**Section 2700.200 Definitions**

a) Whenever used in the Plan, the following terms shall have the meanings set forth in this Section unless otherwise expressly provided, and when the defined meaning is intended, the term is capitalized:

"Account Balance" means the bookkeeping account maintained with respect to each Participant that reflects the value of the Deferred Compensation credited to the Participant, including Annual Deferrals, the earnings or loss of the Investment Option (net of Investment Option expenses) allocable to the Participant, any transfers for the Participant's benefit, any distribution made to the Participant or the Participant's Beneficiary, the value of any outstanding Participant Loans and as adjusted for Loan repayments and as otherwise provided in the Plan. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any subaccount established for rollover contributions, Roth rollover contributions, Roth Contributions, and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in Code section 414(p)(8).

"ACH Debit" or "Automated Clearing House Debit" means an electronic system that allows a payee, with approval of the payer, to initiate a debit from the payer's bank account.

"Alternate Retirement System" means this Plan, which is described in section 457 of the Internal Revenue Code, when used for purposes of Code section 3121(b)(7)(F) to exclude contractual employees from mandatory Social Security coverage.

"Annual Deferral" means the amount of Compensation deferred in any year.

"Applicable Dollar Amount" means the amount of Compensation allowed to be deferred in any calendar year as established under Code section 457(e)(15).

"Auto-Enrollment Eligible Employee" means an Employee who, on or after July 1, 2020, becomes an active member or Participant of a retirement system created under Article 2, 14, or 18 of the Illinois Pension Code [40 ILCS 5].

"Auto-Enrolled Participant" means a Participant who was automatically enrolled in the Plan and who has not made an affirmative deferral election regarding their Deferred Compensation rate, including opting out of the Plan in accordance with Section 2700.410.

"Auto-Enrollment Opt-Out Period" means the 30-day period following the start date of an Employee's employment with an Employer during which Auto-Enrollment Eligible Employees may withdraw from participation in automatic enrollment into the Plan.

"Auto-Enrollment Withdrawal Period" means the 90 days following the end of the Auto-Enrollment Opt-Out Period.

"Beneficiary" means the person, persons or legal entity entitled to receive any undistributed Deferred Compensation that becomes payable in the event of the Participant's death, as designated by the Participant, or provided for in accordance with the Plan.

"Board" means the Illinois State Board of Investment.

"Code" means the Internal Revenue Code (26 U.S.C. 1 et seq.), as amended, or any successor statute.

"Compensation" means all cash Compensation for services to the State, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includable in the Employee's gross income for the calendar year but for a Compensation reduction election under Code section 125, 132(f), 401(k), 403(b) or 457(b).

"Custodial Account" means the fund created under and subject to the Custodial Agreement.

"Custodial Agreement" means the written agreement made by and between the State and the Custodian under which the Custodial Account is maintained.

"Custodian" means a bank, as described in section 408(n) of the Internal Revenue Code, or a person who meets the non-bank trustee requirements in accordance with the regulations under Code section 408(a)(2) relating to the use of non-bank trustees.

"Deferred Compensation" means that portion of the Participant's Compensation that the Participant defers under this Plan through either Pre-Tax Contributions and/or Roth Contributions.

"Deferred Compensation Account" means an account established under the Plan that is the basis for any distribution payable to the Participant under Section 2700.730, including any subaccounts under the Deferred Compensation Account.

"Delayed Distribution Date" means the date a Participant elects to make a decision regarding distribution of the Participant's account.

"Department" means the Department of Central Management Services of the State of Illinois.

"Designated Beneficiary" means an individual designated as a beneficiary by the Participant in accordance with Section 2700.415.

"Eligible Designated Beneficiary" means a Designated Beneficiary who is the Participant's surviving spouse, the Participant's child who has not reached the age of majority, a chronically ill person, a disabled person, or any other person who is not more than ten years younger than the Participant, as defined in Code section 401(a)(9)(E)(ii).

"Employee" means *any person, including a person elected, appointed or under contract, receiving Compensation from the* *State for personal services rendered,* *including salaried persons* [40 ILCS 5/24-102], except that any person under contract with the Employer shall be eligible only to the extent the Internal Revenue Service or the Illinois Department of Revenue shall permit or approve.

"Employer" means the State of Illinois, including all officers, boards, commissions and agencies created by the Illinois Constitution, whether in the executive, legislative or judicial branch, all officers, departments, boards, commissions, agencies, institutions, authorities, universities, bodies politic and corporate of the State; administrative units or corporate outgrowths of the State government that are created by or pursuant to statute other than units of local government and their officers, school districts and boards of election commissioners; and all administrative units and corporate outgrowths of these entities as may be created by executive order of the Governor.

"Hardship Committee" means a committee that is responsible for determining whether any Participant has suffered an Unforeseeable Emergency and is entitled to a distribution as provided under Section 2700.740, as well as determining Loan claims appeals as provided under Section 2700.770.

"Includable Compensation" means the Employee's actual wages in box 1 of Form W-2 for a year for services to the State, as defined in Code section 457(e)(5).

"Investment Option" means any and all investment vehicles established by the Board for the investment of Deferred Compensation.

"Loan" means a Participant loan described in Section 2700.770.

"Minor" means a Beneficiary who is under age 18 at the time a benefit under this Plan becomes payable to him or her, unless Illinois law defines another age.

"Minority Option" means an Investment Option with a minority-owned firm that has documented State certification.

"Normal Retirement Age" means age 70½ unless the Participant has elected an alternative Normal Retirement Age by written instrument delivered to the Department within 30 days after the Participant's Severance of Employment as provided in Section 2700.510. A Participant's Normal Retirement Age determines:

the latest time when benefits may commence under this Plan (unless the Participant continues employment after Normal Retirement Age); and

the period during which a Participant may utilize the 3-year Catch-up provision of Section 2700.440.

For purposes of clarification: Normal Retirement Age for purposes of the catch-up provision of Section 2700.440 can be no later than age 70½, and benefits must commence no later than the time prescribed in Code section 401(a)(9) (notwithstanding the election of any alternative retirement age to the contrary).

"Participant" means any Employee who has enrolled in this Plan as provided in Section 2700.410 and has not had a complete distribution of their Deferred Compensation Account.

"Pay Agency" means any State or State-Related (e.g., State universities, constitutional offices) agency, including Employers, responsible for calculating, deducting, and applying retirement plan deferral amounts for Employees' paychecks. A Pay Agency is also any State or State-Related agency responsible for the communication and/or transmission of retirement plan deferral amounts to other Employers.

"Pay Period" means an accounting period established by the State of Illinois for measuring and paying Compensation earned by Employees. A Pay Period may be monthly, semi-monthly, bi-weekly or another period determined by the Employer.

"Plan" means the State (of Illinois) Employees' Deferred Compensation Plan, as set forth in this Part.

"Plan Year" shall be the tax year as established by the Comptroller for payroll purposes.

"Pre-Tax Contributions" means a Participant's Deferred Compensation that is not includible in the Participant's gross income at the time deferred. A Participant's Pre-Tax Contributions will be separately accounted for, including gain or loss attributable to those Pre-Tax Contributions.

"Prior Plan I" means the State Employees' Deferred Compensation Plan approved and adopted by the Board on September 10, 1976.

"Prior Plan II" means the State Employees' Deferred Compensation Plan approved and adopted by the Board on May 18, 1979.

"Prior Plan III" means the State Employees' Deferred Compensation Plan (80 Ill. Adm. Code 2700) adopted at 7 Ill. Reg. 10845, effective August 31, 1983.

"Recordkeeper" means the non-fiduciary, non-discretionary entity that, under contract with the Board, performs functions as directed by the Board or Department, as appropriate, as described in this Part, in its contract with the Board, and as described in any other written agreements with the Board and/or the Department.

"Roth Contributions" means a Participant's Deferred Compensation that is includible in the Participant's gross income at the time deferred. A Participant's Roth Contributions will be separately accounted for, including gain or loss attributable to those Roth Contributions.

"Severance from Employment" means the permanent severance of the Participant's employment relationship with the Employer by means of:

retirement;

discharge;

resignation, provided seniority or continuous service is interrupted;

layoff, unless there is a designated date for return to paid status;

expiration or non-renewal of contract, appointment or term of office;

nonreelection; or

other form of permanent severance as may be provided by appropriate law, contract or rules and regulations.

For the purposes of this definition, neither a break in State service for a period of less than 30 days nor transfers among various branches of State Government shall be considered a Severance from Employment.

An independent contractor is considered to sever service with the Employer upon the expiration of all contracts under which services are performed for the Employer, if the expiration constitutes a good faith and complete termination of the contractual relationship.

"State" means State of Illinois.

"Unforeseeable Emergency" means severe financial hardship to the Participant resulting from an unexpected illness or accident of the Participant or of a dependent of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

"Valuation Date" means the date on which an Investment Option is valued and earnings and/or losses are allocated to Participants' Deferred Compensation Accounts. There shall be a Valuation Date at least once a month and, if practical at the discretion of the Board, more frequent Valuation Dates to reflect, as closely as possible, the earnings and/or losses of any particular Deferred Compensation Account from the time Compensation is deferred and invested in various Investment Options until it is eventually distributed according to the Plan. It may also include each business day/the last day of the calendar month/the last day of the calendar quarter/each December 31.

b) Except when otherwise indicated by context, any masculine terminology shall also include the feminine and neuter and vice-versa, and the definition of any terms in the singular may also include the plural.

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