

**House Bill 202 — ERS Retirement Plan**

**1. Clarification of Normal Retirement Age  
2. Retirees Returning as Contract Employees**

**1. Normal Retirement Age -**

As described in the prior Employer News, House Bill 202 updated the Georgia Statute to comply with federal retirement plan laws. As a part of that update, Normal Retirement Age (NRA) had to be defined in the Employees' Retirement System (ERS). The definition of NRA is 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.

From a practical standpoint, this means anyone who takes an Early Retirement has *not* attained Normal Retirement Age. Early Retirement is defined as retirement with less than 30 years of service and less than age 60.

A bona fide termination must exist for any retiree who takes Early Retirement (i.e. less than Normal Retirement Age) and wishes to return to active employment, as indicated below:

- New retirees must remain out of service for at least two months, or the retirement application becomes null and void.
- As part of the retirement process, employers must now, in addition to certifying the termination date, also certify that no agreement to allow the employee to return to service existed prior to retirement.

All rehired retirees are subject to the 1,040 hour work limitation; however, retirees who retired on or after Normal Retirement Age (i.e. did *not* take Early Retirement) are only required to have a one month break in service.

**2. Retirees Returning to Work as Contract Employees -**

Retirees who return to employment as an independent contractor may not be subject to the 1,040 hour work limitation if the state agency/employer certifies the following:

1. The contracting entity has multiple employees, and
2. the contracting entity has multiple contracts and the contracts are not limited to State of Georgia employers, and
3. the contractual relationship with the State of Georgia employer(s) was not created to allow a retiree(s) to continue employment in a similar position after retirement.

ERS retirees who were already in a contract situation as of July 1, 2009 are not subject to these new restrictions but will be subject to these restrictions once the current contract expires.

**Do New Employees Need To Complete a Membership Application?**

For JRS, GDCP and PSERS, new employees should still complete a Membership Application/Beneficiary Designation form (updated forms are available on the ERS website in the Employers section). GSEPS members do not complete a Membership Application. They are notified by ERS after hire to make their designation online. LRS new hires will no longer complete a Membership Application. They will be handled in the same manner as GSEPS new hires. Members will be sent a Welcome letter from ERS instructing them to make their beneficiary designation online. The Welcome letter is generated after the first pension contribution information is reported to ERS.

Reminder: Effective July 1, 2009, all members may update their beneficiaries online by accessing their account on the web at [www.ersga.org](http://www.ersga.org).

**Tax Commissioner Offices Update**

REMINDER: Quarterly Compliance forms will be sent to all Tax Commissioners via email each quarter. The letters are sent in March, June, September and December. Please be sure to complete these forms and return them to ERS within the time allotted. If you have not returned your June Compliance letter, please do so no later than October 2nd.

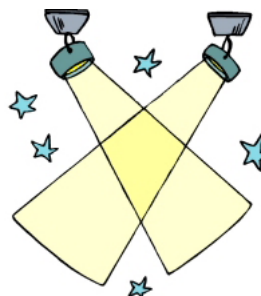
**New Contribution Detail File Layout for PSERS**

As many of you know, the PSERS File Layout project began in January 2009 with requests to 181 PSERS participating employers and payroll vendors to update their payroll software to include salary related data in their contribution detail file. Test files were submitted as early as March 2009. To date, approximately 98% of these employers have submitted their test files with the updated fields (payroll frequency, salary, percent time worked, etc). If you have not completed your test file or you are unsure of your compliance, please contact Diane Clark at 404-603-5690 or [dclark@ers.state.ga.us](mailto:dclark@ers.state.ga.us) for assistance. Effective with September 2009 reports, salary data will be required on PSERS contribution detail files.

*In the event of any conflict between this publication and the laws, rules and regulations governing the plans, the terms of the laws, rules and regulations will have precedence.*

<b>ERS General Office</b>	<b>404-350-6300</b>	<b>ERS Fax</b>	<b>404-350-6308</b>
<b>ERS Toll Free</b>	<b>800-805-4609</b>	<b>Web</b>	<b><a href="http://www.ers.ga.gov">www.ers.ga.gov</a></b>

## Spotlight on Employer Reporting



The Employees' Retirement System of Georgia (ERSGA) Employer Reporting Division (ER) maintains relationships with some 950 reporting units. Each reporting unit is responsible for the timely remission of eligible employees' required contributions for the various plans administered by ERSGA.

Approximately 1,400 reports are received each month. ER ensures that each monthly report and payment is received and that the totals balance with the electronic employee data files. To accomplish this, ER monitors reports, electronic files and payments daily, follows up on late reporters and collaborates with reporting units to identify and correct all errors.

### **ERSGA Employer Reporting**

- Process monthly member contributions
- Balance monthly employer reports
- Correct member accounts
- Provide training for employer representatives

### **Monthly Reporting Issues**

The following are some demographic data components that have been missing or are incorrect on a number of recent employer files. We bring these to your attention for review and an update on future transmissions. ER is working internally to provide all employers specific demographic error reports in the near future.

#### **Date of Birth**

- Date of birth is required on all employees - for all Plans.
- If the date of birth is incorrect, please check with the employee and correct the date of birth in your payroll system.

#### **Name**

- A complete first and last name is required on all employees - for all Plans.
- If an employee is using the first initial instead of his or her name, please review the Social Security card or other documentation to ensure this is how the name appears on the documentation. If not, the complete name should be provided in the electronic file to ERS.

#### **Hire Date**

- All new hires must have a hire date in the file - for all Plans.
- Rehires must also have a rehire date (not the original hire date) - for all Plans.
- JRS, GDCP and PSERS new hires must complete Membership Application forms.

## Monthly Reporting Issues (cont'd)

### **Social Security Number**

- To mitigate reporting errors due to incorrect Social Security numbers, please ensure that the Social Security number provided matches the official documentation provided at hire.
- If the Social Security number submitted is incorrect, please fax a copy of the Social Security card to our office requesting correction and correct the Social Security number in your payroll system.

### **LWOP or MWOP Payment Reason (Leave without pay and Military leave without pay)**

- Contribution detail records must be reported for members on leave to retain their active status.
- While on leave without pay, \$0.00 salary, \$0.00 contribution, 0 percent time%, and LWOP/MWOP payment reason must be included in the detail file.

## What is the Invoice Tab?

Are you aware that the results of the employer payment and data file reconciliation are available monthly on the Invoice Tab? The Invoice Tab is the second tab (after Summary Report) in the Maintain Monthly Summary Report Module.

Since 2007, ERSGA has been providing monthly reconciliation of employer summary report payments and data files. For most employers, this reconciliation results in variances of less than \$1.00, and no invoices are generated; hence, the Invoice Tab is blank. For employers with variances of \$1.00 or more, the system provides a line item reconciliation of the employee contribution, employer pickup contribution, employer contributions, employee detail changes due to rate errors and invoice and adjustment variances.

You may have noticed the new informational message on the Employer Reporting Website: "Your agency has outstanding invoices. Please allocate your invoices before submission." Some agencies have large contribution credits that can be applied to current reports by allocating the invoice. The credit invoices are also indicative of members that should be removed from the plan (See Membership In Multiple Plans below).

## Membership in Multiple Plans

Members enrolled in the ERS Plan must not be enrolled in GDCP. In the majority of cases identified by ER, the employee is working for two agencies (full and part-time) and neither agency is aware of the dual employment. The full-time position is covered by ERS and the part-time position is covered by GDCP. Since an ERS member cannot also be enrolled in GDCP, the GDCP contributions are returned to the part-time employer. If you have an employee that is a GDCP Member and this employee appears on a credit invoice due to multiple plan membership (see What is the Invoice Tab? above), please remove the employee from GDCP in your payroll system.