

Eligible GDCP Members Can Now Request a Refund Online!

In an effort to streamline the refund process, and continue to reduce paperwork, ERSGA has introduced a new online refund process for terminated Georgia Defined Contribution Plan (GDCP) members. Members can only use the new online process once their GDCP account status has been updated to Inactive. We update this as soon as we receive the termination date from the agency. Currently, termination dates are provided to ERSGA with the monthly file of contributions. For the new process to function smoothly, it is important that termination dates be entered in your payroll system as soon as the employee terminates employment so that we will receive the termination date on the next monthly file and update their account status.

Using the new online process benefits members, employers, and the retirement system. When your employees use the online process, you won't have to complete the Employer Certification on the Refund Application or mail the Application to us. Also, members with more than \$200 of taxable interest will be able to make a Rollover Election at the time they apply online for their refund, rather than filling in separate paperwork and delaying receipt of their refund.

When you're meeting with a terminating GDCP employee or providing information, please advise that it will take approximately 2 – 6 weeks for their GDCP account to be updated to an Inactive status, at which time they can go online at www.ers.ga.gov to request a refund. Please encourage your separating GDCP employees to take advantage of this new process.

Rehired Retiree Reporting

Thank you for your continued cooperation during the first year of rehired retiree reporting. In May 2011, we had our first month of 100% reporting by all employers. As a reminder, submit an ERS Rehired Retiree Form for each retiree returning to service. The form is available under Employer Forms and Information at ers.ga.gov.

Online Terminations Coming Soon

As described in the article regarding GDCP online refunds, ERSGA requires that employers provide a termination date for all employees leaving service in order to apply for benefits. The termination date is usually transmitted with other personnel and salary data in the monthly consolidated file or in Monthly Detail on the employer website. Updates are limited to one per employee per month.

This fall, employers will have the capability via the employer reporting web site to provide termination dates for employees of all plans (including GDCP) daily! The ERSGA Financial Management Group will be rolling out the new process and providing a training schedule over the next few months. This new process will further enhance advantages of the new GDCP online refund process.

Are Employees Eligible to Retain ERS or TRS Membership With Their New Employer?

Since January 1, 1997, Teachers' Retirement System (TRS) has allowed vested ERS members to retain membership in ERS when employed by a TRS employer such as a county school district, university or Regional Educational Service Agency.

In addition, there are ERS employers such as the Department of Education, Department of Juvenile Justice and Technical Colleges that employ teachers and educational personnel. ERS also allows vested TRS members to retain their membership while working for ERS agencies.

ERS and TRS members become vested after 10 years of service. If you have an employee vested in either plan who wishes to continue their membership under that plan, contact either TRS Employer Services at 404-352-6500 or ERS Financial Management Group at 404-350-6300.

ERSGA General Office 404-350-6300
ERSGA Toll Free 800-805-4609

ERSGA Fax 404-350-6308
Web www.ers.ga.gov

Outstanding Employer Invoice Credits Exceed \$100K!

An employer invoice is created when there is a variance in the amount of the employer contribution payment and the employee data file that we receive each month. As of June 30, 2011, there were 577 invoices with credit balances totaling \$146,519. You may be entitled to take a contribution credit! See the Invoice Tab when you submit your next employer summary report.

If you have any questions or need an explanation of your invoice content, please contact your Financial Management Group representative.

Reporting Employees Who Regularly Work Less Than 12 Months

Regular Reporting

ERS members working in teaching or administrative positions that require less than 12 months employment during a fiscal year are required to be reported for all 12 months. This means that 1/12 of the annual salary should be submitted each month to ERS to ensure proper salary and service credit regardless of the number of months the employee actually works.

Adjustments

At termination or retirement, many employers reporting employees in less than 12 month positions issue retro-pay adjustments to make an employee whole when such employee retires before the end of the school year. For example, an employee earning \$50,000 annually is paid \$4,166.67 per month. If the employee resigns at the end of the semester in December, he or she has only received pay for four months (September –December) totaling \$16,667. Since four months represents 40% of a 10 month school year, the employer will make an adjustment for the difference (\$20,000-16,667 or \$3,333).

This process is correct and should continue to ensure that the employee is paid in full for the actual time worked. However, these adjustments should not be reported to ERS.

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.

Keeping Contact Information Current

Employer Email Addresses

Throughout the year, ERSGA sends various employer updates via email. On average, 40-45 emails are returned as undeliverable. Those employers don't receive necessary information and in some cases cannot share vital information with employees. Additionally, each affected employer has to be called to determine the reason for the undelivered email.

Anytime an employer has a change in payroll or human resources staff, please contact your assigned employer representative for an Employer Contact Form. ERSGA also maintains a list of executive level contacts. Emails are often sent to these contacts regarding system or legislative changes, so it's equally important to keep these contacts updated.

Employee Mailings

Please make sure to update addresses for your employees whenever there's a change. This is done via the monthly employer contribution transmittals. Let your employees know the importance of updating their personnel records so the information can be shared with ERSGA. Your help is appreciated.

Reminders

Manual Entry Detail Employers

Summary reports, payment and employee detail data are all due on the 1st of the month. The monthly summary report and detail totals must match before reports can be successfully submitted from the Employer Reporting website. Once totals are balanced, the summary report can be submitted first, then the monthly detail. A submitted date will post for each to confirm data was successfully transmitted.

Only one address should be reported in the file for each employee and the address field should not include both street address and P. O. Box. Also, employees on leave should be included in the monthly detail file with \$0.00 salary, contribution(s) and percent time. Use the leave without pay (LWOP) payment reason.

Membership Applications

ERSGA continues to receive membership applications. New employees, with the exception of JRS, should NOT be given paper membership applications. Employers should inform new hires to expect a welcome letter from ERSGA within 45 days of hire. The letter will provide instructions on establishing their member account and designating their beneficiaries online.