
Tennessee Board of Regents
Retirement Plan
Tennessee College of Applied Technology (TCAT) Employees

One of the most valuable benefits of employment with Tennessee Board of Regents is coverage under the State's retirement system. All regular, full-time employees are required to participate in the retirement plan. Participation entails a mandatory 5% contribution by the employee. Employees will also be automatically enrolled to contribute an additional 2% into a defined contribution plan. While the mandatory 5% is a condition of employment, employees do have an opportunity to 'opt-out' of the additional 2% contribution. In addition to the employee contribution, Tennessee Board of Regents will contribute 8.87% of salary annually.

Auto-enroll:

The automatic enrollment (auto-enroll) component is a requirement of the retirement plan. Auto-enroll allows an employer to automatically deduct elective deferrals from an employee's wages unless the employee makes an election not to contribute or to contribute a different amount. Employees will receive a letter from the Defined Contribution Record-Keeper, which is currently Empower Retirement. Employees will have thirty (30) days from the date of the letter to opt-out or change the contribution amount.

Eligible Tennessee College of Applied Technology (TCAT) employees will be enrolled into the ***Tennessee Consolidated Retirement System (TCRS) Hybrid Plan***. Below is a summary of the TCRS Hybrid Plan:

Tennessee Consolidated Retirement System (TCRS) Hybrid Plan

The TCRS plan has two components, a defined benefit plan and a defined contribution plan, and accordingly is referred to as the Hybrid Plan. Please see below for IRS definitions:

Defined Benefit Plan - Also known as a traditional pension plan, this plan promises the participant a specified monthly benefit at retirement. Often, the benefit is based on factors such as the participant's salary, age and the number of years he or she worked for the employer. The benefit is commonly calculated through a plan formula that considers such factors as salary and service.

Defined Contribution Plan - Contributions are made to the employee's individual account under the plan (e.g. 401k). The amount in the account at distribution includes the contributions and investment gains or losses, minus any investment and administrative fees. The contributions and earnings are not taxed until distribution. The value of the account will change based on contributions and the value and performance of the investments.

Contributions and Match:

	Defined Benefit	Defined Contribution	Total
Employer Contributions	3.87%	5%	8.87%
Employee Contributions: Required	5%	0%	5%
Employee Contributions: Auto-enroll (1)	NA	2%	2%
Employee Contributions: Voluntary (2)	NA	IRS Limit	IRS Limit
Employer Contributions: 401k (3)	NA	\$50 match	\$50 match
Total (excluding \$50 match)	8.87%	7%	15.87%

(1) Employees may opt out of the auto-enroll contributions.

(2) Employees may make additional voluntary contributions to the 401k, 457, and 403b plan up to Federal IRS limit.

(3) Employer match up to \$50 per month for employees contributing to 401k.

Vesting:

Defined Benefit Plan	Contribution Rate	Vesting Rights
Employer Contributions	3.87%	5 years of service
Employee Contributions: Required	5%	Immediate – including credited interest by TCRS
Defined Contribution Plan	Contribution Rate	Vesting Rights
Employer Contributions	5%	Immediate – including earnings (excluded from loans)
Employee Contributions: Auto-enroll	2%	Immediate – including earnings
Employee Contributions: Voluntary	IRS Limit	Immediate – including earnings
Employer Match	Up to \$50	Immediate – including earnings (excluded from loans)

Welcome Packet:

Employees electing to participate in the TCRS Hybrid Plan will receive an Active Member Welcome Packet. This packet is mailed to the home address and will contain instructions on accessing Member Self-Service (MSS) and electing a beneficiary.