



Teachers' Retirement System of the State of Kentucky

479 Versailles Road
 Frankfort, KY 40601-3800
 800-618-1687

TRS 4 Voluntary Contribution Agreement

TRS 4 members may make voluntary contributions to the 403(b) tax-sheltered annuity program by entering into this agreement. Voluntary contributions to the TRS program are made only through payroll deduction and must be made from earnings paid for a TRS-covered position. Interest is credited according to KRS 161.220(13)(c). Members may direct multiple contributions from the same paycheck, but each must be made by a separate agreement. See the TRS website at <https://trs.ky.gov/active-members/trs-4-member-information/> for more information.

Printed member name (First, middle initial, last)	Member TRS ID	Primary phone
Address (Street/City/State/ZIP)		

I direct my employer to reduce my earnings by the following amount (check and complete one option only):

<input type="checkbox"/>	a one-time pretax contribution of \$ _____ (enter whole dollar amount); or
<input type="checkbox"/>	a fixed amount pretax contribution per pay period of \$ _____ (enter whole dollar amount); or
<input type="checkbox"/>	a percentage pretax contribution per pay period of _____% (enter whole percentage).

Important: These voluntary contributions and contributions to any other 403(b) or 401(k) plan cannot exceed the applicable Internal Revenue Service (IRS) dollar limits under Section 402(g) of the Internal Revenue Code (Code). Also, if employer voluntary contributions are made to the TRS program on behalf of the employee, total contributions to the program and any other 403(b) plan sponsored by an employer cannot exceed the applicable IRS dollar limits under Section 415(c). Read the Member Representations Regarding Contribution Limits and Other Information on the following page that provides more details about these limits and that is incorporated by reference as part of this agreement.

This agreement will take effect as soon as practicable following the date the member completes the agreement and it is filed by the employer with TRS. Unless a one-time contribution is directed, the agreement will remain in effect until the member terminates it using Pathway. This agreement applies only to earnings not yet paid or made available to the employee and is legally binding and irrevocable with respect to amounts earned while the agreement is in effect. TRS or the employer may revoke or modify this agreement at any time if necessary to comply with applicable provisions of the Code or for any other reason.

This agreement must be signed by both the member and the employer and filed with TRS by the employer.



Member signature	Date
Employer signature	Date
District/Agency name	Effective date

Member Representations Regarding Contribution Limits and Other Information

- I understand my voluntary contributions will be credited with regular interest at a statutory rate as defined by KRS 161.220(13)(c). Regular interest is defined as the rolling five-year yield on a 30-year U. S. Treasury bond. Interest will be credited after my account has been established for more than one fiscal year, based on the balance at the end of the prior fiscal year. Employer contributions and regular interest on those employer contributions are subject also to KRS 161.635(4) and 161.636(4), which provide that those employer contributions and regular interest are forfeited if I terminate employment and refund with less than five years of service credit.
- I understand that Internal Revenue Code (Code) Section 402(g) limits my voluntary contributions to a “dollar limit.” The general dollar limit is \$22,500 for calendar year 2023 (this dollar limit will be adjusted by cost-of-living increases thereafter). However, my actual dollar limit may be higher than the general dollar limit if I will be 50 years old (or older) by the end of the calendar year.
- If I will be at least 50 years old by the end of the calendar year, I understand that I may make additional “catch-up” voluntary contributions above the general dollar limit (discussed above). These additional catch-up voluntary contributions, which are referred to as “age 50 catch-up contributions,” are provided under Code Section 414(v). I understand that the amount of the age 50 catch-up contributions that I may make above the general dollar limit is up to an additional \$7,500 for 2023 (this dollar amount will be adjusted by cost-of-living increases thereafter).
- I understand that the dollar limit, with all appropriate adjustments described above, applies to any contributions I make on a pretax basis in a calendar year to any retirement plans in which I participate (not including TRS, deferred compensation plans or flexible benefit plan contributions), including plans maintained by other employers.
- I understand that, if my voluntary contributions to the TRS 403(b) tax-sheltered annuity program and to other retirement plans exceed the applicable dollar limits in any calendar year, the excess will be taxable both in the year the contribution was made and in the year of distribution unless I timely request to have the excess returned to me. To have the excess returned to me, I must notify my employer and TRS of the excess before March 1 of the year following the year in which the excess contribution was made (for example, a deadline of March 1, 2024, for excess amounts deferred in 2023). If the notice is timely given, TRS will distribute the excess amount of the contribution (with any accrued earnings) to me on or before April 15 of the year following the excess contribution.
- I understand that my voluntary contributions to the TRS 403(b) tax-sheltered annuity program and other retirement plans for each year are also limited, except as permitted under Code Section 414(v) allowing age 50 catch-up contributions, by the general rules of Code Section 415(c) to the lesser of \$66,000 for 2023 (this dollar amount will be adjusted by cost-of-living increases thereafter) or 100% of compensation.
- I understand that I may direct multiple contributions to be made from the same paycheck by completing a separate agreement for each contribution. If I have more than one employer, I understand that I must complete a separate agreement for each employer.
- Unless an agreement is for a one-time contribution, I understand that, if desired, I will need to terminate any agreement in Pathway (<https://mss.trs.ky.gov>). After logging in, click account details, select the appropriate account and scroll to the voluntary contributions section. An end date may then be entered and submitted for any active voluntary contribution agreement.

Additional Information Regarding Special Aggregation Rules

In determining whether the 415(c) contribution limits have been satisfied for the TRS 403(b) tax-sheltered annuity program, contributions made on your behalf to a retirement plan sponsored by an employer other than your employer signing this agreement may need to be taken into account. For example, if you owned or controlled more than 50% of another employer, and that employer sponsored a retirement plan, then contributions to both that plan and the TRS 403(b) tax-sheltered annuity program together cannot exceed the 415(c) limit. If the contribution limits are exceeded and not timely corrected, the tax advantaged status of your retirement benefits could be at risk.

To help determine whether these rules affect you, answer the following three questions:

1. Do you perform services for an employer in addition to the employer signing this agreement?
2. Do you own or control more than 50% of that employer?
3. Do you make contributions or are contributions made on your behalf to a retirement plan sponsored by that employer?

If you answered “yes” to all three of these questions, contact your financial planner or tax consultant to determine if contributions to the retirement plans are required to be aggregated. If so, and it is determined that excess contributions were made as a result of this aggregation, notify the employer signing this agreement and TRS as soon as possible.

This is an abbreviated overview of rules. For the most up-to-date information about the above limits, check with your financial planner or tax adviser and or refer to the IRS website. TRS cannot serve as a tax or financial adviser, and application of the rules will need to be made by individual participants and their advisers.