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Selecting a New Payroll Vendor

When an employer decides to change payroll vendors, certain procedures and testing should be followed to in order to avoid potential issues surrounding reporting data to ERS. When a new payroll vendor is evaluated, ERS file creation and reporting should be included in the initial requirements process. It should also be noted that employers may be billed for changes to their internal systems or processes affecting Peach State Reserves (PSR administration). Fees charged by our Third Party Administrator (TPA) to support the changes will be billed to the employer.

The testing schedule below allows ERS and vendors to work through any issues prior to going live with the vendor change. When uploading a file, the following procedures should be followed:

- Ensure the vendor has a copy of the latest file layout from ERS
- Confirm the vendor can create the file for your employees
- Once the vendor is selected, schedule a conference call with ERSGA to review file layout, discuss questions, and provide payroll vendor contact information
- Discuss the testing schedule
- Agree on a production date

GASB 68

Reminder: Accounting and Financial Reporting for Pensions

We are now in our second year of accounting for and reporting pension information under GASB 68. As our employers know by now, GASB 68 requires that governmental employers recognize their proportionate share of the collective pension amounts for all benefits provided through our plans. Per GASB 68, these pension amounts include the Net Pension Liability, deferred inflows of resources, deferred outflows of resources and Pension Expense.

While GASB 68 does not specify which party, plans, or employers is responsible for calculating the pension amounts, the state's GASB 68 Steering Committee recommended that ERSGA provide all the required data to employers. To that end, ERSGA has engaged its actuary to calculate the pension amounts for all plans. This information was captured for all employers that prepare standalone financial statements in individual employer packets and sent on May 25, 2016 with the required disclosures and supplementary information. Please contact Renita Watts at Renita.Watts@ers.ga.gov or Deanna Holliday at Deanna.Holliday@trsga.com if you have not received your employer packet or required note disclosure.

Note: Each year employers will be selected by our auditor, KPMG, for attestation that payroll and census data has been accurately and completely reported to the plan for the prior year. Your auditor should be testing your payroll and census data each year as part of your annual audit. If your agency or department has been selected or is selected in the future, please comply by the provided deadline.

As noted above, GASB 68 does not require the pension plans to provide the proportionate pension liability, deferrals or pension expense for your financial reporting. This is provided to employers at no cost. Therefore, we need all employers' cooperation when selected for the attestation process by our auditor. The entire process represents cooperative government at work and we need your cooperation for successful compliance.

New Member Enrollment and Reporting

All new or rehired state employees should be enrolled in a pension plan immediately upon hire. ERSGA covered pension plans include the Employees' Retirement System, the Legislative Retirement System, the Judicial Retirement System, the Public School Employees Retirement System, and Georgia Defined Contribution Plan. Employers are responsible for selecting the correct plan to which employees are to be enrolled based on statutory eligibility rules. For more information on the criteria for plan eligibility, download a copy of the Employer Manual available by Plan at www.ers.ga.gov.

Failure to accurately and completely report eligible employees has significant impact to the plan, employee, and employer: missed market gains, inaccurate service accrual, and enrollment penalties. Depending on the plan, IRS plan correction procedures require an employer to contribute up to 50% of employee contributions for missed enrollments and contributions. For impacted GSEPS members, employers may be required to contribute additional funds to the 401(k) plan to account for missed market gains, in addition to missing employer matching funds and employee contributions. We encourage you to respond quickly to resolve these reporting issues and avoid expensive enrollment penalties.

If you have discovered a **missed enrollment**:

- Immediately contact ERSGA to begin the enrollment process
- Calculate and remit missing contributions

If you have discovered an **incorrect enrollment**:

- Immediately contact ERSGA
- Submit prior period adjustments to enroll member to the correct plan/group
- Remit payment for positive differences in contributions

Corrections for GSEPS enrollments impact the Peach State Reserves 401(k) plan and must be coordinated with GaBreeze Payroll Support in addition to ERS by emailing GaBreeze at PSRpayrollsupport@aonhewitt.com or calling 1-800-698-7719.

Training on Pension Compliance Reporting - July 2016

In July 2016, training for Pension Compliance Reporting will be provided via webinar for all employers reporting active members of ERS, PSERS, JRS, LRS and GDCP. Pension Compliance Reporting was initiated in 2015 as one of the tools used in accordance to GASB Statement No. 67, where pension plans must ensure significant census data are completely and accurately reported. Reporting requirements differ across employers. Certain employers (e.g., DFACS, Health Departments, and Public Schools) are required to submit a Pension Compliance file each month. Employers using PeopleSoft/TeamWorks are required to confirm non-enrollment status upon notification by ERSGA. Other employers using the ERSGA website to report member details are periodically selected for census data audit.

The training will include discussions on the compliance file requirements and your responsibilities in the reporting process. Please be on the watch for the training schedule; we look forward to your attendance.



MetLife

retirewise[®] Financial Education

ERSGA, in cooperation with MetLife, offers Retirewise Financial Education Workshops at state employer locations throughout Georgia. Workshops have been hosted by several state agencies and technical colleges, and attended by over 600 state employees. The workshops have been very well-received by state employees, and the demand for workshops has been high.

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.

If you would like to schedule a workshop at your location for your employees, please contact Kelly Moody at Kelly.Moody@ers.ga.gov for more details and information.

Is the Data You Submitted to the Plan Correct?

Over the past year, we have received accounts created with the wrong social security number. Accounts created with the an incorrect Social Security number cause issues in the pension and other systems, such as:

- Incorrect plan reporting
- Member's ability to use online accounts
- Member's ability to access their health plan
- Tax reporting

It is important for employers to use correct social security numbers and other demographic data when onboarding new employees.

Ad Hoc Termination Reporting for Year End Close

Please provide ERSGA with information for all terminated employees by June 30, 2016 for Year End Close. Earned interest is posted to all ERS, PSERS, LRS, and JRS member accounts at this time. All accounts must be updated with the correct membership status.

Termination information is normally provided via the employee contribution file. In the event the termination information is excluded from the June 2016 file, use the *Ad Hoc Termination* tool on your *Employer Desktop* to enter and submit termination dates and update your terminating employees' accounts to Inactive status. This information must be entered no later than July 20, 2016.

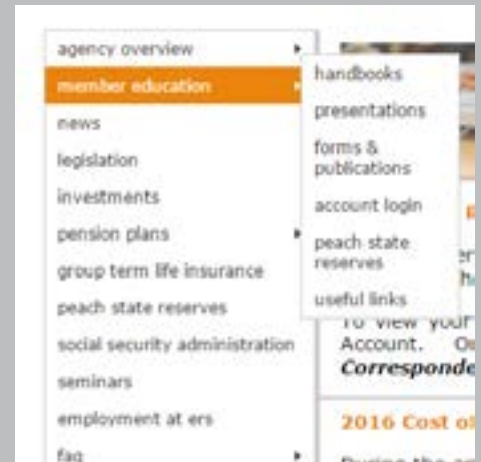
Sign up information for the July 5-7 Ad Hoc Termination Reporting training webinar coming soon.

Member Education

Check out the Member Education links on the left-hand navigation menu on www.ers.ga.gov.

We created the Member Education section to make it easier for our members to find educational materials on our website, such as handbooks, presentations, and seminars.

A valuable resource for HR professionals is our GSEPS Plan Overview presentation for the onboarding process of new employees. Please encourage your new hires to view this presentation for more information about their retirement plan!



Employer Rate Change and New Rate Announced

At the Annual Meeting of the Board of Trustees held on April 21, 2016, the Board approved a change to the Fiscal Year 2017 employer rates announced last year. The FY 2017 rates now include a 0.12% adjustment for a one-time 3% benefit payment to retired state employees. The Board also approved the Fiscal Year 2018 employer rates for all plans. Both the FY 2017 and FY 2018 rates have been published on www.ers.ga.gov under Employer Forms and Information. A link to the new rates is provided below:

[2017/2018 Employer Contribution Rates for all Plans](#)

To avoid contribution reporting errors, update your system with the new FY 2017 rates prior to your July payroll. ERSGA and our members appreciate your timely and accurate reporting each month.

2016 Enacted Legislation

Several bills passed during the 2016 legislative session that will impact our members beginning July 1, 2016. More information will be distributed to Employers in the near future.

2016 Legislative Summary

HB 421 (Act 400) – This bill is a companion bill to HB 310, which creates a new Department of Community Supervision. Certain employees of the new Department will remain eligible for enhanced disability benefits once transferred. Certain employees of the new Department currently not eligible for enhanced disability benefits would become eligible upon passage.

HB 605 (Act 426) – This bill changes the vesting provisions for judges moving from part-time to full-time service and allows for a proportional calculation of benefits upon transfer to full-time service and subsequent retirement.

HB 690 (Act 432) – This bill allows certain law enforcement members to purchase up to five years of certain local government authority service by paying full actuarial cost.

Please visit <http://www.ers.ga.gov/legislation/legislation.html> for the most recent legislative updates.

Member Statements Available through Employer Portal

Remember that employers can access Member statements, including the new ERSG/PSR Integrated Statement through the Employer Portal.

