:

1. Click on the Employees tab located at the top of the screen, and select Search Employee from the submenu.
2. Search for the employee. When his name is displayed, click on the SSN.
3. From the Overview tab, which is located in the middle of your screen, scroll down to Employment Information. Click on Edit.
4. Enter the participant's termination date.
5. Click the Save button.

*Note: You may also submit a Termination Form, which can be found under the Employers tab of the Program website.*



# Payroll processing option A: Guided Payroll



## Guided payroll

This payroll processing method is available only to employers with 25 or fewer employees.

The enhanced functionality of Guided Payroll allows plans not using PDI to update indicative information through the regular contribution process on the PSC. Empower's recordkeeping system is populated with the information, which in turn provides accurate information on the website or voice response system for participants.

### Getting started

To begin, log in to the PSC and click on the Process Center tab, which is located at the top of the screen, and select Enter Payroll from the submenu. No prework is required. The PSC will guide you through the steps to complete your contribution processing.

**STEP 1:** Enter the payroll date (mm/dd/yyyy) by clicking on the calendar, select division, if applicable, and enter the exact amount of your total contributions in the Expected Contribution Total box. This total is used for reconciliation purposes once the process is complete. The Continue box is enabled only after all required fields are entered.

**STEP 2:** Select your money source(s) by clicking on the box next to the Link and then click Continue. Alternatively, you may select your money sources and amounts from previous contributions by clicking Show/Copy Amounts From Previous Contribution(s); then click Continue.

A screenshot of the PSC interface. The top navigation bar includes tabs for Plan, Employee, Process Center, Compliance, Reports, and Resource Center. Below the navigation is a breadcrumb trail: Process Center / Overview. The main content area is titled "Process Employee Updates And Submit Contributions Online". A red box highlights the "STEP 2: Select Your Money Sources" section. Below this, there are fields for Payroll Date (10/01/2014), Division (D 1 PZS Division 1), and Expected Contribution Total (\$ 25000.00). A table titled "Select the Money Source(s) You Want To Process" lists various options like BT1K, BT2K, ERD1, ERH1, and LO1N. A "Copy From Previous Remit" button is on the right, and a "Last Contribution Date" table shows dates from 09/25/2014 to 09/26/2014. A note at the bottom states: "• Your plan allows Age 50 Catch Up. Please include these contributions in your Employee Before Tax and/or Roth totals. • If any employee has multiple loan repayments, combine them into one loan repayment amount." A "Print" link is in the top right corner.

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**STEP 3:** Update your employee and contribution information. All active employees will display, including those whose employment has terminated within the current calendar year. Contribution amounts by money source can be entered or changed here. All data fields required to support your plan features will display. It is important that you complete all missing data fields. If the system requires additional information before the contribution can be processed, or if information is missing from a participant's account, an alert will appear next to the participant's name.

A screenshot of the PSC interface, similar to the previous one but showing the first step. The "STEP 1: Enter Your Payroll Information" section is highlighted with a red box. It contains fields for Payroll Date (10/01/2014), Division (D 1 PZS Division 1), and Expected Contribution Total (\$ 25000.00). A "Continue" button is at the bottom right. A note at the bottom left says: "Hover over this icon when you need additional information." A "Print" link is in the top right corner.

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# Payroll processing option A: Guided Payroll (cont.)

-  This icon appears for errors. The information must be entered to continue processing.
-  This icon indicates a warning, but it will not prevent the contribution from being processed.
-  This icon indicates an employee's account has been terminated due to full withdrawal. You may reactivate the account through the Edit Employee screen.

**STEP 3: Update Your Employee and Contribution Information**

Use the form below to update contribution amounts and employee information, including adding newly hired employees, before clicking on the Submit button to proceed to STEP 4 - Process and Confirm Your Contributions.

Employee Remittance Details											
Employee	Last Name	First Name	Middle Name	SSN	YTD Total Comp	YTD Pre-Entry Comp	YTD Post-Entry Comp	YTD Total Hours Worked	YTD Total Hours Worked	Payroll Date	Expected Total
111001111	TEST	BILL		6666666666666666	200.00	30000.00	30000.00	2.00	2.00	10/01/2014	\$25,000.00
119411529	RETRD	JOE	ROGER	6666666666666666	60.00	3582.72	3582.72	300.00	300.00	07/01/1960	12/11/2014
123331234	SMITH	SAM	JAM	6666666666666666	80.00	66987.56	66789.50	5000.00	5000.00	12/12/1945	12/11/2014
175561803	CORAL	CORAL	J	6666666666666666	40.00	50000.00	50000.00	6000.00	6000.00	05/05/1962	09/11/2014
189045529	GSHHOCO	KSOQ	WILLIAM	6666666666666666	80.00	12285.00	12285.00	4000.00	4000.00	01/03/1957	12/11/2014
195706149	HGOT	HR055	L	6666666666666666	2.00	2.00	2.00	2.00	2.00	12/21/1987	05/02/2014
195776449	WHITHAM	TONY		6666666666666666	75.00	6346.14	6346.14	6346.14	6346.14	03/10/1974	05/02/2014
212122001	SAM	SAM	MARK	6666666666666666	2.00	2.00	1.00	1.00	1.00	06/06/1960	10/11/2014
214709375	CUST	KEN		6666666666666666	2.00	2.00	2.00	2.00	2.00	01/01/1964	01/02/2014
23424407	88888	FFFFF		6666666666666666	900.00	5000.00	5000.00	500.00	500.00	12/12/1955	01/02/2014

Totals across pages: 5

**Edit Employee**

SSN: 234234008	First Name: FFFFF
Last Name: 66666	Suffix:
Birth Date: 12/12/1955	Gender: <input type="button" value="Select"/>
Address 1: 123 abc	Address 2:
City: Highlands Ranch	State: COLORADO
Zip Code: 80136	Country: UNITED STATES
Work Number:	Extension:
Assigned ID:	Email (Work):
Hire Date: 01/01/2014	Term Date: <input type="button" value="Select"/>
Salary Amount: 123123.00	Rehire Date: <input type="button" value="Select"/>
Eligibility Code: <input checked="" type="radio"/> Yes <input type="radio"/> No	Salary Frequency: ANNUAL * 1
Ineligibility Reason: <input type="button" value="Select"/>	Participation Date: 01/01/2014
YTD Hours Worked: <input type="button" value="Hours required for vesting or eligibility"/>	Participation Data Source: Plan Service Center
YTD Plan Comp: <input type="button" value="Plan Comp required for testing"/>	YTD Total Comp: <input type="button" value="Total Comp required for test"/>
Highly Compensated: <input checked="" type="radio"/> Yes <input type="radio"/> No	YTD Pre-Entry Comp: <input type="button" value="Pre-Entry Comp required for test"/>
Officer: <input type="radio"/> Yes <input checked="" type="radio"/> No	Trade Monitoring: <input type="radio"/> Yes <input checked="" type="radio"/> No
Ownership Percent:	<input type="button" value="Save"/> <input type="button" value="Cancel"/>

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**Process Employee Updates And Submit Contributions Online**

**STEP 1: Enter Your Payroll Information**

**STEP 2: Select Your Money Sources**

**STEP 3: Update Your Employee and Contribution Information**

**STEP 4: Process and Confirm Your Contributions**

Remit Info	Remit Details	Confirmation
Reference Number: 40887949	Payroll Date: 10/01/2014	Expected Total: \$25,000.00
	Division: D 1 PZS Division 1	Cash Effective Date: 10/03/2014
<small>1 Expected Total is used for reconciliation purposes only. It may or may not equal the actual total for the contribution.</small>		
<small>2 If processed BEFORE 2 a.m. Eastern Time</small>		
Money Source: BTM 1	Description: EMPLOYEE BEFORE TAX	Verify Money Source: <input type="checkbox"/>
		Total Amount: \$25,000.00
		Expected Total: \$25,000.00
		Actual Total: \$25,000.00
Total Amount to be Remitted by Employer: \$25,000.00		

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**STEP 4:** Process and confirm your contribution. Once the validation is complete, a Continue button will appear. This will bring you to your final confirmation page.

**STEP 5:** Once the transaction is complete, a confirmation screen will appear; print it for your records.





## Payroll Data Interchange

This payroll processing method is required for employers with more than 25 employees.

### Why PDI? It can simplify your life

PDI dramatically increases the efficiency of the PSC. PDI simplifies plan administration, increases the accuracy of Program and participant data, and helps ensure the secure exchange of information. PDI is a comprehensive file of the Program's employee information, which is updated in conjunction with your payroll.

### The PDI file includes the following participant information:

- **Demographic information** – Social Security number (SSN), name, complete address, birthdate, gender, marital status, salary, state of residency
- **Employment information** – Hire date, termination date, rehire date
- **Contribution information** – Employee contribution, employer contribution, loan repayment, Roth contributions

## How to get started

Please reference the Payroll Data Interchange (PDI) Data Requirements template on page 12.

- Employer data files must contain all the fields and descriptions listed on the template.
- The data files may be created using payroll or spreadsheet software (such as Quickbooks or Microsoft Excel).
- Employers may submit a PDI data file in either a comma-delimited or a space-delimited format.
- Import data into the file using your payroll system.
- To upload the PDI file, contact Caryn Davis at **303.737.3036** or Sheila Perkins at **303.737.6562** and verify the data.

## How do I implement PDI?

Your account managers, Caryn Davis and Sheila Perkins, will help you prepare your PDI file, contact Plan Technical Support and provide a test file to upload through the PSC website. Plan Technical Support builds a template to ensure that the content from your file populates the appropriate fields in Empower's recordkeeping system. This process, known as mapping, takes two business days from the time Empower receives a good test file.

Plan Technical Support will contact you when Empower is ready to process your first file and will work with you to resolve any issues to ensure that you are ready when it is time to process your first contributions with Empower. The PDI file is sent every payroll cycle by uploading the file with complete data to the PSC.

### Benefits of PDI

- The data required for PDI is information that employers already gather for payroll administration.
- By uploading your PDI file, the need for duplicate data entry updates to the Empower system is eliminated.
- Empower's recordkeeping system is populated with the information contained in the file, which in turn provides accurate information on the website or voice response system for participants.
- PDI with participant birthdates can help the Program administer a Qualified Default Investment Alternative (QDIA) when age-based funds are used.

Plan Name: State of South Carolina Salary  
 Deferral 401(k) Plan and Trust and State of  
 South Carolina 457 Deferred Compensation  
 Plan and Trust

**Payroll Data Interchange (PDI) Data Requirements**  
 Fixed Length Record Format-  
 Maximum Length Not applicable for  
 comma delimited files

Plan Account Number: 98955-01 / 98955-02

Field Description	Start/Stop Positions	Maximum Length *	Data Type	Required (R)	Optional (O)	Format / Value	Comments
1 Plan Number	1-8	8	Char	R		98955-01 (401k)	98955-02 (457)
2 Employee SSN	9-17	9	Char	R		999999999	
3 Division number	18-21	4	Char	R			Required if the plan chooses to use Deferral Recordkeeping services for initial enrollment.
4 Last Name	22-56	35	Char	R			
5 First Name	57-76	20	Char	R			
6 Middle Initial	77-77	1	Char	O			
7 Name Suffix	78-92	15	Char	O			
8 Birth Date	93-102	10	Date	R		mm/dd/yyyy	Must be four digit/year.
9 Gender	103-103	1	Char	R		M=Male, F=Female	
10 Marital Status	104-104	1	Char	R		M=Married, S=Single, D=Divorced, W=Widow	Used for spousal consent determination.
11 Address Line 1	105-139	35	Char	R			
12 Address Line 2	140-174	35	Char	R			
13 City	175-194	20	Char	R			
14 State	195-196	2	Char	R		Upper Case	
15 Zip Code	197-206	10	Char	R		99999-9999 or 99999	
16 Home Phone Number	207-216	10	Char	O			
17 Work Phone Number	217-226	10	Char	O			
18 Work Phone Ext.	227-230	4	Char	O			
19 Country Code	231-232	2	Char	O			
20 Hire Date	233-242	10	Date	R		mm/dd/yyyy	Remove if all employees live in the USA. Original hire date, must be four digit year.
21 Termination Date	243-252	10	Date	R		mm/dd/yyyy	
22 Re-Hire Date	253-262	10	Date	R		mm/dd/yyyy	Use when an employee was previously terminated and rehired. Must be current ending payroll date. Identifies the plan year that contributions are applied.
23 Ending Payroll date	263-272	10	Date	R		mm/dd/yyyy	
24 Before Tax Contribution	273-282	10	Numb	R		9999999.99 Positive number implied.	EMPLOYEE BEFORE TAX (BETAX)
25 Employer Contribution	283-292	10	Numb	R		9999999.99 Positive number implied.	EMPLOYER MATCH (ERBM)
26 Roth Contribution	293-302	10	Numb	R		9999999.99 Positive number implied.	EMPLOYEE ROTH AFTER TAX (RATH)
27 Loan Payment	303-312	10	Numb	R		9999999.99 Positive number implied.	EMPLOYEE REPAYMENT OF LOAN (LON)
28 Participation Date	313-322	10	Date	R		mm/dd/yyyy	Required for online enrollment and deferral processing. If not optional
29 Email Address	323-362	40	Char	O			Employee email address(not employers email address)
30 Salary Amount	363-379	17	Char	R			Salary for the employee for a given pay period. If providing Salary Amount, it is required to provide Salary Amount Qualifier
31 Salary Amount Qualifier	380-381	2	Char	R			Salary period A=Annual, M= Monthly, S= Semi-Monthly, B= Bi-Weekly, H= hourly, W= Weekly
Record length						381	

#### Technical Instructions:

- File can be created in a standard Space Delimited ASCII format (.pm) or comma delimited format (.csv). A carriage return (crlf) is required at the end of a record. Only include one participant per record.
- THE FILE FORMAT MUST REMAIN STATIC, CHANGES TO THE FILE MUST BE COORDINATED WITH RECORD KEEPER.**
- For participants that are not contributing to the plan but appear on the file please zero Fill the contribution field(s).
- Numeric fields should be right justified, with the exception of Zip Code (left justified)
- Contribution/Compensation fields should not include commas, and field must extend two digits after the decimal and must be right justified.
- Unused spaces in character, or date fields should contain blanks
- A negative sign in the contribution fields can be added in the first space of the contribution field, ie. "-000012.34" or directly next to the contribution amount "
- All date fields must be a two-digit month(MM), two-digit day(DD), and a four digit year (YYYY)
- Revised 7/1/2014

# Employer Payroll Data form



Date: \_\_\_\_\_

Employer name: \_\_\_\_\_

Empower Retirement division number: \_\_\_\_\_

Verify number of eligible employees: \_\_\_\_\_

## Do you offer?

- |                       |                              |                             |
|-----------------------|------------------------------|-----------------------------|
| 401(k) Plan           | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Roth 401(k)           | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 401(k) Employer Match | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 457(b) Plan           | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Roth 457(b)           | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 457(b) Employer Match | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

## Loan repayment:

Payroll deduction  Yes  No

## Please verify:

### Your payroll cycle:

- |                                       |                                   |
|---------------------------------------|-----------------------------------|
| <input type="checkbox"/> Weekly       | <input type="checkbox"/> Biweekly |
| <input type="checkbox"/> Semi-monthly | <input type="checkbox"/> Monthly  |

### Your remittance method:

- Electronic:** Full Plan Service Center transmission via Payroll Data Interchange (PDI) file upload and ACH debit
- Semi-electronic:** Plan Service Center online data entry and ACH debit
- Plan Service Center:** Entry with wire or ACH credit
- Other:

### Deferral and loan fees:

- Uploadable file:** Files are received electronically via Plan Service Center
- Report version file:** File is mailed to the payroll contact

(Note: New loans are not allowed unless repayment is offered through payroll deduction.)

## Did you update your payroll system with the 2015 contribution limits?

### 401(k) (including Roth)

Maximum contribution limit: \$18,000

Age 50+: \$6,000

### 457(b) (including Roth)

Maximum contribution limit: \$18,000

Age 50+: \$6,000 | Special Catch-Up: \$18,000

## Verify contact information:

Payroll contact: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Street address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

PSC user ID: \_\_\_\_\_

Secondary payroll contact: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Authorized signor: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

## Are you interested in additional Program education/materials?

- Contact me about employer training
- Contact me about employee materials
- Contact me about employee on-site meetings

## Please return the following items to Empower Retirement:

- Payroll data check-up
- Copy of payroll schedule for 2015

## Empower Retirement

South Carolina Plan Services Team

Fax: 303.801.5627

Email: SCDCP-GW@empower-retirement.com

Website: www.southcarolinadcp.com



Empower Retirement refers to the products and services offered in the retirement markets by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: White Plains, NY; and their subsidiaries and affiliates. The trademarks, logos, service marks, and design elements used are owned by their respective owners and are used with permission. ©Great West Life & Annuity Insurance Company. All rights reserved. Form# CB1121PDC (08/2015) PT239070  
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**CLIENT INFORMATION:**

Plan Name: South Carolina Deferred Compensation Program	Plan Number: 98955-01, -02
Completed forms should be sent to: <b>Empower Retirement</b> <b>Attn: South Carolina Plan Services</b> <b>8525 E. Orchard Rd – 10T3</b> <b>Greenwood Village, CO 80111</b> <b>Fax: 303.801.5627</b>	

**PLAN SERVICE CENTER AUTHORIZATION FORM**

This form is used to request user IDs and passwords to establish Plan Service Center (PSC) access. The PSC is the primary tool used by the Participating Employer's employees and other Participating Employer designated third parties for online contribution processing, obtaining plan and participant data, requesting/downloading plan files and reports, and approving online disbursements. The Participating Employer identified in Part I agrees to notify PSC in the event that any of the below users' access is terminated. The identified users listed below will receive an e-mail notification when their PSC authorization request has been completed.

**Part I: CLIENT INFORMATION**

Contact Name:	Sub Plan Name: Division Number:
Contact Email Address:	Contact Phone: Ext:
Payroll Contact:	Payroll Contact Phone: Ext:
Payroll Contact Email Address:	

**Part II: PLAN SERVICE CENTER (PSC) LOGIN REQUEST****PSC User Access Levels**

<b>PSC Inquiry</b> = view participant/plan information and compliance information. Order reports and print off forms.
<b>Full</b> = includes everything under Inquiry and enter, alter or delete participant information. This also includes contribution processing and allows you to view/update compliance and upload census files.
For contribution processing, please note the following: Full PSC User Access PROVIDES ACCESS AND AUTHORITY TO DEBIT APPLICABLE BANK ACCOUNTS.

To obtain access for PSC users requiring access to your plan, please complete the following (addendums may be attached as needed):

1) User Name:	SSN: XXX-XX-_____
Email Address:	Phone #:
User Type: Please Check One: Client Employee: <input checked="" type="checkbox"/> Other: <input type="checkbox"/>	
Requested Action: New Request <input checked="" type="checkbox"/> Modify <input type="checkbox"/> Transfer <input type="checkbox"/> Termination <input type="checkbox"/>	
User Access:	Inquiry <input type="checkbox"/> Full <input type="checkbox"/>
Current PSC ID:	

2) User Name:	SSN: XXX-XX-_____
Email Address:	Phone #:
User Type: Please Check One: Client Employee: <input checked="" type="checkbox"/> Other: <input type="checkbox"/> _____	
Requested Action:	New Request <input checked="" type="checkbox"/> Modify <input type="checkbox"/> Transfer <input type="checkbox"/> Termination <input type="checkbox"/>
User Access:	Inquiry <input type="checkbox"/> Full <input type="checkbox"/>
Current PSC ID:	
3) User Name:	SSN: XXX-XX-_____
Email Address:	Phone #:
User Type: Please Check One: Client Employee: <input checked="" type="checkbox"/> Other: <input type="checkbox"/> _____	
Requested Action:	New Request <input checked="" type="checkbox"/> Modify <input type="checkbox"/> Transfer <input type="checkbox"/> Termination <input type="checkbox"/>
User Access:	Inquiry <input type="checkbox"/> Full <input type="checkbox"/>
Current PSC ID:	
4) User Name:	SSN: XXX-XX-_____
Email Address:	Phone #:
User Type: Please Check One: Client Employee: <input checked="" type="checkbox"/> Other: <input type="checkbox"/> _____	
Requested Action:	New Request <input checked="" type="checkbox"/> Modify <input type="checkbox"/> Transfer <input type="checkbox"/> Termination <input type="checkbox"/>
User Access:	Inquiry <input type="checkbox"/> Full <input type="checkbox"/>
Current PSC ID:	
5) User Name:	SSN: XXX-XX-_____
Email Address:	Phone #:
User Type: Please Check One: Client Employee: <input checked="" type="checkbox"/> Other: <input type="checkbox"/> _____	
Requested Action:	New Request <input checked="" type="checkbox"/> Modify <input type="checkbox"/> Transfer <input type="checkbox"/> Termination <input type="checkbox"/>
User Access:	Inquiry <input type="checkbox"/> Full <input type="checkbox"/>
Current PSC ID:	

# **PLAN SERVICE CENTER (PSC) AUTHORIZATION FORM**

## **Part III: PLAN SERVICE CENTER (PSC) CLIENT ADMINISTRATION AGREEMENT**

- The Client agrees to provide the necessary equipment required to support the Plan Service Center (PSC) product.
- All plan participant and employee data available through the PSC product is considered confidential and must be treated as such by the Clients' representatives using the product.
- The Client assumes responsibility for the proper use of the product and for the information input through the PSC by the Clients' representatives.
- The Client is responsible for ensuring the accuracy and integrity of information that is provided by means of an electronic file through the PSC. The Client must notify PSC Administration of any subsequent changes to the file format to avoid disruptions in processing.
- The Client is responsible for ensuring that Login IDs and passwords are kept confidential and secure. The Client must notify PSC Administration immediately of terminations or changes in order to prevent inappropriate use of the PSC product.
- The Client's authorized representatives will be responsible for reviewing all transactions and verifying the accuracy of plan contributions and plan disbursement authorizations processed through the PSC.
- The PSC product is protected through rights of proprietary ownership and shall not be disclosed to any other party or entity other than the authorized representatives of the Client and other authorized individuals providing plan level support.
- The Client agrees to hold confidential any information that is inadvertently viewed by the Client's representatives that is not related to the Client's plan, destroying such information and immediately notifying the providing company of the inadvertent viewing.
- The security and privacy of the participant data you submit online depends on the security and privacy of the user names(s) and password(s) assigned to your representatives. Therefore you should take steps to ensure that these are protected and updated appropriately.
- When users complete and submit disbursements online using their user id and password, this will serve as their electronic signature and approval of the disbursement. Such electronic signature will satisfy all legal signatory obligations of the Participating Employer and will carry the same legal authority as a hand written signature. By signing this form, the Participating Employer hereby agrees to these terms.
- This agreement shall be terminated in the event of termination of the Plan Services Agreement.
- By signing this request form and by using the PSC product, the Client hereby agrees to the responsibilities outlined above and that the User Names listed are authorized to use the PSC. For users who will be authorizing disbursements online, please ensure that a Signature Authorization form is completed and submitted with this request.

**FURTHER, THE CLIENT HEREBY AGREES TO NOTIFY EACH OF THE USER NAMES LISTED TO MAINTAIN THE CONFIDENTIALITY OF LOGON AND PASSWORD INFORMATION PROVIDED BY PSC AND TO NOT SHARE SUCH INFORMATION WITH ANY THIRD PARTIES.**

### **Authorized Plan Signor**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

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# Automated Clearing House (ACH) Authorization

---

## Client Data:

Plan Name: South Carolina Deferred Compensation Program

Group Account Number: 98955-01 & 98955-02

Participating Employer Name & Number: \_\_\_\_\_

Name of Contact: \_\_\_\_\_

Contact Email Address: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

## Authorization to Bank:

*Please accept this as formal notification that effective December 21, 2009 Great-West Life & Annuity Insurance Company or any of its affiliated companies (hereinafter "GWL&A") will be responsible for the record keeping of the retirement plan mentioned above.*

*GWL&A is hereby authorized to access the account listed below on behalf of the plan, to withdraw or deposit money in respect to contributions via the Automated ClearingHouse (ACH). The Plan Sponsor has full responsibility for this retirement plan.*

*The undersigned, as an officer of the organization, hereby grants GWL&A authority to make withdrawals and deposits from the account noted below:*

Bank: \_\_\_\_\_

Street Address: \_\_\_\_\_

Account Name: \_\_\_\_\_

Account Type (Checking/Savings): \_\_\_\_\_

Account Number: \_\_\_\_\_

Routing Number: \_\_\_\_\_

Bank Representative: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

The Participating Employer agrees to provide GWL&A with 30 days notice, prior to closing or changing this account.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

## IMPORTANT STEPS:

1. Complete and send document to your bank
2. **Send a copy of completed form and a blank voided check or micro specification sheet to:**

**Empower Retirement**

**Attn: South Carolina Plan Services- 10T3 or**

**8515 E. Orchard Rd**

**Greenwood Village, CO 80111**

**Fax to: South Carolina Plan Services**

**Fax: 303.801.5627**

This form is used to establish automated transfer of your retirement plan contributions initiated through the Plan Service Center.

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# Appendix



Participant resources .....	22-23
Employer resources .....	24
Annual leave payout procedure .....	25
TERI payout procedure .....	26
Participant loans .....	27
Contribution limits .....	28
Changing a participant's contribution amount .....	29
Plan Comparison Reference Guide .....	30
Frequently asked questions .....	31-32
Employer fiduciary responsibilities .....	33-34
Retirement Plan Counselor territories .....	35

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### Participant resources

#### Program website

**[www.southcarolinadcp.com](http://www.southcarolinadcp.com)<sup>2</sup>**

The Program's website offers participants an easy way to access and make changes to their account. By logging in to their account with their Personal Identification Number<sup>3</sup> (PIN), participants can:

- View personal information
- Change their username
- Personalize their PIN
- Review and update their beneficiaries
- View their account balance and asset allocation
- Change their contribution amount
- Change their investment elections
- Initiate a loan
- Transfer funds among investment options<sup>2</sup>
- Transfer funds to or from an established self-directed brokerage account
- Research and enroll in Reality Investing® Advisory Services (Advisory Services), offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser
- Request a withdrawal or distribution

If a participant does not have a PIN, he can call

KeyTalk® at **877.457.6263<sup>2</sup>** and request

to speak with a representative.

#### KeyTalk

**877.457.6263<sup>2</sup>**

KeyTalk is a voice response system that allows participants to make inquiries and complete transactions over the phone. The automated system is available 24 hours a day, seven days a week.

Through this system, participants can also request to speak with a participant service representative from 9 a.m. to 8 p.m. Eastern time, Monday through Friday. Refer participants to KeyTalk for the following:

- Obtaining daily fund values
- Accessing account balance and transaction history
- Transferring funds among investment options<sup>2</sup>
- Changing their contribution amount
- Canceling pending transfers
- Changing their investment elections
- Transferring to or from an established self-directed brokerage account
- Ordering a new PIN
- Requesting a Distribution form
- Connecting to an Advisory Services representative

<sup>2</sup> Access to KeyTalk and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or KeyTalk received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of the transaction may vary depending on the investment option selected.

<sup>3</sup> The account owner is responsible for keeping the assigned PIN confidential. The participant should contact Client Services immediately if any unauthorized use is suspected.



## Local retirement plan counselors<sup>4</sup>

Local Retirement Plan Counselors are available to meet with participants on an individual or group basis.

Participants may contact their local Retirement Plan Counselor by referring to the Territory Map on page 35.

Your local representative can help you with:

- Rollovers<sup>5</sup>
- Scheduling a group or individual meeting
- Questions about the benefits of the Program
- More information regarding Advisory Services options

## Local office staff

### 803.754.7997

Local office staff is available to assist participants with the following items:

- Annual leave payouts
- Enrollment questions
- Teacher and Employee Retention Incentive (TERI) incoming rollover paperwork
- Changing from one employer to another
- Purchase of service credit
- Enrollment kit requests

*Please do not refer participants to the local office for contribution or investment election changes. Participants must make these changes through KeyTalk or the Program's website.*

<sup>4</sup> Representatives of GWFS Equities, Inc. are not registered investment advisors and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.

<sup>5</sup> Participants are encouraged to discuss rolling money from one account to another with their financial advisor/planner, considering any potential fees and/or limitation of investment options.

### Employer resources

#### Employer web page

All employer materials are available on the Program's website at [www.southcarolinadcp.com](http://www.southcarolinadcp.com) under the Employers tab. Here you can find information about the following:

#### Becoming a participating employer\*

- Employer kit
- Joinder agreement
- Employer checklist

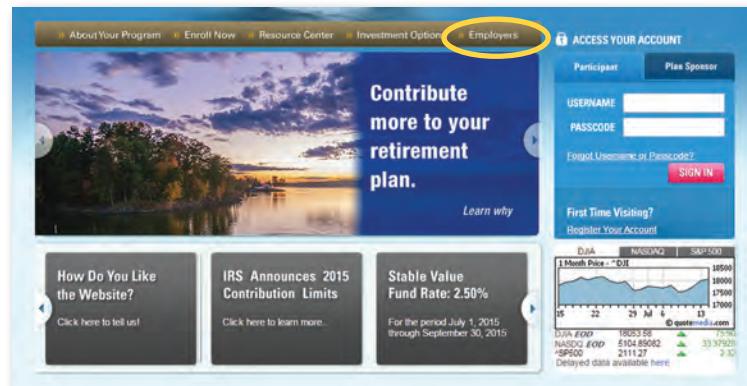
#### Fiduciary best practices

- Fiduciary responsibilities overview
- Plan Service Center webinar (WebEx®)
- Plan Service Center webinar (Windows Media Player®)
- 401(k) Plan Document
- 457(b) Plan Document

#### Program management

- Payroll Data Survey
- ACH Authorization form
- Plan Service Center Authorization form
- Enrollment Kits order form
- Annual Leave Worksheet (State agency)
- Annual Leave Worksheet (Non-State agency)
- PDI
- Termination form
- Employers Reference Guide

\* If your agency is not currently participating in the Program, contact your local Retirement Plan Counselor for further information by referring to the Territory Map on page 35.



FOR ILLUSTRATIVE PURPOSES ONLY.

#### Plan Technical Support Services

#### 800.695.4952

Plan Technical Support Services is made up of a highly trained staff of professional telephone representatives who are available to answer all of your Program questions and provide assistance with any ongoing support questions that you may have. Plan Technical Support staff is available at **800.695.4952** from 8:30 a.m. to 8 p.m. Eastern time, Monday through Friday.

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## Annual leave payout procedure

An employee may contribute his payout for unused annual leave or voluntary separation as long as the maximum contribution limits are not exceeded and mandatory deductions are covered.

The Annual Leave Worksheet is available on the Program's website at **www.southcarolinadcp.com** under the Employers tab and Program Management link. Employers should assist employees in completing this form and retain a copy for their records. Employers should remit the requested amount along with their regular payroll.

The state agency Annual Leave Worksheet is for participants whose employer remits through the South Carolina Enterprise Information System. All other participants should use the Annual Leave Worksheet for non-state agency employees.

*Note: If participants want to change their investment elections, they must do so online at **www.southcarolinadcp.com** or through KeyTalk at **877.457.6263**.<sup>6</sup>*

Employees must complete this form and email or fax it to:

**SCDCP-GW@empower-retirement.com**

Fax: **803.754.7661**

Phone: **803.754.7997**

<sup>6</sup> Access to KeyTalk and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or KeyTalk received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of the transaction may vary depending on the investment option selected.

### Teacher and Employee Retention Incentive (TERI) payout procedure

**In order to roll TERI funds into the Program, an employee must have a Program account prior to separating from service.** For an overview of the TERI Program, please visit <http://retirement.sc.gov/scrs/active/teri>. TERI payouts may be rolled into the 401(k) Plan only. The amount rolled in from TERI is not counted toward the annual maximum contribution allowed for the year. Employees must obtain the TERI Payout Election form from PEBA.

On the TERI Payout Election form, the following information is required:

<b>Account number:</b>	Participant's SSN
<b>Name of trustee:</b>	South Carolina Deferred Compensation 401(k) Program  Empower Retirement  P.O. Box 912256  Denver, CO 80291-2256
<b>Account type:</b>	401(k) Defined Contribution Qualified Plan

*Note: If participants want to change their investment elections, they must do so online at [www.southcarolinadcp.com](http://www.southcarolinadcp.com) or through KeyTalk at 877.457.6263.<sup>6</sup> Otherwise, their TERI payout will be invested in their current investment elections.*

If an employee is not enrolled in the 401(k) Plan and would like to establish an account in order to roll over TERI money, the employee may contact the local office or his local Retirement Plan Counselor for assistance with completing the enrollment form.

For any questions regarding TERI rollovers, please call the local office at **803.754.7997** or your local Retirement Plan counselor by referring to the Territory Map on page 35.



## Participant loans

### About participant loans

- All new loans must be repaid through payroll deductions. Participants should contact Empower directly to determine current loan rates and availability.
- Once a loan has been established, the participant is ultimately responsible for verifying that loan payments are being remitted by his employer. Participants can regularly review their loan balance by logging in to their account at [www.southcarolinadcp.com](http://www.southcarolinadcp.com) or by calling KeyTalk at **877.457.6263**.<sup>7</sup> If the participant sees that loan payments did not start on time, he should contact Empower via KeyTalk immediately.
- If the participant is behind on loan payments, Empower will send him a letter after quarter-end with details on the delinquent amount. The participant will be required to send at least the delinquent amount by the due date provided in order to avoid default.
- If a participant defaults on his loan, it is treated as a taxable event.
- If the participant separates from service, he can either offset the loan or contact Empower via KeyTalk to convert the loan to "check repayment." If the loan is not converted, it will eventually default, and a Form 1099 will be issued for the outstanding balance as a taxable distribution.
- Participants can suspend their loan payments for up to 12 months if they take a leave of absence or go on military leave. Under those circumstances, they must complete a Loan Payment Change Request form and notify Empower when they return from leave.
- If the participant changes employers within the Program, he must notify Empower via KeyTalk to have the loan information transferred to the new employer.

### Loan checklist for employers

- All new Program loans must be repaid through payroll deduction.
- Loan payments represent an after-tax deduction and should be remitted each pay period.
- Review each loan report you receive from Empower to ensure your payroll system remains up to date. For a zero-balance account, that means the loan has been repaid in full, and the deduction is no longer necessary.

<sup>7</sup> Access to KeyTalk and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or KeyTalk received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of the transaction may vary depending on the investment option selected.

### Contribution limits

#### About contribution limits

If an employer remits contributions that exceed the limit for the plan year, a corrective distribution to the participant may be required. The participant may also need to revise his tax return to account for this refund. When excess contributions are not addressed, the IRS may view the Program as being out of compliance, and the Program could be disqualified as a tax-deferred retirement plan.

An employer should have controls in place to stop employee contributions before they exceed the limit. Annually, you should update your payroll system to reflect the appropriate contribution limits for the year. On an ongoing basis, monitor your employees' contributions and compare those contributions with the applicable IRS limits.

Once you begin reporting full participant data, you can generate a Contribution Limit Report using the PSC to help you monitor employee contributions.

#### 2015 contribution limits

**Please note: The 401(k) Plan and 457(b) Plan have separate contribution limits (i.e., contributions to one plan do not count toward the limit of the other plan).**

##### 401(k) Plan

- \$18,000 for under age 50
- \$24,000 for age 50 and older (with Age 50+ Catch-Up of \$6,000)

##### 457(b) Plan

- \$18,000 for under age 50
- \$24,000 for age 50 and older (with Age 50+ Catch-Up of \$6,000)\*
- Up to \$36,000 with Special 457(b) Catch-Up
  - › Catch-up form and worksheet are required. The participant can contact a local Retirement Plan Counselor for assistance.

\* The Age 50+ Catch-Up and Special 457(b) Catch-Up cannot be used simultaneously in the same year.



## Appendix

### Changing a participant's contribution amount

Participants can change the amount they are deferring to the Program at any time. However, all changes should be initiated through the website at [www.southcarolinadcp.com](http://www.southcarolinadcp.com), KeyTalk at **877.457.6263**, or a participant service representative from 9 a.m. to 8 p.m. Eastern time, Monday through Friday.<sup>8</sup>

Empower maintains a record of each deferral change and then sends the updated deferral file to the employer so it can update its payroll system accordingly. Employers are responsible for ensuring remittance amounts match those listed on the deferral file. Deferral files are sent every Friday for the 401(k) Plan and on the first of the month for the 457(b) Plan. Employers should update their payroll system for any changes immediately upon receipt of the file.

Employers should not update an employee's deferral amount without advance notice from Empower. The only exception to this rule is if an employee is contributing out of his annual leave, voluntary separation, sick leave or bonus payout. See the annual leave payout procedure on page 25 for a description of this procedure.

#### Deferral discrepancies

Following proper deferral change procedures will help to eliminate deferral discrepancies (i.e., when the amount remitted by the employer does not match the amount Empower expects to receive).

IRS regulations state that deferral changes to a 457(b) Plan must become effective in the month following the date the election was filed, which is why Empower only sends the file for the 457(b) Plan monthly.

Finally, contributions for a participant must be suspended for a period of six months following a hardship or unforeseeable emergency withdrawal. On the first deferral file following the withdrawal, Empower will notify the employer to stop the participant's deferral. It is the participant's responsibility after six months to restart his deferrals. It is in violation of IRS regulations to remit contributions on behalf of the participant during this six-month period.

<sup>8</sup> Access to KeyTalk and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or KeyTalk received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of the transaction may vary depending on the investment option selected.



## Appendix

### Plan Comparison Reference Guide

	401(k)	457(b)
Minimum contribution		\$10
Maximum contribution <sup>9</sup>	1. \$18,000 between the 401(k) (including before-tax and Roth contributions) and any 403(b) plan in 2015. 2. 100% of includible compensation or \$53,000, whichever is less, between the 401(k) (including before-tax and Roth contributions) and ORP. This limit applies to employer and employee contributions.	\$18,000 (including before-tax, Roth and any employer contributions) for 2015.
Catch-up for participants age 50 or older <sup>10</sup>	An additional \$6,000 for participants turning age 50 or older in 2015. Catch-up contribution is in addition to the maximum contribution described above. For participants in both the 401(k) and a 403(b) plan, they are limited to \$6,000 between both plans.	An additional \$6,000 for participants turning age 50 or older in 2015 even if they contributed \$6,000 to the 401(k) or a 403(b) plan.
Special 457(b) catch-up provision <sup>10</sup>	Not applicable.	In the three calendar years prior to normal retirement age, participants may be able to contribute up to twice the annual contribution limit—\$36,000 in 2015. The additional amount will depend upon the amounts the participant was allowed to contribute in previous years but did not. <sup>9</sup>
Distributions while employed	In-service withdrawals of rollover money (including TERI money), attainment of age 59½, financial hardship, death (upon which the beneficiary receives benefits), loans.	In-service withdrawals of rollover money, unforeseen emergency withdrawals, attainment of age 70½, death (upon which the beneficiary receives benefits), loans.
Distributions after separation from service	Severance of employment from a participating employer, permanent disability, death (upon which the beneficiary receives benefits), loans. NOTE: If the participant separates from service or retires from a participating employer and is then rehired by a participating employer, he will not qualify for a distribution for reason of "separation from service" while employed. See Distributions while employed.	Severance of employment from a participating employer, death (upon which the beneficiary receives benefits), loans. NOTE: If a participant separates from service or retires from a participating employer and is then rehired by a participating employer, he will not qualify for a distribution for reason of "separation from service" while employed. See Distributions while employed.
Penalty on early withdrawals before Age 59½ (severance of employment)	A 10% federal early withdrawal tax penalty applies if the distribution is taken before age 59½ unless the participant directly rolls the distribution to another tax-deferred account, participant separates from service in the year in which he reaches 55 or after, participant separates from service and elects payments to be made throughout his life expectancy (and the co-payee's), participant dies, or participant becomes disabled. <sup>11</sup>	Not applicable.
	Roth: A 10% federal early withdrawal tax penalty on the earnings on Roth contributions applies unless the distribution occurs after the account has been established for at least five tax years and one of the following applies: participant is at least age 59½, dies, or becomes disabled. <sup>10</sup>	Roth: The earnings on Roth contributions are subject to ordinary income tax unless the distribution occurs after the account has been established for at least five tax years and one of the following applies: participant is at least age 59½ and has separated from service, participant dies, or participant becomes disabled. <sup>10</sup>
Rollovers in <sup>12</sup>	Yes, from a 401(a), 401(k), 403(a), 403(b) or eligible governmental 457(b) plan, a non-Roth IRA, or a rollover from TERI.	Yes, but only from other 457(b) plans.
	Roth: Yes, from a designated Roth 401(k) or Roth 403(b) account to the Program's Roth 401(k).	Roth: Yes, but only from a designated Roth 457(b) account to the Program's Roth 457(b).
Rollovers out <sup>12</sup>	Yes, to another 401(a), 401(k), 403(b) or eligible governmental 457(b) plan if the new employer's plan accepts such rollovers, or to a traditional or Roth IRA.	Yes, but if the participant rolls over his 457(b) Plan balance to a 401(k), 403(b) or 401(a) plan or a traditional or Roth IRA, distributions taken before age 59½ may also be subject to the 10% early withdrawal federal tax penalty.
	Roth: Yes, to a Roth IRA or to a Roth 401(k) or Roth 403(b) plan if the plan accepts rollovers.	Roth: Yes, to a Roth IRA or to a Roth 457(b), Roth 401(k), or a Roth 403(b) if the plan accepts rollovers.
Required minimum distributions	A minimum distribution is required to begin no later than April 1 of the calendar year following the later of the calendar year in which the participant reaches age 70½ or the calendar year in which he retires. If the participant continues to work for a participating employer after age 70½, the minimum distribution must begin the calendar year in which he separates from service from that participating employer.	

<sup>9</sup> The Program does not offer a 403(b) plan. Information is provided as guidance only. We encourage participants to consult their tax advisor.

<sup>10</sup> The Special 457(b) Catch-Up provision and the Age 50+ Catch-Up provision may not be used in the same year.

<sup>11</sup> Military reservists called for duty for more than 179 days after September 11, 2001, may avoid the 10 percent penalty.

<sup>12</sup> Participants are encouraged to discuss rolling money from one account to another with their financial advisor/planner, considering any potential fees and/or limitation of investment options.

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# Appendix

## Frequently asked questions

### Participation

#### **Is there a cost to the employer to participate in the Program?**

There is no cost charged to the employer. However, Empower charges participants an annual administrative fee of 0.10 percent (i.e., \$1 per \$1,000) on Program assets to participate in the Program. This fee is calculated and deducted from participants' accounts quarterly. There is also a \$4 annual administrative fee, which is assessed quarterly (\$1 per quarter). For more information about fees, please see the Program Highlights.

#### **Is there a minimum number of employees who must contribute to the Program to participate?**

No. There is no minimum number to participate.

### Program oversight

#### **Is there a governing board that oversees the Program?**

Yes. The South Carolina Public Employee Benefit Authority (PEBA) oversees the Program.

### Contribution limits, employer match and vesting

#### **Are employers responsible for monitoring contribution limits?**

Yes. Employers are responsible for monitoring contribution limits. Employers have the most current contribution information and should approach their payroll vendor or internal department to run contribution limit reports on a regular basis. Empower will assist employers by monitoring contribution limits made to the Program. Employers will be notified by letter and through the PSC when a participant is approaching the contribution limit.

### **Does the Program allow for an employer match?**

Yes. The Program allows for an employer match. Contact your local Retirement Plan Counselor for details about how to set up this feature.

### **What is the vesting schedule?**

Contributions from the employee and/or the employer fully vest immediately and may not be forfeited by the participant.

### Loans, distributions and hardship withdrawals

#### **If an employee takes a loan from the Program, how is it paid back?**

New loans must be repaid through payroll deduction.

### **Can a participant continue to contribute to the Program after a hardship or unforeseeable emergency withdrawal has been granted?**

No. Upon approval and issuance of a hardship or unforeseeable emergency withdrawal request, a participant is suspended from making deferrals for a period of six months.

### **Are active employees over the age of 70½ required to take a Required Minimum Distribution?**

No. Employees are exempt from receiving Required Minimum Distributions (RMD) until they terminate service from a participating employer. Upon termination of service from a participating employer, they must take an RMD for that calendar year.

### How do terminated employees over the age of 70½ determine how much their RMD should be?

Empower automatically sends out annual RMD letters to all participants who are 70½ or older and who have not set up an automatic RMD payment from their account. The Empower recordkeeping system automatically calculates the RMD amount. This calculation will be based only on the assets recordkept by Empower. If the employee does not set up an RMD, Empower will force out a distribution based on the amount communicated to the employee in the letter. Those employees who are still employed with a participating employer in the Program will have the option to opt out of this force-out process. Participants can call KeyTalk at **877.457.6263<sup>13</sup>** to obtain the dollar amount of this calculation and request an Automated Minimum Distribution Form.

### Payroll and recordkeeping

#### Is there a time limitation for submitting payroll contributions?

The plan documents state that all payroll deferrals should be remitted as soon as administratively practicable but in no event later than 15 days following the payroll date. It is considered a best practice to remit payroll deferrals immediately after the payroll date. Also, contributions should be remitted for each pay period.

### Are employers obligated to provide information to auditors hired by PEBA?

Yes. Employers are obligated to provide PEBA's independent audit firm with information and documentation necessary to comply with applicable auditing standards.

### Are employers obligated to provide a termination date?

Yes. Employers are responsible for immediately updating participant records to reflect termination dates. This information can be provided through the PSC or with a Termination form, which can be found under the Employers tab of the Program website. With the exception of in-service withdrawals, Empower must have participant termination dates in order to process withdrawal requests.

<sup>13</sup> Access to KeyTalk and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or KeyTalk received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of the transaction may vary depending on the investment option selected.



## Employer fiduciary responsibilities

Whenever you exercise discretion related to the Program, you become a fiduciary to the extent of that discretion or control. Fiduciaries are subject to an elevated standard of conduct because they act on behalf of the participants. As a participating employer, you have specific responsibilities, including:

- Following the provisions of the plan documents.
- Acting solely in the best interest of the Program's participants and beneficiaries.
- Carrying out duties prudently.
- Avoiding conflicts of interest and self-dealing.

## Managing your fiduciary responsibilities

Once you understand your fiduciary responsibilities, it is important to have a strategy in place to manage these responsibilities. Here are 10 steps to help you manage your employer fiduciary responsibilities:

1. Remit contributions as soon as practicable and no later than 15 days following the payroll date.
2. Monitor the PSC for changes in salary deferrals every Friday for the 401(k) Plan and on the first of each month for the 457(b) Plan.
3. Instruct all employees to make salary deferral changes through KeyTalk or the Program's website at [www.southcarolinadcp.com](http://www.southcarolinadcp.com).<sup>13</sup> Do not accept salary deferral changes directly from an employee.
4. Review the plan documents periodically to ensure that you are following the terms of the plans. Plan documents are updated on a regular basis to comply with important issues and IRS regulations.

5. Inform Empower of an employee's termination date within 10 days of termination through the PSC or through the payroll file. You may also submit a Termination Form, which can be found under the Employers tab of the Program website.
6. Communicate with employees about Program availability. Post information, such as the local Retirement Plan counselor's name and contact information, KeyTalk number (**877.457.6263**), and Program website ([www.southcarolinadcp.com](http://www.southcarolinadcp.com)), in a central location for employees to access.
7. Maintain accurate records.
8. Establish payroll controls to prevent excess contributions. For these limits, refer to the PSC or the Program Features and Highlights publication, which is available at [www.southcarolinadcp.com](http://www.southcarolinadcp.com). You can also refer to the 401(k) Plan Document, Article VII, or the 457(b) Plan Document, Article III, for specific guidelines.
9. Repay loans via payroll deduction.
10. Do not provide participants with investment advice.

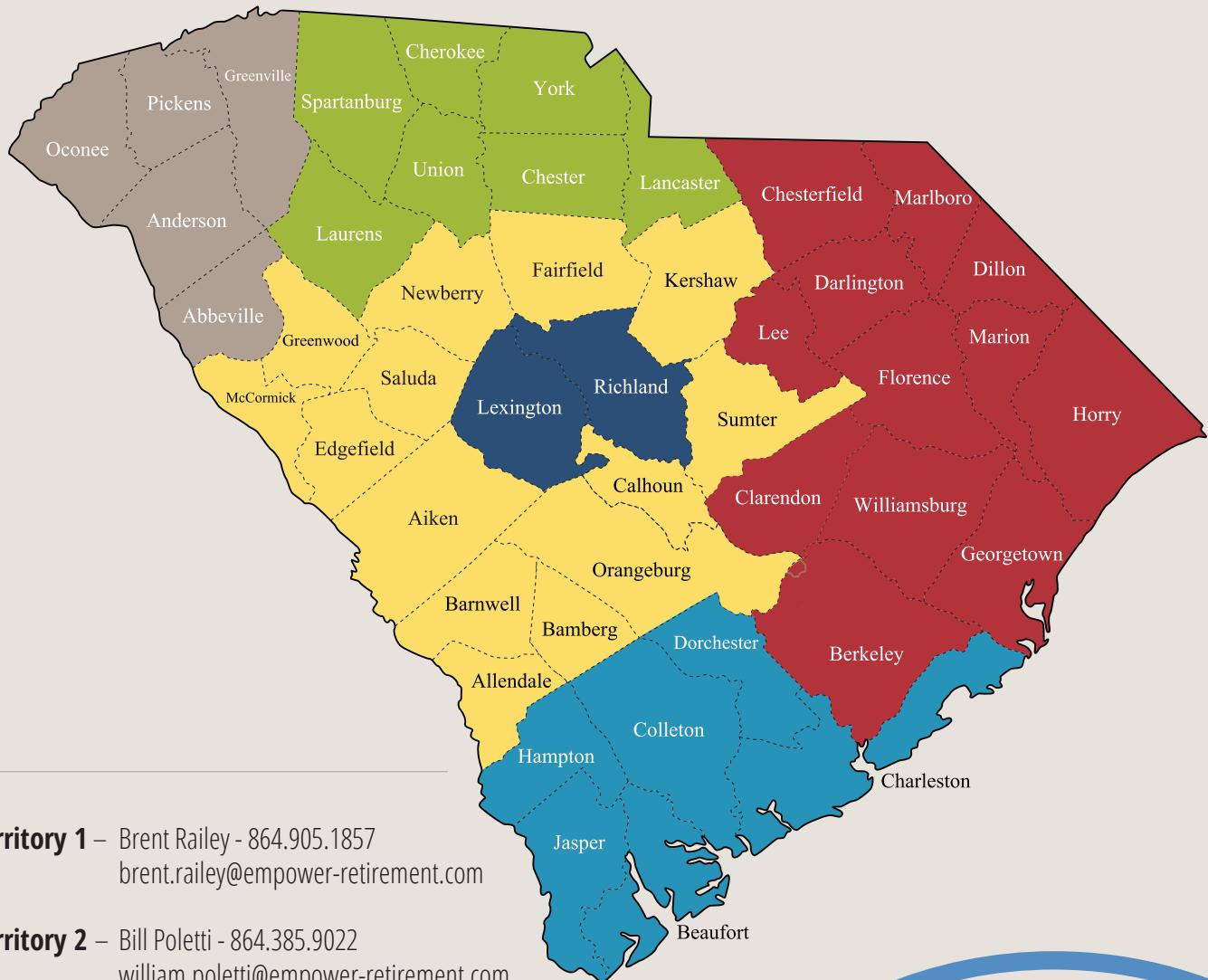
### Failure to manage fiduciary responsibilities

When employers do not manage fiduciary responsibilities effectively, issues are reported by the IRS during the IRS audit process. As a fiduciary, an employer should guard against common IRS audit findings such as:

- Failure to remit contributions in a timely manner.
    - › Treasury Regulation 1.457-8(a)(2)(ii) provides guidance.
  - Failure to pay FICA tax on Program contributions.
    - › FICA is due when wages are earned and when contributed.
  - Improper management of excess contributions.
    - › Be sure to follow IRS limits for contributions to the Program. The Program may be disqualified if excess amounts, plus allowable earnings, are not distributed.
- Special 457 Catch-Up contributions for the 457(b) Plan are improperly allowed.
    - › Empower will assist participants with the Special 457 Catch-Up contributions. Refer employees to a local Retirement Plan Counselor for more information. Please see the Territory Map on page 35 for contact information.
  - Failure to operate in compliance with plan documents.

For more information about fiduciary responsibilities, email **SCDCP-GW@empower-retirement.com**, or contact your local Retirement Plan Counselor. Additional information, including copies of the plan documents, can be found at **www.southcarolinadcp.com** under the Employers tab. For questions related to the PSC, call Plan Technical Support at **800.695.4952**.

# Retirement Plan Counselor territories



- Territory 1** – Brent Railey - 864.905.1857  
[brent.railey@empower-retirement.com](mailto:brent.railey@empower-retirement.com)
- Territory 2** – Bill Poletti - 864.385.9022  
[wiliam.poletti@empower-retirement.com](mailto:wiliam.poletti@empower-retirement.com)
- Territory 3** – Nancy Ornduff - 803.317.9249  
[nancy.ornduff@empower-retirement.com](mailto:nancy.ornduff@empower-retirement.com)
- Territory 4** – Paul Manville - 803.638.1454  
[paul.manville@empower-retirement.com](mailto:paul.manville@empower-retirement.com)
- Territory 5** – Rachel Phillips - 843.325.9327  
[rachel.phillips@empower-retirement.com](mailto:rachel.phillips@empower-retirement.com)
- Territory 6** – Jill Daybell - 843.302.1619  
[jill.daybell@empower-retirement.com](mailto:jill.daybell@empower-retirement.com)

To schedule an individual appointment or a group meeting, email the local office at [scdcpc@empower-retirement.com](mailto:scdcpc@empower-retirement.com) or contact the Retirement Plan Counselor assigned to your area via email or phone.

14 Access to KeyTalk and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.



[www.southcarolinadcp.com](http://www.southcarolinadcp.com)

877.457.6263

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#### About Empower Retirement

Headquartered in Colorado, with a dedicated local Program office in the Columbia area, Empower focuses on providing high-quality retirement plan services to employers and their employees. Empower Retirement is a leading services provider of employer-sponsored deferred compensation retirement programs, primarily for government, healthcare and nonprofit entities.

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