**Section 2700.410 Enrollment**

a) Auto-Enrollment Eligible Employees

1) An Auto-Enrollment Eligible Employee may make one of two affirmative elections during the Auto-Enrollment Opt-Out period:

A) Not to have Contributions made; or

B) To become a Participant in the Plan under subsection (b).

2) An Auto-Enrollment Eligible Employee who does not make one of the two affirmative elections under subsection (a)(1) during the Auto-Enrollment Opt-Out Period will be automatically enrolled and become a Participant of the Plan following the end of the Auto-Enrollment Opt-Out Period and shall have 3% of their Compensation for each Pay Period deferred on a pretax basis into their Deferred Compensation Account. The Board may increase this default percentage amount of compensation deferred into employee accounts. (See Section 24-105.2 of the Illinois Pension Code.)

b) Any Employee eligible to participate in the Plan may become a Participant by agreeing to a deferral of their Compensation on a pretax or Roth basis.

c) The amount to be deferred shall be selected by the Participant at the time of enrollment, unless the Participant is automatically enrolled under subsection (a). This amount may not be less than the minimum amount allowable or exceed the basic annual limitation.

d) The deferral shall commence no sooner than the first Pay Period of the month following the date the deferral election is completed by the Employee, or the Employee is automatically enrolled in accordance with subsection (a). However, the deferral shall only commence in that Pay Period if the Pay Agency payroll has not closed, and provided that the election is completed in good order in the month prior to the month in which the deferrals commence.

e) The amount deferred may be changed by the Participant at any time. The change shall become effective no sooner than the first Pay Period of the month following the date the election is made by the Employee.

f) A Participant's request to defer Compensation shall remain in effect until the Participant's Severance from Employment, unless revoked prior to that time. The Pay Agency shall suspend deferrals for the remainder of the calendar year for Participants who have deferred the allowable maximum. If a Participant defers in excess of the allowable maximum, the Department and Pay Agency shall withdraw and return to the Participant the excess amount deferred. Deferrals will resume with the first paycheck received in the following calendar year.

g) Deferrals can be made by reductions in Compensation only.

h) The Participant election shall also include the designation of Investment Options. In the event the Participant fails to designate an Investment Option, the Participant shall be invested in the Plan's Target Date Funds as the Plan's Default Investment Alternative, consistent with the direction from the U.S. Department of Labor, as selected by the Board. This election shall remain in effect until a new election is filed.

i) An employee who has been automatically enrolled in the Plan may elect, within 90 days after enrollment, to withdraw from the Plan and receive a refund of amounts deferred, as well as any earnings after Plan fees. An employee making such an election shall forfeit all employer matching contributions, if any, made prior to the election. Any refunded amount shall be included in the employee's gross income for the taxable year in which the refund is issued. The effective date of the withdrawal will be as soon as administratively practicable. Unless the Participant affirmatively elects otherwise, any withdrawal request will be treated as an affirmative election to cease having elective deferrals made on the Participant's behalf.

j) After the Auto-Enrollment Opt-Out Period, an Auto-Enrollment Eligible Employee will be invested as follows:

1) If an Auto-Enrollment Eligible Employee does not have a contribution allocation on file, contributions will go into the Plan's Stable Value Fund.

2) If an Auto-Enrollment Eligible Employee already has a contribution investment allocation on file, the existing allocation will be used instead.

k) If a Participant who does not have a contribution investment allocation already on file does not change the default auto-enrollment arrangement of the Participant's future contribution investment allocation and/or existing investment balances, the existing Stable Value Fund account balance and future Stable Value Fund investment allocations shall be transferred to the Plan's Target Date Funds as soon as administratively possible following the Auto-Enrollment Withdrawal Period.

l) During the Auto-Enrollment Withdrawal Period, Participants may make two separate decisions:

1) To keep, cancel or change the pending mix transaction for future investment allocations; or

2) To keep, cancel or change the pending exchange transaction.

m) Acceptance by the Department shall be granted whenever forms are properly completed and the criteria for acceptance under Section 2700.400 are met.

(Source: Amended at 47 Ill. Reg. 12412, effective August 4, 2023)