

<b>Office of State Uniform Payroll</b>	
<b>Procedure Title:</b> IRC §457 and §403(b) Voluntary Retirement Savings Contributions	<b>Revision Date:</b> 10/30/2023
	<b>Issue Date:</b> 11/19/2015
<b>Unit:</b> Wage and Tax Administration	<b>Page Number:</b> 1 of 2
<b>Contact:</b> _DOA-OSUP-WTA@la.gov	

### **§457 Contributions**

Louisiana Deferred Compensation Plan (LDCP) is a voluntary retirement savings plan that offers eligible employees the option to contribute pre-tax or post tax (Roth) contributions through payroll deductions. LDCP has an “online enrollment” system available for LaGov HCM paid agency employees (not available for Department of Agriculture Soil and Water employees or District Attorney employees).

Employees can enroll and/or make changes to their deductions at the [LDCP website](#). Employees may also enroll/make changes to their deductions using the LDCP paper enrollment forms and forward these forms to Deferred Compensation. All entries will be processed at LDCP and interfaced to LaGov HCM on a biweekly basis. Due to changes with SECURE ACT 2.0 effective 12/18/2023, LDCP can submit contribution changes in the same month the entry is made or when completed paperwork is received in good order. The contribution update will depend on the interface and pay period schedule. Note: Agencies will not receive approved forms from Deferred Compensation for processing. OSUP will process refunds and/or one-times when necessary (e.g. establishing after levy deductions, correcting errors, timing problems).

### **§403(b) Contributions**

A 403(b) plan is a voluntary retirement savings plan limited to certain employees of public schools, employees of certain tax-exempt organizations, and certain ministers. Only eligible agencies who meet the IRS requirements and requirements set forth in LAC 4:III.Chapter 9 may participate.

Agency personnel maintain these deductions in LaGov HCM for the participant by selecting the appropriate vendor’s wage type. Review LaGov HCM help to assist in creating a recurring 403(b) deduction. Note: Eligible agencies must assure the following has been completed prior to entering a deduction for a participant:

- A 403(b) plan document must be in place.
- The vendor must be listed as an eligible vendor in the plan document, and the agency must have a contract with the vendor and a plan identification number from the vendor. The plan identification number must be provided to Planwithease and OSUP.
- Participant must complete a Salary Reduction Agreement with the vendor directly or online through planwithease.com.

### **Agency Responsibility to Review §457 and §403(b) Annual Contribution Limits**

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Each calendar year, OSUP issues a memorandum to advise agencies of the §457 and §403(b) annual contribution limits. Agencies are responsible for monitoring the year-to-date balances throughout the year to ensure employees do not exceed the limit(s).

In LaGov HCM, execute transaction code ZP68 to monitor §457 contributions. Execute ZP119 to monitor §403(b) contributions. Agencies must review these reports to avoid possible W-2c's.

**§457 Plan:** If an employee's deduction amount for a §457 plan has exceeded or will exceed the maximum prior to the end of the year, the deduction should be stopped or changed as necessary. **Agencies must contact the Louisiana Deferred Compensation Office and the employee to make changes to the deduction amount.** Any refunds due to the employee will be processed by the Louisiana Deferred Compensation Office in conjunction with OSUP.

**§403(b) Plan:** If an employee's deduction amount for a §403(b) plan has exceeded or will exceed the maximum prior to the end of the year, the deduction should be stopped or changed and if necessary, a refund processed. Agencies must contact the vendor prior to stopping or changing a deduction for a §403(b) plan. Any refunds due to an employee will be coordinated between the vendor and the agency by OSUP. **Note: §403(b) vendor checks sent to an agency must be forwarded to OSUP for processing.**

For questions regarding ZP68 and ZP119 refer to On-line Help or contact the LaGov HCM Help Desk via [LaGov HCM web ticket](#). Questions regarding §457 maximums and refunds should be directed to Louisiana Deferred Compensation at (225) 926-8082 or toll free at (800) 937-7604. Questions regarding §403(b) maximums and refunds should be directed to the specific vendor.