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Pension Refund Applications – Help us cut down on paperwork!!

For the online refund process to function smoothly, it is important that termination dates are entered in your payroll system or on your Employer Desktop as soon as the employee terminates employment.

Members can only use the online process once their account status is Inactive. We update this as soon as we receive the termination date from your agency, either with the monthly contributions file or through Ad Hoc Termination Reporting on your Employer Desktop.

Using the online tool for pension refunds 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 Pension 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 completing separate paperwork and delaying receipt of their refund.

Instead of providing a terminating employee with a paper Pension Refund Application, please consider using the Ad Hoc Termination Reporting tool to report the termination, then have your employee access their ERSGA account at www.ers.ga.gov to request their refund. If you are not using the Ad Hoc Termination Reporting tool, please let your employees know that it will take two to six weeks for their account to be updated to an Inactive status, at which time they can go online at www.ers.ga.gov to request a refund.

Do not FAX or email Refund Applications to ERSGA! If we are processing from a paper application, we require original signatures, so original Pension Refund Applications must be MAILED to our office!

Pension Spiking

Additional Costs to ERS Employers

As you know from previous Employer Newsletters, if any of your employees with ERS membership dates before July 1, 2009 receive an increase in salary in the 12 months preceding retirement, the employer will be responsible for the cost of the additional pension in excess of a 5% increase [OCGA 47-2-120(f) and 47-2-334(j)].

This applies **regardless of the reason for the increase in salary**. Here are some scenarios of an increase in salary resulting in an invoice to the employer for the cost of the additional pension:

- **Promotion:** When an employee receives a promotion with an increase in excess of 5% during the 12 months before retirement, this is considered pension spiking. Even if you limit the increase to 5% or less, but the employee also receives another increase during the 12 months before retirement for a total increase in excess of 5%, it is considered pension spiking.
- **State Mandated Increases:** When an employee receives an increase required for their position, causing an increase in salary in excess of 5% during the 12 months preceding retirement, this is considered pension spiking. Even though you were required to increase the salary by more than 5%, it still results in an increased lifetime retirement benefit to the employee and an invoice to the employer.
- **Temporary Supplement:** When an employee receives a temporary supplement that is pensionable, the temporary supplement is considered when determining the amount of any increase during the 12 months before retirement.

The above are just examples of some of the reasons for pay increases that employers have been surprised result in pension spiking. What you need to keep in mind is **ANY** increase in pensionable pay during the last 12 months before retirement, whether granted as one large increase or as several smaller increases, will result in pension spiking. The reason for the increase doesn't matter, the financial effect on the pension plan is the same, and the cost of the increase in the pension in excess of a 5% increase will be passed along to the employer.

For more information about Pension Spiking, see our [Fall 2016 Employer Newsletter](#), or contact Susan Anderson at susan.anderson@ers.ga.gov or (404) 603-5714.

Employer Training Coming Spring 2018

Topics will include:

- Overview of the Reporting Process using the Employer Desktop
- Plan Eligibility and Enrollment
- What is an Invoice, and How do I allocate?
- Forfeited Leave Processing
- Understanding ERSGA Data Requirements (For File Providers)

Watch your Employer Web Correspondence (detailed on the following page) for more information.



School Systems and Board of Regents Employers

Hiring of a Vested ERS Member

When hiring vested ERS employees (in a TRS eligible position) who choose to keep Employees' Retirement System (ERS) membership, it is crucial to contact your reporting official at ERS immediately upon hire. This is **especially** important if that employee is a member of the GSEPS tier of ERS.

The GSEPS tier is designed to be used in conjunction with participation in the PSR 401(k). It is very important that the employee's 401(k) contributions are deducted and employer match contributions are made to avoid triggering undesired 401(k) plan distributions. Therefore, it is necessary to contact your ERS reporting official upon hire of such employees to make sure you are properly set up to allow such transactions.

If you have any questions about any employees to whom this may apply, please reach out to your reporting official as soon as possible.

New Web Correspondence Feature

Web Correspondence is a new feature now available on the [ERSGA Employer website](#). Click the bar to access your individualized communication, reports, and other useful information. There is an alert for newly posted documents, and posted material is accessible by Plan. Currently, your GASB 68 report is on the site.

In the future, announcements, trainings, error and edit reporting, and other important information will be added. We expect this capability to expand to become more interactive and plan to use this feature as a primary channel of communication with you as employers.

The screenshot shows the ERSGA Employer Desktop interface. The top navigation bar includes 'Home', 'Members', 'Retirees', and 'Employers' (which is selected). Below the navigation bar, there is a section for 'BIBB COUNTY HEALTH DEPT (128-011)' with an 'EMPLOYER DESKTOP' welcome message. A red box highlights the 'Web Correspondence' link in the left-hand menu. Other menu items include 'Member Statements', 'Check Member Plan Eligibility', 'Maintain Monthly Summary Report', 'Maintain Rehired Retirees', and 'Maintain ACH Details'. A question mark icon is visible next to the 'Web Correspondence' link.

The screenshot shows the ERSGA Employer Desktop interface with a table of correspondence items. The table has the following columns: 'New?', 'Correspondence Date', 'Employer Plan Code', 'Correspondence Description', and 'Category Description'. The table contains one row of data.

New?	Correspondence Date	Employer Plan Code	Correspondence Description	Category Description
N	08/01/2017	ERS	Governmental Accounting Standards Board #68	Year End Financial

Does ERS Owe You Money?

Clearing historical invoices is one of our priority projects. ERSGA is reviewing each agency's outstanding invoices and has made great progress so far - but we've got a long way to go. If we haven't already, ERSGA will contact your agency to discuss a plan to clear the backlog.

Many agencies are owed money. If the amount owed to the agency is **less** than the monthly contribution amount, the agency must allocate its invoice(s) in order to receive credit towards the monthly contribution amount. If the amount owed is **more** than the monthly contribution amount for that month, contact your agency's ERSGA representative and a check will be sent to your agency for the entire amount.

If an agency owes ERSGA money, the invoice(s) must be allocated in order for an outstanding balance to be applied as a payment. It is important to clear these invoices and fund the Plan(s) correctly.

Since some outstanding invoices date back in time and may require research, we will provide you with any documentation we have. In addition, we are happy to meet with you to review outstanding invoices and, if desired, go over the entire process.

In an effort to improve the invoicing process, we are implementing the following new processes in the near future:

- Sending letters to agency financial officers on the third day of each month detailing the outstanding invoices.
- Write-offs taken for any stand-alone invoice under \$10, unless it applies to the Public School Employees Retirement Plan.

Invoicing and money management are important to the financial well-being of any retirement plan. As administrators and managers, we have an obligation to be good stewards and to make sure Plan finances are as up-to-date as possible. Thank you for all your efforts!

Data - Secure and Protect it

Data security is defined as "protective digital privacy measures that are applied to prevent unauthorized access to computers, databases and websites."

ERSGA takes this responsibility very seriously, and has invested an enormous amount of resources to ensure your data is protected. Firewalls, encryption, data masking, special software, and a myriad of other software, hardware, and protocols are employed to guard against any type of external or internal breach.

In addition to these safeguards, user authentication prevents unauthorized access to the data once it is in the system. Authentication is the interaction of the user and the system through a prescribed methodology to allow access to the data. Authentication demands a user provide one or a combination of a password, a code, biometric data, or some other identifier for user verification before access to a system or data is granted.

In order for authentication to work, you as the user must abide by the following basic rules of the road:

- Protect your password – don't share it, show it, or make it available for others.
- Change your password – change your password often and don't make it predictable.
- Disable passwords promptly when someone leaves the organization.
- Lock your computer screen when walking away.

Please follow these simple steps in an effort to help secure and protect our data!

Address Changes for Active Members

It is very important for active members to have a valid mailing address on file in order for them to receive important information from ERS. In advance of the mailing of our annual ERS Integrated Statements, please make an effort to update addresses as needed.

In the event an active member needs to update their address, employers must submit such changes to ERSGA electronically with the monthly detail file. Changes cannot be sent via email, fax, or snail mail, or called into ERSGA. Corrections must be transmitted in one of two ways:

FTP Employers:

Corrections should be transmitted in the monthly employee detail. Enter the appropriate employee address data into employer's payroll software system prior to creation of the monthly detail file. The transmitted changes will automatically update the employee's pension account.

Manual Employers:

Corrections can be entered online via Monthly Detail. Enter the appropriate employee address data in the required fields on the employee's Demographics Tab from *Employer Desktop > Maintain Monthly Detail Data Module*, and save. The transmitted changes will automatically update the employee's pension account. **Important:** Changes will not update if the transmitted employee name or date of birth does not match the pension account name and date of birth on file with ERSGA. In addition, changes **will not update** if both P.O. Box and street address are transmitted for an employee, as in the example below. Please only use the street address OR the P.O. Box.

<u>Incorrect</u>	<u>Correct</u>	<u>Correct</u>
Joe Doe P.O. Box 1234 1996 Northside Drive Atlanta, Georgia 30318	Joe Doe 1996 Northside Drive Atlanta, Georgia 30318	Joe Doe P.O. Box 1234 Atlanta, Georgia 30318

Employers should contact their ERSGA employer reporting representative with questions regarding address changes. Let your employees know the importance of keeping their demographic information up to date so the information can be shared with ERSGA. Thanks for your help!

Roth Contributions

Beginning December 21, 2017 (the former date of 12/15 has been delayed), employees will be able to elect to make Roth post-tax contributions to their Peach State Reserves (PSR) 401(k) or 457 plan. However, elections made prior to January will only impact January paychecks forward. Elections made after January will appear on the first available paycheck.

Information about the new Roth option will be posted on the ERSGA website and emailed to employers the first week of December. Emails to employees will be sent mid-December. Peach State Reserves (PSR) employers using the GaBreeze Employer Website (ERWS) who are not already working with GaBreeze on the Roth implementation should contact PSR Payroll Support immediately to ensure your payroll system is prepared to withhold, track and transmit after-tax contributions for employees.

PSR payroll support can be reached at 800-698-7719 or PSRpayrollsupport@aonhewitt.com.

New Year's Resolutions

It's that time again when we resolve to do the things we should do but don't, and to better do the things we do. Even though we are all different, we frequently have the same resolutions. We found most of you have some or all of the ones on the following list:

- I resolve to exercise more.
- I resolve to eat better.
- I resolve to send my monthly reporting on time.
- I resolve to notify ERS if there is a change in payroll vendors.
- I resolve to update my contact information when it changes.
- I resolve to make sure my summary and details are correct before submitting.
- I resolve to have the correct date on the monthly file.
- I resolve to send correct data, including the following items:
 - Social Security Number
 - Hire date
 - Eligibility date
 - Termination date
 - Payment reason should be LWOP when sending zero rows
 - Enroll Members in the correct Plan
 - Is it New Plan or GSEPS?
 - Is the Member a \$4 or \$10 contributor to the Public School Retirement Plan?
 - Is Percent Time Correct?
 - Is the row I submit labelled correctly as a prior period adjustment or is it a retroactive payment?
- I resolve to get more sleep.

Here's to keeping our resolutions and having a healthy, happy, and successful new year!

