

# Procedure: 4.9.1p. (III.U.5.a.) Retirement

**Revised:** September 15, 2015, January 14, 2001

**Last Reviewed:** September 15, 2015

**Adopted:** April 2, 1987



## **I. PURPOSE:**

All individuals appointed to a temporary, part-time, hourly-paid position as well as adjunct faculty must, as a condition of employment, become a member of the Georgia Defined Contribution Plan unless exempted by law and/or Employees' Retirement System of Georgia plan guidelines.

With limited exceptions, all individuals appointed to a salaried, benefits-eligible position shall, as a condition of employment, elect membership in either the Teachers Retirement System of Georgia (TRS) or the Employees' Retirement System of Georgia (ERS). NOTE: membership in TRS or ERS is governed by eligibility requirements outlined in state law and in accompanying TRS and ERS plan guidelines.

An employee who encumbers a TRS non-covered position (e.g., a non-supervisory custodial, maintenance, or food service position) is ineligible for membership in the Teachers Retirement System; therefore, the employee shall become a member of the Employees' Retirement System if otherwise eligible,

An individual who accepts state employment (for the first time) with the Technical College System of Georgia [TCSG] at age sixty (60) or older in a position subject to membership in TRS or ERS may decline membership in both retirement systems. The individual shall, instead, become a member of the Georgia Defined Contribution Plan unless otherwise excluded by law or accompanying ERS plan guidelines. The election to decline TRS or ERS membership is irrevocable.

As provided in O.C.G.A. §20-4-25, an employee's decision to elect membership in TRS or ERS is irrevocable during the tenure of his/her employment with the TCSG, a technical college, or any other associated TCSG work unit. In the rare instance that a newly hired employee appointed to a salaried, benefits-eligible position is not eligible for membership in the Teachers Retirement System or the Employees Retirement System, he/she shall become a member of the Public School Employees Retirement System.

## **II. RELATED AUTHORITY**

TCSG Procedure: 4.1.4p. Categories of Employment

O.C.G.A. §20-4-25

O.C.G.A. §47-2-1 et seq. (Employees' Retirement System of Georgia)

O.C.G.A. §47-3-1 et seq. (Teachers Retirement System of Georgia)

O.C.G.A. §47-4-1 et seq. (Public School Employees Retirement System)

O.C.G.A. §47-22-1 et seq. (Georgia Defined Contribution Plan)

Employees' Retirement System of Georgia Plan Guidelines

Teacher Retirement System of Georgia Plan Guidelines

### **III. APPLICABILITY:**

All work units and technical colleges associated with the Technical College System of Georgia.

### **IV. DEFINITIONS:**

**Annuity:** with respect to a retiree of the Employees' Retirement System or the Teachers Retirement System, annual payments for life derived from the member's accumulated contributions during the course of his/her state employment.

**Creditable Service:** prior service plus membership service and any other service recognized as creditable service as established under the governing statutes.

**Employee:** for purposes of the Georgia Defined Contribution Plan (GDGP) and as defined in the GDGP Plan Guidelines and governing statutes, an employee of a (state) employer, including the Georgia Board of Regents, who is not a member of any public retirement or pension system created pursuant to state law. Certain exceptions to membership are established in state law and accompanying GDGP plan guidelines.

**Member:** any employee included in the membership of a State of Georgia retirement system.

**Membership Service:** service which is rendered by an employee while he/she is a member of a retirement system and for which credit is allowable.

**Normal Retirement Age:** with respect to service with the Technical College System of Georgia and membership in either the Employees' Retirement System or Teachers Retirement System, attaining 30 years of creditable service (regardless of age) or after reaching age 60, having at least 10 years or more of creditable service.

**Retirement Allowance:** the sum of the annuity and the pension, or any optional benefit payable in lieu, thereof. All retirement allowances shall be payable in equal monthly installments, provided that the retirement system's board of trustees may adopt regulations to pay a lump sum (not to exceed) the equivalent actuarial value (of the retirement allowance) in lieu of a retirement allowance of less than \$10.00 per month or in lieu of part of an annuity.

**Service:** service rendered as an employee and paid for by the State or Georgia or, as applicable, by the state or other employer.

**Service Credit:** creditable service as defined in the specific code section applicable to the Employees' Retirement System or the Teacher's Retirement System and, as referenced in accompanying plan guidelines.

**TCSG Work Unit:** the TCSG System Office, Quick Start Headquarters, a Quick Start regional office or training center, or an associated technical college.

**Vest or Vested:** a non-forfeitable right. For purposes of membership in the Employees' Retirement System or Teachers Retirement System, a member is vested after ten (10) years of creditable service.

### **V. ATTACHMENTS:** N/A

## **VI. PROCEDURE:**

### **A. Retirement Plan Membership**

1. All individuals appointed to a temporary, part-time, hourly-paid position as well as adjunct faculty must, as a condition of employment, become a member of the Georgia Defined Contribution Plan (GDCP) unless exempted by law and/or Employees' Retirement System of Georgia plan guidelines.
2. With limited exceptions, all individuals appointed to a salaried, benefits-eligible position shall, as a condition of employment, elect membership in either the Teachers Retirement System of Georgia (TRS) or the Employees' Retirement System of Georgia (ERS),
3. Membership in TRS or ERS is governed by eligibility requirements outlined in state law and in accompanying TRS and ERS plan guidelines.
4. An employee who encumbers a TRS non-covered position (e.g., a non-supervisory custodial, maintenance, or food service position) is ineligible for membership in the Teachers Retirement System; therefore, the employee shall become a member of the Employees' Retirement System if otherwise eligible.
5. As provided in Paragraph VI.I., an eligible employee's decision to elect membership in TRS or ERS is irrevocable during the tenure of his/her employment with the Technical College System of Georgia, a technical college, or any other associated TCSG work unit.
6. An individual who accepts state employment with the Technical College System of Georgia for the first time at age sixty (60) or later in a position subject to ERS or TRS membership may decline membership in both retirement systems by notifying the ERS Board of Trustees, in writing, within thirty (30) days of his/her appointment and the TRS Board of Trustees, in writing, within ninety (90) days of his/her appointment. The election to decline membership in both retirement systems is irrevocable.
7. An employee who has declined TRS and ERS membership as referenced in Paragraph VI.A.6., shall become a member of the Georgia Defined Contribution Plan as a condition of employment unless otherwise excluded by law or accompanying ERS plan guidelines.
8. If an employee appointed to a salaried, benefits eligible position is not eligible for membership in the Teachers Retirement System or the Employees' Retirement System, he/she shall become a member of the Public School Employees Retirement System (PSERS).

### **B. Employees Retirement System**

#### **1. Retirement Plans**

- a. Employees who are members of ERS are covered by the benefit structure in place at the time of their membership in one of three primary defined benefit plans: the Georgia State Employees' Pension and Savings Plan (GSEPS), the New Plan, or the Old Plan.

(1).GSEPS – an individual who first or again becomes an ERS member on or after January 1, 2009 shall be a member of GSEPS as a result of his/her initial employment; who is rehired on or after January 1, 2009 after receiving a refund of his/her annuity savings fund account, retiring, or rendering less than one year of service within a period of five (5) consecutive years as a member; or, who was an ERS member on December 31, 2008 and elected to become a GSEPS member.

(2). New Plan - an individual who first or again becomes an ERS member on or after July 1, 1982 and before January 1, 2009 as a result of his/her initial employment; who is rehired before January 1, 2009 after receiving a refund of his/her annuity savings fund account, retiring or rendering less than one year of service within a period of five (5) consecutive years as a member; who was an ERS member on June 30, 1982 and elected to become a New Plan member; or, who first or again becomes a ERS member on or after July 1, 1982 and who was reemployed on or after January 1, 2009 without having received a refund of his/her annuity savings fund account, retiring, or rendering less than one year of service within a period of five (5) consecutive years as a member.

(3). Old Plan - a current member continuously employed on a full-time basis since before July 1, 1982 or a member originally employed before July 1, 1982 and who was re-employed on or after July 1, 1982 without having received a refund of his/her annuity savings fund account, retiring, or rendering less than one year of service within a period of five (5) consecutive years as a member.

## 2. Creditable Service

- a. Creditable service includes “prior service” plus service for which an individual is credited while a member of ERS. Service can be earned, transferred into ERS, or in limited instances, purchased.

(1).Forfeited Leave Service: creditable service may be received for forfeited annual and sick leave as well as accrued, but unused sick leave (to include, in certain circumstances, sick leave that was previously accrued before a break-in-service) if these leave balances total at least 960 hours. In this instance, a member receives one month of creditable service for every 160 hours of leave. All forfeited leave must be certified by a member’s last employer before he/she receives service credit for the accumulated hours. NOTE: Forfeited leave cannot be counted as part of the ten (10) year creditable service requirement to become vested in ERS or, as applicable, the eighteen (18) years of creditable service needed for a member to retain Group Term Life Insurance coverage after a member terminates state employment but before he/she retires.

(2). Job-Related Temporary Disability/Leave Without Pay: ERS members who request to be placed on a leave of absence in response to a job-related temporary disability and who do not qualify for ERS disability retirement benefits, may purchase creditable service for up to twelve (12) months of the period of absence. Other conditions include: the application for a service credit must be made in writing; the employee must agree to pay ERS an amount equal to the employee portion of the retirement contribution based on his/her salary at the time the leave of absence, plus 4% interest; the creditable service must be purchased within six (6) months after returning to work; and, no more than twelve (12) months of creditable service may be purchased in any five (5) year period.

(3). Refund Buyback: a member who terminates employment but has not yet retired (or is not eligible to retire) has the option to receive a refund of contributions plus interest. If a member receives a refund, he/she forfeits all creditable service for the period of his/her employment covered by the refund. If the individual returns to active membership in ERS, he/she can re-establish his/her creditable service after being re-employed for a period of two (2) years. At this point, the employee must pay ERS a lump sum payment equal to the refund amount originally received plus 4.25% interest compounded annually from the refund date to the buyback date.

(4). Air Time: active members may increase their retirement benefit when submitting a retirement application by directly purchasing up to three (3) additional years of creditable service. This is commonly known as purchasing "air time". An employee desiring to purchase air time must pay the full cost of the additional service as calculated by the plan's actuary. NOTE: air time does not count toward the ten (10) years of creditable service needed for the member to become vested.

(5). If an individual works in a position covered by the Teacher's Retirement System in a non-TCSG state entity, i.e., another state agency, a Board of Regents college or university, a local board of education, etc., and subsequently becomes an employee of the Technical College System of Georgia, he/she may, if eligible, elect ERS membership and have his/her TRS creditable service and annuity savings fund account transferred to ERS. This decision must be made in writing to ERS. NOTE: if an individual was previously a member of TRS and received a refund of his/her TRS contributions, he/she may perform a refund buyback and establish his/her previous service with ERS after being an active member for at least two (2) years.

(6). The Uniformed Services Employment and Reemployment Rights Act (USERRA) provides members with certain rights regarding their employment and retirement benefits if a member performs qualified military service. If a member returns to employment after a military leave, he/she may receive creditable service for the period of leave if the employee makes application for such service with ERS in writing and he/she pays the applicable employee contributions for the period of service within five (5) years or within three (3) times the length of the qualified military service, whichever is shorter. NOTE: if a member is called to active duty in the National Guard or Reserves and is actively employed but in a non-pay status, he/she may make his/her employee contributions during the active duty period. ERS must be provided a copy of his/her orders as soon as they are received.

(7) Additional information regarding the ability to receive creditable service for "prior service" can be accessed from the ERS website or by contacting ERS.

### 3. Benefits Eligibility

a. Retirement benefits available to a member are based on a benefit's formula funded through employee contributions and employer contributions.

b. A member who has earned ten (10) years of creditable service has a vested right to a service retirement at age sixty (60) even if he/she terminates employment before reaching age sixty (60).

c. A member's "right" to a retirement benefit may be forfeited based on a conviction of state or federal law or a withdrawal of contributions and interest.

d. When a member terminates employment, he/she may be eligible for one of the following types of benefits: service benefits (normal retirement, early retirement, and terminated vested retirement); refund of contribution and interest; disability benefits; or, death benefits.

#### 4. Retirement Benefits

##### a. Service Retirement

(1). Normal Retirement: under the GSEPS, the New Plan, or the Old Plan, a member who reaches the Normal Retirement Age can retire and begin receiving monthly benefits. Normal Retirement Age is defined as the earlier of: reaching age sixty (60) with ten (10) years of creditable service or attaining thirty (30) years of creditable service.

(2) Early Retirement: benefits can commence at any age before the Normal Retirement Age after a member has attained twenty-five (25) years of creditable service. The benefit payable at Early Retirement will be an amount equal to a member's normal retirement benefit earned at that time, reduced by either 7% for each year the member commences benefits prior to age sixty (60) or 7% for each year under thirty (30) years of creditable service, whichever reduction is less. The reduction cannot exceed 35%.

(3) Terminated Vested Retirement: if a member terminates employment after attaining ten (10) years of creditable service, but prior to age sixty (60), he/she will be eligible [given the considerations outlined in Paragraph VI.A.3.(d)] to draw retirement benefits after reaching age sixty (60). NOTE: It is advisable for a former member should contact ERS ninety (90) days prior to reaching age sixty (60).

##### b. Refund of Contributions and Interest

(1). After terminating TCSG employment, an individual is immediately entitled to receive a refund of the contributions and interest in his/her annuity savings fund account in a lump sum payment

(2) The consequences of taking a refund of these monies are as follows: the individual waives all other benefit rights, i.e., no other benefits will be payable to the individual or his/her beneficiary(ies); if an individual has ten (10) or more years of creditable service and is vested, taking refund cancels his/her right to receive a monthly benefit in the future; or if a former ERS member is later rehired, he/she will become a member of the plan in effect at the date of rehire (i.e., currently GSEPS). This is true even if the individual later buys back refunded creditable service.

(3), If an individual has Group Term Life Insurance (GTLI) coverage, he/she waives such coverage when receiving a refund. NOTE: Neither employee or employer contributions made for GRLI premiums are refundable.

##### c. Disability Benefits

(1). A member may receive Disability Retirement Benefits if he/she is an active ERS member at the time he/she becomes disabled; is unable to perform his/her job or any offered alternative position due to one or more permanent medical condition(s); and, if he/she has met minimum

service requirements, of either thirteen (13) years and four (4) months of creditable service (for New Plan and Old Plan members) or fifteen (15) years of creditable service (for GSEPS members).

(2). An application for a disability retirement must be filed prior to the last day of employment. NOTE: it generally takes ERS sixty (60) to ninety (90) days to process an application for disability retirement. Additionally, the five (5) part disability retirement application must be forwarded to the System Office or technical college Office of Human Resources prior to submitting the document to ERS. NOTE: employees considering disability retirement are encouraged to discuss this matter with a human resources representative before submitting the referenced retirement application.

(3). A member who retires under Disability Retirement is subject to medical re-examination annually for the first five (5) years following retirement and every three (3) years thereafter until reaching the age of sixty (60). Refusal to submit to the medical re-examination may result in a discontinuation of benefits until the re-examination occurs. If the refusal continues for one year, all rights to a disability retirement benefit may be revoked by the ERS Board of Trustees.

#### d. Group Term Life Insurance and Accompanying Death Benefits

(1). Participation in Group Term Life Insurance (GTLI) is a condition of employment for all ERS members in the New or Old Plans.

(2) Employees in GSEPS do not have GTLI coverage.

(3) GTLI provides a lump sum death benefit in the event of the death of a member or retiree

(4) The GTLI base benefit is eighteen (18) times a member's monthly eligible compensation; however, as the member ages, the base benefit is reduced. At age sixty (60) a member's eligible compensation is frozen and coverage is reduced by ½% per month until the member reaches age sixty-five (65).

(5) At retirement, the GTLI coverage continues; however, the retiree will no longer pay premiums and the amount of coverage (regardless of age) is reduced to 70% of the benefit payable at the date of retirement or age sixty (60) whichever was earlier.

(6). Disability retirees retain full GTLI coverage until age sixty (60), when coverage reduces to 70%.

#### 5. Designating a Beneficiary

a. All active members are encouraged to designate one or more beneficiary(ies) to receive the ERS benefit which may be payable at the member's death. New and Old Plan members should also designate one or more beneficiary(ies) to receive the Group Term Life Insurance benefits.

b. A new GSEPS member will receive a letter from ERS approximately forty-five (45) days after beginning employment and after the System Office or technical college has reported the membership to ERS. The letter will invite the employee to establish a member account

online at [www.ers.ga.gov](http://www.ers.ga.gov). After the account has been established, the employee can access his/her account and designate/update his/her beneficiary(ies).

c. A member may designate one or more primary beneficiary(ies) and one or more contingent beneficiary(ies) for both retirement plan benefits and GLI benefits. If a member's Estate is designated as the primary beneficiary, it is not necessary to designate a contingent beneficiary.

d. Failure to designate a beneficiary will result in any applicable death benefits for an active member being paid to the member's estate.

d. At retirement, the member will be asked to choose the form of benefit he/she wishes to receive and designate the applicable beneficiary(ies).

f. Additional information regarding beneficiary designation(s) can be accessed through the ERS website.

## 6. Applying for Retirement

a. An employee must file an application for retirement with ERS at least thirty (30) calendar days but no more than ninety (90) calendar days before his/her projected retirement date.

b. An application for retirement is not considered filed until received by ERS.

c. When an application is received less than thirty (30) days prior to the designated effective date, there will be a one-month delay in the member receiving his/her first benefits check.

d. Retirement benefits are payable on the first day of each calendar month.

e. Employees are encouraged to notify their immediate supervisor, reviewing manager, human resources director or other System Office or college official of his/her projected retirement date as soon as possible after making the decision to retire. This communication should occur no later than thirty (30) days before an employee's retirement will become effective.

## 7. Additional Information Regarding the Employees' Retirement System of Georgia, Member Benefits, and Retirement Options

a. Employees who are members of ERS are encouraged to access additional information about their member benefits and retirement options directly from the ERS website at [www.ers.ga.gov](http://www.ers.ga.gov).

b. Employees who are members of the New or Old Plans can select the ERS option under the Pension Plans tab and select the Handbook (Plan Guide) tab.

c. Employees who are members of GSEPS can select GSEPS Info tab under Pension Plans for additional information.

d. Questions can also be directed to ERS by calling 404-350-6300 or 1-800-805-4609.

## 8. Returning to State Employment



- a. A TCSG employee who retires on a service retirement with ERS may elect to become a member of TRS if he/she is subsequently appointed to a full-time, TRS-covered position with a TCSG work unit.
- b. If an ERS retiree elects to become a member of TRS as provided in Paragraph VI.B.8.a., his/her ERS retirement benefits/allowance will be suspended if he/she works more than 1,040 hours during a calendar year.
- c. Pursuant to the provisions of O.C.G.A. §47-2-110(4):
  1. it is the responsibility of a retired ERS plan member to notify a TCSG work unit of his/her retirement status prior to accepting a position;
  2. Any TCSG work unit that employs an ERS retiree must notify the ERS Board of Trustees, in writing, within thirty (30) days after employment is accepted of the name of the retiree and the number of hours the individual is projected to work annually;
  3. If a retiree works more than 1,040 hours in any calendar year, the TCSG work unit must notify the ERS Board of Trustees as soon as this information is known;
  4. Any TCSG work unit that fails to provide the required notification outlined in Paragraph VI.B.8.c.1. must reimburse ERS for any benefits wrongly paid; and,
  5. If a retired ERS plan member fails to notify a TCSG work unit of his/her retirement status and is subsequently employed and the work unit becomes liable to ERS for the inappropriate payment of retirement benefits, the plan member shall hold the work unit harmless for all liability incurred.

## **C. Teachers Retirement System**

### **1. Retirement Plans**

- a. All TRS members belong to a defined benefit plan offering two distinct “plans” of retirement. The first provides a maximum benefit to the member. The second provides a reduced benefit and a monthly survivor’s benefit to a member’s beneficiary(ies) after his/her death.

(1).Maximum Plan: this plan provides a member with the largest possible monthly lifetime benefit for the remainder of his/her life. The contributions and interest made by the member during his/her employment are reduced monthly from the gross benefit payment. In most instances, the contributions and interest will be depleted within 18 months of retirement; however, the monthly benefits will continue for the remainder of the member’s life. The named beneficiary does not receive a monthly benefit after the death of a retiree; however, if the retiree dies before receiving the total amount of his/her contributions and interest, the remaining funds are paid in a lump sum to the designated beneficiary.

(2) Survivorship Plan: this plan provides members with six (6) survivorship options which are outlined in the TRS Member Guide. A member selecting the survivorship plan will receive an actuarially-reduced monthly benefit to provide the designated beneficiary(ies) with a lump sum payment or monthly payment for life after a retiree’s death.

## 2. Creditable Service

- a. a TRS member may establish up to forty (40) years of creditable service through one or more of the following:

(1).membership service for work performed in a TRS-covered position;

(2) service that the member purchases, if eligible; and,

(3).unused sick leave credit that is retroactively awarded one or two months after a member's retirement date.

b. Membership Service: an individual's normal active service for which he/she has been employed and for which he/she has made and is making contributions to TRS. The position held must be permanent and the member must work or be on paid leave at least one-half of the normal working days and working hours in a given calendar month. A member working nine (9) calendar months in a year will receive credit for one year of service.

c. Service Available for Purchase: depending upon the type of service to be purchased, a member must submit either a completed TRS form, a letter, or a written or verbal request. After the information is received by TRS, a cost calculation will be mailed to the member if the service is eligible for purchase. Examples of available service purchases include:

(1).TRS Withdrawn Service: if an individual was previously a TRS member and withdrew available funds, his/her service credits were also withdrawn for those years of service. After re-establishing membership, the member may repay his/her withdrawn account(s) and reinstate the previous service credit. The member is eligible to purchase the withdrawn service after having completed three a minimum of three (3) years of TRS service and repaying the total amount of monies withdrawn plus interest. The number of years of active membership needed to purchase previous service is based on the number of previous TRS accounts (i.e., periods of employment).

(2). ERS Withdrawn Service: if a TRS member was previously an ERS member and withdrew available funds, he/she may purchase the withdrawn ERS service by repaying the total amount of monies withdrawn plus interest after completing a minimum of three (3) years of TRS service.

(3). Out- of-State Service: may be established only if the out-of-state employment (had it been rendered in Georgia) would have been considered TRS eligible service (i.e., permanent, half-time or greater service at an out-of-state public school, college or university). Service credits cannot be established if the member is eligible to receive a retirement benefit from this service. After a member works six (6) years in Georgia, he/she can purchase one additional year of out-of-state service for each year of Georgia service, up to a maximum of ten (10) years. The member must pay both employee and employer costs plus interest based on the salary earned at the out-of-state school.

(4) Air Time: a member possessing at least twenty-five (25) years of creditable service may purchase up to three (3) additional years of service at retirement. Air time service can only be purchased at the time a member applies for retirement and the cost of such service will be the

full actuarial amount to fund the additional benefit. These monies will be refunded if the retirement application is later withdrawn.

d. Unused Sick Leave Credit: each TRS covered employer that a member has worked for must certify the member's sick leave as part of the retirement process. Unused sick leave is allowed only for State of Georgia service, including repurchased withdrawn TRS accounts and service transferred from a local retirement plan. NOTE: Georgia law does not permit unused sick leave credit to be granted for any other service including ERS and PSERS.

(1). Unused sick leave credit is awarded on the basis on one month of service for every twenty (20) days of unused sick leave. Nine (9) months of sick leave credit equals one year of credible service.

(2). A member must have at least sixty (60) days of unused sick leave combined from all TRS covered employers to be eligible for a sick leave credit at retirement.

(3). The maximum monthly sick leave accumulation/accrual for a TRS service credit is 1 ¼ days per month of actual service.

(4). A member's monthly benefit will be adjusted retroactively for any unused sick leave credit applied toward his/her total creditable service.

(5). Members cannot be paid for unused sick leave by a covered employer and also receive a service credit.

### 3. Benefits Eligibility

a. Retirement benefits available to a member are based on a benefits formula funded through employer contributions and employer contributions.

b. A member who has earned ten (10) years of creditable service has a vested right to a service retirement at age sixty (60) even if he/she terminates employment before reaching age sixty (60) provided he/she has not withdrawn his/her TRS contributions;

c. When a member terminates employment, he/she may be eligible for one of the following types of benefits: service benefits (normal retirement, early retirement and terminated vested retirement) or, a disability retirement.

### 3. Retirement Categories

a. Normal Service Retirement: pertains to those members who reach the service eligibility requirements for the distribution of monthly benefits without penalty to include:

(1).thirty (30) or more years of creditable service regardless of age; or,

(2). ten (10) of more years of creditable service and at least age sixty (60).

NOTE: a vested member who is not eligible for a normal service retirement may elect to terminate his/her TRS-covered employment and freeze his/her retirement until age 60, thereby allowing the member to receive monthly retirement benefits at age 60 without penalty.

b. Disability Retirement: an active member is eligible to apply for a disability retirement if he/she has at least ten (10) years of creditable service and is no longer able to perform his/her job duties due to a physical or mental impairment or a combination of both. Disability status is determined by a panel of physicians comprising the TRS Medical Board. A member may be approved for temporary disability retirement, for permanent disability retirement or may be denied benefits. Temporary disability means that the member must be re-examined after one year of disability benefits to determine any change(s) in the member's condition. The member may be approved again or may be denied continuation of benefits if the condition has improved enough that he/she is able to (again) perform the job duties of the last job held. All disability retirees may be re-examined as provided for by law. If denied, a member may appeal the decision, in writing, within sixty (60) days.

c. Early Retirement: within TRS guidelines, the term is defined as a retirement by a member that begins distribution of his/her monthly retirement benefits when he/she has an active account with at least twenty-five (25) years, but less than thirty (30) years of creditable service and the member has not reached age sixty (60).

(1). If a member's unused sick leave credit will give him/her twenty-five (25) years of creditable service, the member may use his/her sick leave credit to become eligible for retirement. In this instance, the sick leave will be processed by TRS prior to completing the member's retirement application.

(2). If early retirement is selected, a monetary penalty of the lesser of the following two options will apply: 1/12 of 7% for each month below age sixty (60) or 7% for each year or fraction of a year below thirty (30) years of service.

d. Terminated Vested Retirement: if a member is vested and no longer contributing to TRS (i.e., terminates employment with a TRS covered employer prior to age sixty [60]), he/she will be eligible to apply for retirement benefits when he/she reaches age sixty (60). It is the former member's responsibility to apply for benefits at the time he/she becomes eligible. The member may apply for retirement benefits during the six (6) month period prior to attaining age sixty (60), but no later than the month the benefits are to become effective. If a former member fails to apply for benefits in the required time frame, TRS will not pay any benefits between the time of the individual's first eligibility and the time of the application.

## 5. Options for a Member Terminating Employment Before Reaching Retirement Eligibility

### a. Less Than Ten (10) years of Creditable Service (Not Vested):

(1). A member may leave his/her funds in TRS and collect interest for up to four (4) years;

(2). A member may withdraw funds in his/her account. The refund payment is a lump-sum distribution of a member's contributions and interest and is subject to applicable state and federal taxes. In certain instances, additional federal taxes are required from the taxable portion of the refund. To defer tax implications, a member may elect a direct rollover of all or some (i.e.,

the taxable portion of the refund) to another qualified retirement plan, a 403(b) tax sheltered annuity, a governmental 457 plan or a traditional Roth or rollover IRA.

(3) As provided in Paragraph VI.C.2.c.(1)., an individual who re-establishes and maintains his/her TRS membership for a minimum period of three (3) years may re-establish withdrawn service by repaying the withdrawn amount plus interest. If a member has three (3) or more withdrawn accounts, the minimum work period increases.

b. At Least Ten (10) Years of Creditable Service (Vested), But Under Retirement Age:

(1). A member may leave his/her funds in TRS and receive benefits starting at age 60.

(2). A member may withdraw funds in his/her account. The refund payment is a lump-sum distribution of a member's contributions and interest and is subject to applicable state and federal taxes. In certain instances, additional federal taxes are required from the taxable portion of the refund. To defer tax implications, a member may elect a direct rollover of all or some (i.e., the taxable portion of the refund) to another qualified retirement plan, a 403 (b) tax sheltered annuity, a governmental 457 plan, or a traditional Roth or rollover IRA.

(3). As provided in Paragraph VI.C.2.c.(1)., an individual who re-establishes and maintains his/her TRS membership for a minimum period of three (3) years may re-establish withdrawn service by repaying the withdrawn amount plus interest. If a member has three (3) or more withdrawn accounts, the minimum work period increases.

c. A member who terminates employment with one covered employer to accept a TRS covered position with another covered employer is not eligible for a refund of the funds in his/her TRS account.

## 6. Designating a Beneficiary

a. A new member of TRS will be notified in writing requesting that he/she designate a primary and secondary beneficiary(ies) via his/her online TRS account.

b. Employees are encouraged to keep their beneficiary(ies) up-to-date should their personal situation change. NOTE: a will, divorce decree, remarriage, etc. does not determine the settlement of a member's TRS account; instead, Georgia law requires that the settlement be made according to the beneficiary designation on file with TRS.

## 7. Applying for Retirement Benefits

a. An employee must apply for a service retirement online via his/her TRS personal account. After initiating an online application, a member has forty-five (45) days to complete the application. If not completed within this time frame, the member must begin the process again.

b. In addition to the online application, a member must also complete additional steps which are outlined in the TRS Member Guide.

b. An application for a service retirement must be received by TRS no later than the end of the month in which the retirement is to become effective and no earlier than 180 days (6 months) in

advance of the anticipated effective date. NOTE: TRS recommends that a member considering retirement begin the process six (6) months prior to the planned retirement date.

c. If a member is eligible to establish service credit in addition to membership service, the member must do so before the effective date of his/her retirement. After a retirement becomes effective, a member/retiree is no longer eligible to establish additional service credit(s).

d. Generally, the first retirement benefit payment will be a paper check processed on a "New Retirement Payroll" which is normally scheduled for the middle of each month. Future benefit payments will be transferred electronically into a retiree's account (e.g. checking or savings account) on the first business day of each month.

e. Employees are encouraged to notify their immediate supervisor, reviewing manager, human resources director, or other System Office or technical college official of his/her projected retirement date as soon as possible after making the decision to retire. This communication should occur no later than thirty (30) days before an employee's retirement will become effective.

## 8. Returning to State Employment

a. A TCSG employee who retires on a service retirement with TRS is prohibited by the provisions of O.C.G.A. §47-3-60(m) and corresponding TRS plan guidelines from returning to full-time employment with a TCSG work unit and becoming a member of ERS.

b. A TRS retiree may return to work in one of the following capacities:

### 1. Part-time Employment

(a). A TCSG retiree may work in a salaried position provided he/she receives no more than 49% of the normal monthly contracted salary/compensation for the position held and works no more than 49% of the full-time status of the position; or,

(b). A TCSG retiree may work in an hourly paid position provided: he/she receives no more than 49% of the salary/compensation that would normally be paid if he/she worked on a full-time basis in the position; and, his/her "hours worked" in a given calendar month does not exceed the maximum number of hours threshold for that month as established by TRS.

### 2. Temporary Employment

(a). A TCSG retiree may return to temporary employment in a full-time capacity for no more than three (3) months in a fiscal year provided the retiree is paid at the normal salary/compensation for the position held. NOTE: the three (3) months do not have to be worked consecutively.

### 3. Adjunct Faculty

(a). Pursuant to TRS plan guidelines, a TCSG retiree may serve as adjunct faculty (e.g., an adjunct instructor) at the historical rate of pay for the academic area of assignment.

c. Georgia law stipulates that TRS-covered employers must certify the date a TRS plan member's employment is or will be terminated and that no agreement exists to permit the individual to return to service after retirement to include service as an independent contractor.

d. TRS retirees must have a break-in-service of at least one (1) calendar month before returning to employment with a TRS-covered employer. If a TCSG work unit employs a retiree during the calendar month immediately following the individual's retirement, the work unit must reimburse TRS for that month's benefit; however, if the retiree fails to notify his/her TRS-covered employer of the effective date of his/her retirement, the retiree will be required to reimburse the employer for these monies.

e. If a TRS retiree returns to a TRS covered position in a TCSG work unit working one-half time or more (with the limited exception noted in Paragraph VI.C.8.b.2(a), his/her TRS pension will cease. If a retirement benefit is stopped, the retiree can elect to suspend or terminate his/her retirement benefit. If the retiree does not elect to suspend or terminate his/her benefit, termination of the retirement benefit by TRS is the default position taken. More information regarding these options can be found on the TRS website ([www.trsga.com](http://www.trsga.com)). NOTE: a retiree is encouraged to consult with TRS before making a decision to suspend or terminate his/her retirement benefit given that his/her choice will impact the available benefit at re-retirement.

#### 9. Additional Information Regarding the Teachers Retirement System of Georgia, Member Benefits, and Retirement Options:

a. Employees who are members of TRS are encouraged to access additional information about their member benefits and retirement options directly from the TRS website ([www.trsga.com](http://www.trsga.com)) and the TRS Member Guide.

b. Questions can be directed to TRS by calling 404-352-6500 or 1-800-352-0650.

#### **D. Public School Employees Retirement System**

1. In the rare instance that a newly hired employee appointed to a salaried, benefits-eligible position is not eligible for membership in the Teachers Retirement System or the Employees' Retirement System, he/she shall become a member of the Public School Employees Retirement System (PSERS). PSERS is administered by the Employee's Retirement System of Georgia.

2. Pertinent information regarding PSERS can be obtained by accessing the Employees' Retirement System website ([www.ers.ga.gov](http://www.ers.ga.gov)); selecting the Pension Plans tab; selecting PSERS; and then selecting the Handbook (Plan Guide) tab.

3. Questions relating to PSERS membership and benefits information can also be directed to Employees' Retirement System by calling 404-350-6300 or 1-800-805-4609.

#### **VII. RECORD RETENTION**

Records created or collected pursuant to this procedure shall be maintained pursuant to the Georgia Archive's Retention Schedule for State Government Paper and Electronic Records.