

### Rehired Retiree Reporting

Thank you for making the implementation of Rehired Retiree Reporting a success. Go-live was August 5, 2010 and since that time we are over 95% reporting each month. Of course, we need 100% reporting each month to accurately track rehired retiree activity and maintain our qualified plan status with the Internal Revenue Service. Please be sure that your agency is sending this data to ERS on the 5th of each month.

Remember: All ERS covered employers must report each month. If your agency does not have rehired retirees on staff, indicate this each month using the "No Data to Report" function within the new module.

If you are unsure how to use the Rehired Retiree Module or if you are unfamiliar with Rehired Retiree Reporting, the new module is on the existing employer desktop and can be accessed using your current login and password. In addition, an updated ERSGA Online Reporting Quick Reference Guide and the training materials are available in the Employers section of our website at [www.ers.ga.gov](http://www.ers.ga.gov).

We have added a new employer contact type to our database: Rehired Retiree Reporting Official. A communication from our offices will be sent in the near future requesting contact information for the appropriate reporting official.

### ERS Leave Certification for Retirement

Georgia law allows qualifying ERS members to convert forfeited leave and unused sick leave to pension service at the time they retire. Employers are required to certify the final leave hours and pay for the additional service upon the member's retirement.

Prior to retiring, members typically request or run estimates of their projected retirement benefits, including the number of leave hours they and their employers project they will have available to convert to pension service when they stop working.

The number of available leave hours affects not only the amount of the benefit, but in some cases the date at which a member may retire or reach a significant service milestone (such as 34 years under the Old Plan or 25 years for early retirement).

ERS has recently reviewed cases where members have used some of their leave after running their initial estimates. **This can result in their calculated service at retirement being somewhat less than they expected, which can significantly decrease or delay the benefit payments if the member ends up short of (for example) a 34-year or 25-year milestone.**

If you notice soon-to- retire members using or planning to use leave during their last few months of employment, please encourage them to first consider the impact on their pension benefit of using those hours. We can help, either by providing updated calculations showing the impact of the change in hours/service, or by having one of our analysts speak with the member. Alternatives may include not using leave hours immediately prior to retiring, or delaying the retirement date to ensure they have sufficient service to meet their expectations.

### Undocumented Leave from a Previous Employer.

This is forfeited leave to which a member is entitled and it can make a large difference in the retirement benefit. We have seen employers omit it from the final leave certification. **The member's final employer MUST include all undocumented leave in the final forfeited leave certification and pay for all forfeited leave at the time of the member's retirement.**

ERS General Office

404-350-6300

ERS General Fax

404-350-6308

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800-805-4609

Web

[www.ers.ga.gov](http://www.ers.ga.gov)

## Employer Contributions for Law Enforcement Personnel - Update

Effective July 1, 2010, the employer contribution rates for the following law enforcement members were changed:

	Contrib. Group Code	Contribution Group Description	Old Rate %	New Rate %
462	ERS-NDR	New Plan Natural Resources Deputy Conservation Ranger	12.16	10.49
462	ERS-NNR	New Plan Natural Resources Conservation Ranger	15.66	11.89
462	ERS-ODR	Old Plan Natural Resources Deputy Conservation Ranger	7.41	5.69
462	ERS-ONR	Old Plan Natural Resources Conservation Ranger	9.70	5.69
465	ERS-NPP	New Plan State Board of Pardons & Paroles Parole Officer	10.41	10.49
465	ERS-OPP	Old Plan State Board of Pardons & Paroles Parole Officer	5.66	5.69
466	ERS-NPS	New Plan Public Safety	15.66	11.89
466	ERS-OPS	Old Plan Public Safety	9.70	5.69
467	ERS-NCO	New Plan Department of Corrections Probation Officer	10.41	10.49
467	ERS-OCO	Old Plan Department of Corrections Probation Officer	5.66	5.69
471	ERS-NOA	New Plan Georgia Bureau of Investigation Officer/Agent	15.66	11.89
471	ERS-OOA	Old Plan Georgia Bureau of Investigation Officer/Agent	9.70	5.69
474	ERS-NRA	New Plan Revenue Agent	15.66	11.89
474	ERS-NRI	New Plan Revenue Department Special Investigator	12.16	10.49
474	ERS-ORA	Old Plan Revenue Agent	9.70	5.69
474	ERS-ORI	Old Plan Revenue Department Special Investigator	7.41	5.69

The State Accounting Office updated Peoplesoft with the new rates in October 2010. If your agency is listed above and the employer rate decreased, refund checks for the overpaid employer contributions for July – September 2010 will be issued in January 2011. Invoices for the Departments of Corrections and Pardons and Paroles for the same period will be available for allocation in late December 2010 and staff is available to answer any questions.

## PSERS and GDCP Membership Applications Discontinued

**Urgent Reminder:** Although it was previously communicated that effective July 1, 2010 new GDCP and PSERS members should no longer complete Membership Applications, we continue to receive a significant volume of the paper Applications for these new members.

Remember, after the employer reports the first contribution to the Retirement System, a letter will be sent to the employee instructing them to access their account online at [www.ers.ga.gov](http://www.ers.ga.gov) and designate their pension fund beneficiaries. This process replaces the need for the paper Membership Applications.

***Please discontinue sending paper Membership Applications for your PSERS and GDCP new hires.***

## Georgia Defined Contribution Plan - No Interest Credited for FY 2011

As a result of current market conditions, the Georgia Defined Contribution Plan (GDCP) will not be crediting interest to members' accounts during FY 2011.

## Reporting Salary and Contributions for Month of Death

In the unfortunate case where a member dies as an active member still employed, please be reminded that *pension contributions must be deducted from the deceased's final pay check*. For example, in cases where the beneficiary is entitled to a lifetime pension, that final pay check could make a difference in the amount of the monthly survivor benefit even if the final pay check is less than a full pay period.

In cases where the beneficiary will receive a refund of the member's contributions with interest, the refund to the beneficiary will include the final contribution. For more information on reporting final paycheck data, please view the Frequently Asked Questions in the Employers section of the website.

## Coming Soon!

In April 2011, the Peach State Reserves (PSR) 401(k) and 457 plans will change administrators from ING to AonHewitt (the current administrator for the state Flexible Benefits Program). This change will consolidate state benefit service providers, giving state employees streamlined access to their Flexible Benefits and PSR plans through the GaBreeze website.

For employees not eligible for the state Flexible Benefits Program, those employees will still be able to take advantage of the many new features and conveniences offered through the GaBreeze website in managing their retirement savings accounts. Look for communication in the coming weeks regarding training.

## Peoplesoft Setup for New Hires and Rehires

For those employers who use the state Peoplesoft system for HR purposes (*including county health departments and DFACS*), you **MUST** create a GSEPS Pension Panel record for all ERS retirement-eligible new hires. For rehires, you must contact ERS to determine whether the employee should be in GSEPS or reenrolled in the ERS “New” or “Old” Plan. The Pension Panel record should correspond to the appropriate retirement plan. GSEPS retirement codes begin with “E2G.”

Employees who complete the GSEPS 401(k) Opt-Out form at the time of hire should have the GSEPS 401(k) Contribution Election Opt-Out indicator selected on the Pension Panel.

Unless the employee completed the GSEPS 401(k) Opt-Out form at the time of hire, employers who also use the Peoplesoft system for payroll purposes must create a GSEPS 401(k) 1% contribution record in the Savings Plan Panel, or in your own payroll system if you don't use Peoplesoft.

*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.*

## GTLI Continuation for Employees on Leave Without Pay

For employees with Group Term Life Insurance (GTLI) who go on leave without pay, if they wish to continue their GTLI coverage, they must complete the GTLI Continuation While on Leave Without Pay form, which must be received by ERS. If ERS does not have this completed form on file, the employee will have no GTLI coverage while on leave without pay. The form is available on the ERS website. (GSEPS members as of January 1, 2009 and JRS, LRS and Appellate Judges hired on or after July 1, 2009 do not have GTLI)

## 2011 Contribution Limits for 401(k) and 457

Contribution limits to 401(k) and 457 plans remain at \$16,500 for 2011. The contribution limits are as follows:

- 401(k) and 457 plan contribution maximums are \$16,500 for each plan. Therefore, those participating in both plans can contribute a maximum of \$33,000. For those also eligible for a 403(b) plan, the combined maximum for contributions to a 403(b) plan and a 401(k) plan is \$16,500, but the combined maximum for contributions to a 403(b) plan and a 457 plan is \$33,000.
- For those who will be age 50 or older in 2011, the maximums for each plan (401(k) and 457) are \$22,000.\*
- For participants utilizing the Special 457 Catch-Up feature prior to retirement, the maximum contribution is \$33,000 for the 457 plan (subject to the total dollars available from prior unutilized contributions).\*

\* The Age 50 and Over additional contribution of \$5,500 to the 457 plan and the Special 457 Catch-Up contribution cannot be used at the same time. The additional \$5,500 to the 401(k) plan can be made even if utilizing the Special 457 Catch-Up contribution.