

## Do You Offer a 403(b) Plan to Your Employees?

As the largest pension plan in Colorado, PERA has been at the forefront of the changing environment in public employee retirement. In fact, PERA's vision statement clarifies our goal—to become the "retirement plan of choice for all Colorado public employees." PERA not only manages a \$30 billion defined benefit plan, but also administers a \$1.3 billion voluntary 401(k) Plan, and a Defined Contribution Plan for eligible state and community college employees. As we survey the retirement landscape, we note the changes on the horizon for employers who offer 403(b) plans (also known as a tax-sheltered annuity or TSA plan) to their employees.

New regulations effective January 1, 2009, established by the IRS with the passage of the Pension Protection Act (PPA) will require employers to adopt a written plan document that contains all the terms and conditions for eligibility, limitations, and benefits under the 403(b) plan.

PERA realizes that this new regulation will require our employers who offer 403(b) plans to create plan documents where none have previously existed. If you are in the process of creating a 403(b) plan document, PERA would like to recommend that your plan document allow for the possibility of transfers at a future date. We encourage you to write your plan document with the flexibility that would allow an entity such as PERA to possibly manage your 403(b) plan for your employees in the future.

