



fall | 2016

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### Open Enrollment and Increasing Retirement Savings

The Open Enrollment period for Flexible Benefits through GaBreeze is October 17th - November 4th. Peach State Reserves (PSR) is included in the online Flexible Benefit enrollment process, which is the perfect opportunity for employees to increase retirement savings, as well as review and update beneficiaries, for the PSR plans.

Please encourage employees to consider increasing their retirement savings in the PSR plans as part of their Flexible Benefits enrollment. This is also an excellent time to promote the auto escalation feature in the online open enrollment process, located in the PSR section. Behavioral science has shown that people who feel they can't afford to increase savings today, frequently agree to increasing savings in the future. The auto-escalation feature allows people to do just that. They can elect to increase their savings rate at a date in the future and continue to increase the rate, at time intervals they select, until they reach the maximum savings rate they desire.

Open Enrollment is also a great time for employees to review beneficiary information for both the PSR plans [401(k) and 457] and the ERS plans [pension plan and, if applicable, Group Term Life Insurance (GTLI)]. Beneficiaries for the PSR plans can be reviewed and updated on the GaBreeze site. Pension and GTLI beneficiary information is available on the [ERSGA website](#), which is also provided as a direct link from the [GaBreeze](#) site.

## Pension Spiking

### Additional Costs to ERS Employers

Have any of your employees recently received a pay increase greater than 5%? If those employees retire within 12 months of receiving the increase, the employer will be responsible for the cost of the additional pension in excess of a 5% pay increase. This is known as the *Pension Spiking* rule. This applies even if the “spike” (increase) is not a pay raise intended for the purpose of providing a higher retirement benefit to the employee.

For GSEPS members joining ERS on or after July 1, 2009, OCGA 47-2-353(2) limits increases used in the calculation of ERS Formula Salary to a maximum of 5% in the 12-month period immediately preceding retirement. For members who joined ERS before this date, there is no such cap in the calculation of the retirement benefit; however, the full cost for the benefit in excess of a 5% increase is passed along to the employer at the time of retirement. [OCGA 47-2-120(f) and 47-2-334(j)].

Here are some common questions we receive from employers when they receive a *Pension Spiking* invoice:

**Q:** Jane received a large pay increase last July 1 and will be retiring this July 1. Since she will have been at her current level of pay for a full 12 months, will her pension be considered *Pension Spiking*?

**A:** Yes! If Jane is retiring on July 1, the 12 months prior to retirement are from the previous July 1 through the current June 30. If Jane received an increase on July 1, it is considered to be within the final 12 months. Some employers have worked with their employees to delay their retirement by a month or more in these situations.

**Q:** Fred’s salary increase last fall was because of a promotion. We had a position open and he was the best qualified applicant for that position. We didn’t intentionally “spike” his salary before retirement, so why are we getting an invoice?

**A:** While we refer to this cost as *Pension Spiking*, the legislation applies to anyone who receives a salary increase in excess of 5% during the final 12 months of employment. In many cases, these increases in pay are the result of promotions or market adjustments and not an intention to inflate an employee’s pension. However, when an employee receives a large pay increase shortly before retiring, the increase effectively grants the employee an increased lifetime pension. To fund this increase, the retirement system absorbs the cost of the first 5% of the pay raise, and the employer is billed for the balance of the cost.

**Q:** Sarah received an increase greater than 5% on April 1 and is considering retiring at the end of this year. Can we get an estimate of the amount we’ll be responsible to pay under the *Pension Spiking* rules?

**A:** Yes! Contact Susan Anderson at [susan.anderson@ers.ga.gov](mailto:susan.anderson@ers.ga.gov) with the expected retirement date for an estimate of the *Pension Spiking* cost.



### retirewise® Financial Education

ERSGA, in cooperation with MetLife, offers Retirewise Financial Education Workshops at state employer locations across the state.

The workshops cover a range of topics, such as budgeting, financial planning, investment basics, wills, trusts, estate planning, and Social Security. In addition, the representatives from MetLife and ERSGA cover flexible and retirement benefits. The workshops have been very well received by state employees, and the demand for workshops has been high.

If you are interested in attending or hosting a workshop at your agency, please contact Kelly Moody at [kelly.moody@ers.ga.gov](mailto:kelly.moody@ers.ga.gov).

# Data Improvement Initiative

The data you report every month is edited and posted to the Plan database. The quality of the monthly data is very important because it is the basis for virtually every process of the Plan, including calculations, Plan funding and contributions, Member calculations, and legislation data.

There is a complex set of over 250 validation edits to prevent the posting of incorrect data. Some errors are very difficult to detect because they do not fit the criteria for an edit. Many of these errors are a result of improper data entry or a misunderstanding of the rules and codes related to the data.

Examples:

*Percent time is reported incorrectly as 75% instead of 80%. The difference may be too small to result in an edit. The incorrect amount will post, and may result in a Member receiving a lower retirement benefit than they are entitled.*

*If a Member's bonus is mistakenly reported as eligible to be used in the calculation of retirement benefits, the benefit may be higher than it should be when the calculation is prepared.*

While the majority of the data submitted each month is correct, there are approximately 8,000 errors created - over 8% of all monthly data records. A small percentage of those are informational and are not problematic. Most of them, however, require correction and could have been avoided with correct data submission.

Example:

*A Member worked for Agency A, transfers to Agency B, and is later hired as a new employee at Agency A. The Date of Employment reported for the second period of employment at Agency A should be the most recent Date of Employment, not the original membership date.*

In an effort to reduce the monthly errors and improve the quality of data, we will begin training and coaching sessions over the next several months. The focus of the training will be data rules and correct data submission. If an agency has a specific issue submitting incorrect data, we will address it during the sessions.

We recognize and appreciate all the hard work agencies put into gathering, inputting, verifying, balancing, and submitting the data. The time and effort spent reworking and researching data will be reduced through data improvement.

We look forward to working with you to make an already good process great!

## ERSGA Contact Information

Updated plan reporting contact information is available on the ERSGA website.

You can view/download/print the updated information by clicking [here](#) or copying and pasting the following link:

[http://www.ers.ga.gov/Docs/Formsandpubs/ERS\\_Employer\\_Reporting\\_Contacts.pdf](http://www.ers.ga.gov/Docs/Formsandpubs/ERS_Employer_Reporting_Contacts.pdf)



# Employer Desktop

## *What can I do on the Employer Desktop?*

The ERSGA Employer Desktop provides a single location for your reporting needs. All registered users can access the desktop by logging on to the employer site from the ERS website at [www.ers.ga.gov](http://www.ers.ga.gov). To fulfill your primary responsibility as a participating employer of the retirement system, you must:

- Submit a summary report;
- pay contributions; and
- report details of all contributing members by the first of each month.

This is all done using the links on the employer desktop:

- Click on ***Maintain Monthly Summary Report*** to report the total employee salary and contributions, including adjustments and invoices.
- Upon submitting your summary report, the bank account entered using ***Maintain ACH Details*** will be debited within two to three business days. Changes can be made to your bank account information at anytime.
- Employers with the capability to upload an employee detail data file use the link ***Upload Salary or Compliance Detail File***. Here, a record and status of your upload is available for review.
- Employers without the capability of creating an employee detail file use the ***Maintain Monthly Detail*** link to enter your employees' detail data.

The desktop has links to reporting processes other than monthly reporting:

- ***Check Member Plan Eligibility***
  - Prior to enrolling, verify the employee's eligibility.
  - Using this link will significantly reduce the likelihood of reporting a member in an incorrect contribution group.
- ***Ad Hoc Termination Reporting***
  - This link should be checked at least once each month to see which employees were not reported on your most recent monthly submission.
  - If an employee has been terminated in your HR system, use this online tool to enter the termination date to keep our systems updated.
  - If an employee is still active but was on leave without pay for the previous month, use this online tool to advise of the leave without pay.
  - If an employee shows as active in the system for a long period of time but has not been reported as being on leave without pay, verify the employee's status to determine if they should be terminated or reported as leave without pay.
- ***Forfeited Leave Certification and Payment***
  - Use this page to certify and remit payment of forfeited leave hours for ERS retirees. Upon receiving notification that your employee has applied for retirement, you are required to review, update and approve reported leave hours. Invoices created as a result of the approval are available for your review and payment is expected immediately.
- ***Maintain Rehired Retiree***
  - This takes you to the Rehired Retiree Reporting desktop, with links to the rehired retiree reporting process. Employers employing retirees must use these links to report and approve hours worked.

Note: You can access your employees' member statements by clicking on the ***Member Statements*** link and entering an employee's SSN to retrieve. You can then print a copy of the statement for the member.

# Reminders

What	Where	Why	When
<b>Contacts and Contact Information</b>	Contact your assigned representative for an Employer Contact Form. A list of ERSGA contacts can be found <a href="#">here</a> .	Throughout the year, ERSGA sends various updates via email. On average, 40-45 emails are undeliverable. As a result, important and necessary information, including legislative and system updates, are not received and, in applicable cases, not shared with employees.	Anytime there is a change in payroll or human resources staff and executive level contacts.
<b>Allocate and Pay Invoices</b>	On the Employer Desktop: <ul style="list-style-type: none"> <li>Click <i>Maintain Monthly Summary Report</i></li> <li>Go to the <i>Invoice</i> tab and select the invoice(s) you want to allocate.</li> <li>After allocating the invoice(s), return to the reports tab and enter the total amount of the allocated invoices in the total invoice adjustments line, calculate, and save.</li> <li>Submit your summary report.</li> </ul>	In order to protect the Members' benefits, it is the duty of the Plan and its representatives and Employers to make sure all monies owed the Plan are paid. If payment of an invoice is not timely, the Pension fund is shorted. If these unpaid invoices become substantial, it can create a funding shortfall in the Plan. This shortfall will be reflected in Employer Contributions.	Payment is due upon the receipt of an invoice.
<b>Final Forfeited Leave Certifications</b>	On the Employer Desktop: <ul style="list-style-type: none"> <li>Click <i>Forfeited Leave Certification and Payment</i>.</li> <li>For non-statewide employers, you must complete a preliminary certification.</li> <li>For statewide agencies, a preliminary certification is automatically completed from the last posted contribution row.</li> </ul> <p>All final certifications will be available two business days prior to the Member's termination date. All certifications are due upon receipt.</p>	Forfeited Leave Hours are used in the calculation of member retirement benefits for additional service credit.	Invoices are available on the 16th of the month, and payment is due upon receipt.
<b>Ad Hoc Terminations</b>	On the Employer Desktop: <ul style="list-style-type: none"> <li>Click <i>Ad Hoc Termination Reporting</i></li> <li>Click on both the ERS and GDCP plans.</li> <li>Complete steps 1, 2, and 3 to ensure the termination data is received by ERSGA.</li> </ul> <p><i>Note: Any employer that has GDCP members that are inactive for more than 12 months must be terminated immediately.</i></p>	Termination data must be received for Member accounts to remain accurate and to allow members to apply for refunds using the online system.	This information is updated each month when the employer file is received.

## Encourage Employees to Get Involved

With the kickoff of this year's SCCP Campaign, it's a great time to encourage your employees not only to donate money, but to also give their time to those in need.

### Why volunteer?

With busy lives, it can be hard to find time to volunteer. However, the benefits of volunteering are enormous to you, your family, and your community. The right match can help you to reduce stress, find friends, reach out to the community, learn new skills, and even advance your career. Giving to others can also help protect your mental and physical health.

Volunteering offers vital help to people in need, worthwhile causes, and the community, but the benefits can be even greater for you, the volunteer. Volunteering and helping others can help you combat depression, keep you mentally stimulated, and provide a sense of purpose. While it's true that the more you volunteer, the more benefits you'll experience, volunteering doesn't have to involve a long-term commitment or take a huge amount of time out of your busy day. Giving in even simple ways can help others in need and improve your health and happiness.

Learn more about the many benefits of helping others, find tips on getting started, and how to find a volunteer opportunity right for you at the [HelpGuide](#) website.

You can also explore volunteer opportunities with local charities included in the list of SCCP approved charities.

