

EMPLOYEES' RETIREMENT
SYSTEM OF GEORGIA

*RETIREMENT PLAN ELIGIBILITY
UPDATE – TELECONFERENCE –
May 19 and 20, 2009*



Agenda

- **Updates to Definitions – Employee, Employer and Return to Service**
- **Review of current and HB202 rehired retiree rules by plan**
- **Review of Retirement Plan Eligibility for Rehired Employees (GSEPS vs. New Plan)**
- **Clarification of GDCP and Social Security Eligibility for rehired retirees**
- **Questions**

ERS developed this presentation to provide general information about plan retirement benefits. In the case of any conflict between what is presented here and the laws governing this System, the law will take precedence.

Updates to Definitions of Employee, Employer and Normal Retirement Age



- ERS Plan
 - Definition of Employee expanded so as to exclude from ERS membership independent contract employees and leased employees
 - Definition of Employer now includes any entity authorized by law to report its employees as members, a member's last employer prior to retirement and the Board of Regents of the University System of Georgia
 - Normal Retirement Age: age 60 with 10 years of service, the age of an employee on the date he or she attains 30 years of service, or for those members employed in certain law enforcement positions, age 55 with 10 years of service.

Update to Definition of Return to Service

- ERS, JRS and LRS Plans
 - Returning to service as or for an independent contractor included in “return to service” definition

Updates to Rules concerning Rehiring Retirees – ERS Plan



- Prior to HB202 becoming law (5/12/09), rehired ERS retirees were required to be out of service for 1 month and were limited to working 1,040 hours per calendar year
- Effective with HB202, rehired ERS retirees less than Normal Retirement Age are required to be out of service for 2 months and there must be no agreement in place with any Employer to return to work
- Employers are also now required to notify ERS of any rehired retiree within 30 days of hire and also when the employee has reached 1,040 hours each year
- Penalty for failure to notify ERS – Reimbursement from the Employer to ERS of any benefits wrongfully paid to the retiree

Updates to Rules concerning Rehiring Retirees – PSERS Plan

- **Prior to HB202 becoming law (5/12/2009), rehired PSERS retirees were required to be out of service for 1 month. However, there were no penalties for returning to service regardless of age**
- **Effective with HB202, in addition to being out of service for 1 month, PSERS retirees who are rehired on or after 6/1/2009 and are less than age 65 will have their benefits suspended and shall again become active members**

Updates to Rules concerning Rehiring Retirees – LRS Plan

- Prior to HB202 becoming law (5/12/09), rehired LRS retirees could return to the General Assembly regardless of age and elect to continue to receive benefits or to suspend benefits and retire later with combined service from both periods of employment – Returning to service other than as a legislator was limited to 1,040 hours per calendar year
- Effective with HB202, Normal retirement age has been defined (age 62 or 65 depending on service) and rehired LRS retirees *less* than normal retirement age will have benefits suspended
- Rehired LRS retirees returning to the General Assembly *after* normal retirement age will continue to have the election to receive benefits or to suspend benefits and retire later with combined service from both periods of employment – Returning to service other than as a legislator is still limited to 1,040 hours per calendar year

Updates to Rules concerning Rehiring Retirees – JRS Plan

- Prior to HB202 becoming law (5/12/09), if a rehired JRS retiree returned to service other than as a member of the General Assembly, his or her retirement benefits would be suspended
- Effective with HB202, if a rehired JRS retiree returns to service other than as a member of the General Assembly his or her retirement allowance is only suspended in the event the retiree works more than 1,040 hours per calendar year

Review of Retirement Plan Eligibility for Rehired Employees (GSEPS vs. New Plan)

- In all cases, please verify Retirement Plan Eligibility with ERSGA at 404-350-6300 (800-805-4609) – Option 3 – Employer Reporting Division

Generally -

- Vested when they left (10 years minimum svc) – rehire under original plan
- Took refund or Transferred membership – rehire under GSEPS (even if repurchased)
- Not vested when they left, but no refund
 - Break in Service 4 years or more – rehire under GSEPS
 - Break in Service < 4 years – rehire under original plan

Clarification of GDCP and Social Security Eligibility for rehired retirees

- Rehired retirees working part-time must not be enrolled into the Georgia Defined Contribution Plan (GDCP)
- Rehired retirees working part-time in positions that would have otherwise been GDCP-eligible are exempt from Social Security withholding, but Medicare must be withheld
- Please discontinue GDCP membership for any rehired retiree currently enrolled in GDCP no later than June 1, 2009.
- ERSGA now has system edits in place to capture any erroneous enrollments going forward
- Refunds will be issued to employees enrolled in the plan in error over the next few months



General Questions?

Note: Please send specific questions related to your individual circumstances via e-mail



Specific Questions:

ERS Pension Plan

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Peach State Reserves 401(k) and Social Security

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