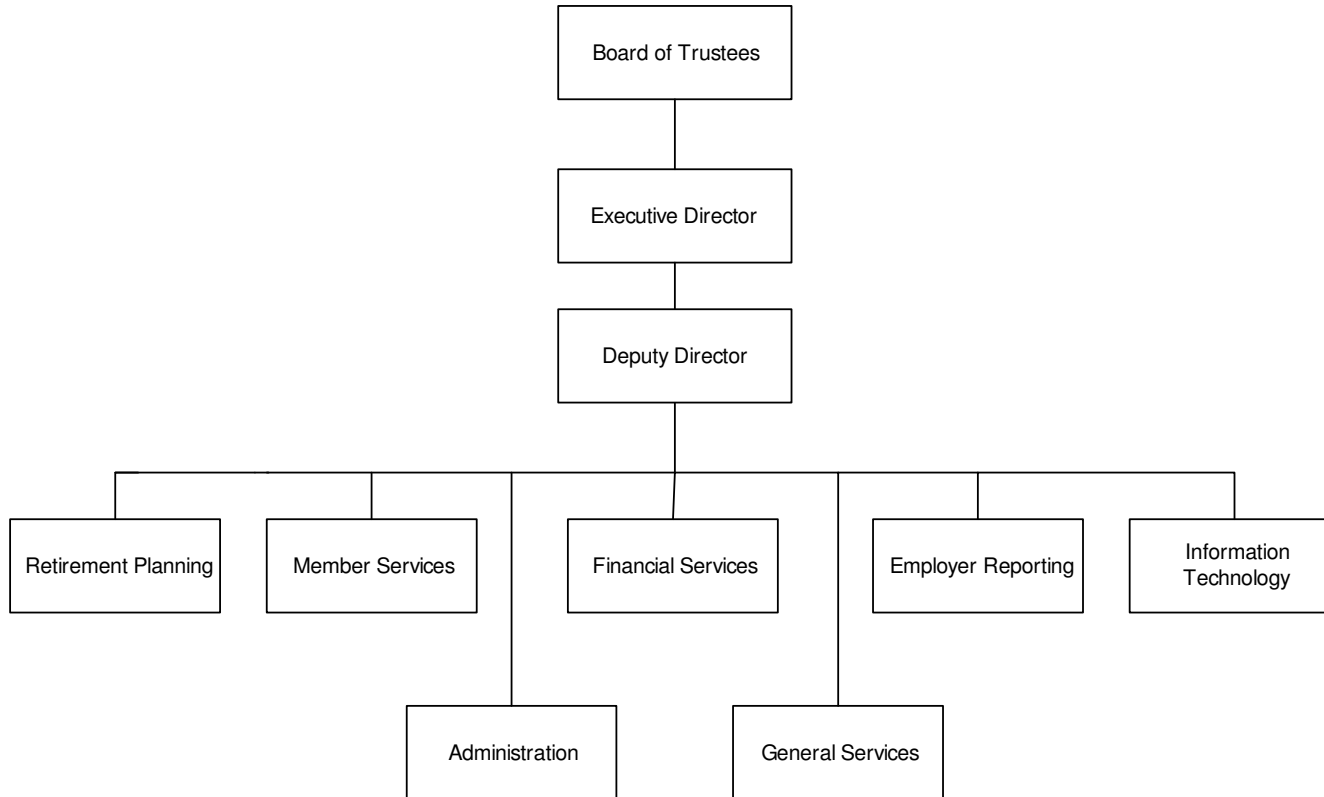


# EMPLOYEES' RETIREMENT SYSTEM

## ORGANIZATIONAL CHART



# EMPLOYEES' RETIREMENT SYSTEM

## **Roles and Responsibilities:**

By statute, the staff of the Employees' Retirement System (ERS) administers 9 separate retirement systems and programs: ERS, the Legislative Retirement System (LRS), the Georgia Defined Contribution Plan (GDCP), the Georgia Judicial Retirement System (GJRS), the Public School Employees Retirement System (PSERS), the State Employees' Assurance Department (SEAD), the Georgia Military Pension Fund (GMPF), PeachState Reserves and the Social Security contracts between the state and its political subdivisions.

In general, ERS is a vehicle for collecting employee and employer contributions, investing accumulated funds, and disbursing retirement benefits to members and beneficiaries. As required by Georgia law, the system is examined on an annual basis by an independent actuarial firm that specializes in pension and retirement plans. The firm prepares a yearly valuation on the contingent assets and liabilities of the system, thus revealing its ability to meet the future obligations of each retirement plan. An independent accounting firm also audits the system each year.

## **EMPLOYEES' RETIREMENT SYSTEM**

Since 1950, the staff of ERS has administered retirement benefits for state employees in accordance with the Official Code of Georgia. Full-time employees of participating departments are required to become members of ERS as a condition of employment, with the exception of employees who first become eligible after age 60.

The ERS Board of Trustees is ultimately responsible for administration of the system, while the executive director – who is appointed by the board and serves at the pleasure of its members – is responsible for daily management of ERS operations. The board consists of 7 members as follows:

- Three ex officio members (State Auditor, State Merit System Commissioner, and Office of Treasury and Fiscal Services Director).
- One member appointed by the Governor
- Two members – appointed by the first 4 members – with 5 or more years of creditable service with ERS and
- One member – appointed by the first 6 members – who must not hold public office, not be an ERS member, and have at least 10 years of experience in the investment of money.

The members who are not ex officio members serve 4-year terms.

## **LEGISLATIVE RETIREMENT SYSTEM (LRS) AND GEORGIA DEFINED CONTRIBUTION PLAN (GDCP)**

LRS is a retirement plan for members of the General Assembly, while GDCP is a plan for temporary, seasonal, and part-time employees of the state not covered by ERS or the Teachers Retirement System (TRS). Both plans are placed under the administration of the ERS Board of Trustees.

## **GEORGIA JUDICIAL RETIREMENT SYSTEM (GJRS)**

This system is for members and retirees of the Superior Court Judges Retirement System, the District Attorneys' Retirement System, and the Trial Judges and Solicitors Retirement Fund as well as certain employees of the Attorney General and Legislative Counsel. The GJRS Board of Trustees consists of the 7 ERS trustees plus 3 additional members appointed by the Governor who serve in 1 of the following positions: state court judge, superior court judge, state court solicitor-general, juvenile court judge, or district attorney. These appointments are for 4-year terms.

## **PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)**

PSERS offers a supplemental retirement plan to certain public school employees not covered by TRS. These employees include bus drivers, cafeteria workers, and custodians. The PSERS Board of Trustees consists of the seven ERS trustees plus 2 additional members appointed by the Governor for 4-year terms.

## **GEORGIA MILITARY PENSION FUND (GMPF)**

GMPF provides retirement allowances and other benefits for the Georgia National Guard. A member becomes eligible for benefits upon attainment of age 60 with 20 or more years of credible service (including at least 15 years of service as a member of the National Guard), having served at least 10 consecutive years as a member of the National Guard immediately prior to discharge, and having received an honorable discharge.

## **PEACHSTATE RESERVES**

PeachState Reserves, which was transferred from the Georgia Merit System to ERS by executive order on July 1, 2005, is the deferred compensation retirement plan for the State of Georgia. Through this program, employee contributions and investments in 401k, 430b, and 457 plans are administered by ERS.

## **AUTHORITY**

Title 45 and 47 of the Official Code of Georgia Annotated.

# EMPLOYEES' RETIREMENT SYSTEM

## DEPARTMENT BUDGET FINANCIAL SUMMARY BY PROGRAM - FISCAL YEAR 2007

Program / Fund Sources	FY 2007 Agency Request Total	FY 2007 Governor' s Recommendation						Total
		FY 2006 Current Budget	Redistribution	Reductions	Enhancements	Other Adjustments	Total Changes	
<b>Deferred Compensation</b>								
Other Funds	\$4,054,970	\$3,128,121			\$616,659	\$15,778	\$632,437	\$3,760,558
Total	4,054,970	3,128,121			616,659	15,778	632,437	3,760,558
<b>Georgia Military Pension Fund</b>								
State General Funds	1,005,099	890,651			114,448		114,448	1,005,099
Total	1,005,099	890,651			114,448		114,448	1,005,099
<b>Public School Employee' s Retirement System</b>								
State General Funds	4,221,996	4,221,996						4,221,996
Total	4,221,996	4,221,996						4,221,996
<b>System Administration</b>								
Other Funds	17,200,487	19,985,487		(\$2,785,000)		108,518	(2,676,482)	17,309,005
Total	17,200,487	19,985,487		(2,785,000)		108,518	(2,676,482)	17,309,005
<b>TOTAL FUNDS</b>	<b>\$26,482,552</b>	<b>\$28,226,255</b>	<b>\$0</b>	<b>(\$2,785,000)</b>	<b>\$731,107</b>	<b>\$124,296</b>	<b>(\$1,929,597)</b>	<b>\$26,296,658</b>
<b>Less:</b>								
Other Funds	21,255,457	23,113,608		(2,785,000)	616,659	124,296	(2,044,045)	21,069,563
Subtotal	\$21,255,457	\$23,113,608	\$0	(\$2,785,000)	\$616,659	\$124,296	(\$2,044,045)	\$21,069,563
State General Funds	\$5,227,095	\$5,112,647			\$114,448		\$114,448	\$5,227,095
<b>TOTAL STATE FUNDS</b>	<b>\$5,227,095</b>	<b>\$5,112,647</b>	<b>\$0</b>	<b>\$0</b>	<b>\$114,448</b>	<b>\$0</b>	<b>\$114,448</b>	<b>\$5,227,095</b>

## EMPLOYEES' RETIREMENT SYSTEM

### DEPARTMENT BUDGET FINANCIAL SUMMARY BY OBJECT CLASS - FISCAL YEAR 2007

Object Classes / Fund Sources	FY 2007 Agency Request Total	FY 2004 Expenditures	FY 2005 Expenditures	FY 2007 Governor' s Recommendations		
				FY 2006 Current Budget	Changes	Total
Personal Services	\$6,307,157	\$3,416,113	\$4,940,817	\$6,283,229	\$124,296	\$6,407,525
Regular Operating Expenses	624,722	391,153	408,420	621,910		621,910
Travel	73,291	15,436	10,571	72,000		72,000
Equipment	12,450	1,000	1,700	12,450		12,450
Computer Charges	6,509,486	1,366,639	3,325,241	8,789,200	(2,279,714)	6,509,486
Real Estate Rentals	575,409	561,195	561,195	574,995		574,995
Telecommunications	96,793	130,043	77,742	96,187		96,187
Per Diem and Fees	1,142,830	1,347,660	966,560	1,141,000		1,141,000
Contracts	5,913,319	2,883,942	2,990,011	5,522,637	111,373	5,634,010
Georgia Military Pension Fund	1,005,099	617,000	890,651	890,651	114,448	1,005,099
Public School Employees' Retirement System	4,221,996		1,420,696	4,221,996		4,221,996
<b>TOTAL FUNDS</b>	<b>26,482,552</b>	<b>10,730,181</b>	<b>15,593,604</b>	<b>28,226,255</b>	<b>(1,929,597)</b>	<b>26,296,658</b>
Less:						
Other Funds	\$21,255,457	\$10,113,181	\$13,282,257	\$23,113,608	(\$2,044,045)	\$21,069,563
State General Funds	\$5,227,095	\$617,000	\$2,311,347	\$5,112,647	\$114,448	\$5,227,095
<b>TOTAL STATE FUNDS</b>	<b>\$5,227,095</b>	<b>\$617,000</b>	<b>\$2,311,347</b>	<b>\$5,112,647</b>	<b>\$114,448</b>	<b>\$5,227,095</b>
Positions	112	66	87	112		112
Motor Vehicles	1	1	1	1		1

## EMPLOYEES' RETIREMENT SYSTEM

### PROGRAM BUDGET SUMMARY - FISCAL YEAR 2007

Program Budgets	FY 2006 Current Budget			FY 2007 Governor' s Recommendations		
	State Funds	Federal and Other Funds	Total	State Funds	Federal and Other Funds	Total
Deferred Compensation		\$3,128,121	\$3,128,121		\$3,760,558	\$3,760,558
Georgia Military Pension Fund	\$890,651		890,651	\$1,005,099		1,005,099
Public School Employees' Retirement System	4,221,996		4,221,996	4,221,996		4,221,996
System Administration		19,985,487	19,985,487		17,309,005	17,309,005
<b>TOTAL FUNDS</b>	<b>\$5,112,647</b>	<b>\$23,113,608</b>	<b>\$28,226,255</b>	<b>\$5,227,095</b>	<b>\$21,069,563</b>	<b>\$26,296,658</b>

# EMPLOYEES' RETIREMENT SYSTEM

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## BUDGET SUMMARY - FISCAL YEAR 2007

Governor' s Recommended Adjustments to the Current Budget	Amounts
<b>FY 2006 STATE GENERAL FUND APPROPRIATIONS</b>	<b>\$5,112,647</b>
<b>Employees' Retirement System</b>	
1. Increase other funds (\$119,883) to reflect an adjustment in the employer share of State Health Benefit Plan premiums from 14.20% to 16.713%.	Yes
2. Increase other funds (\$4,413) to reflect an adjustment in the Workers' Compensation premiums.	Yes
3. Reduce other funds in computer charges (\$2,785,000).	Yes
4. Increase the Georgia Military Pension Fund based on current actuarial valuation.	114,448
5. Increase other funds (\$505,286) to integrate Deferred Compensation into the ERS computer system and provide contract funding (\$111,373) for a third party administrator.	Yes
<b>TOTAL NET STATE GENERAL FUND ADJUSTMENTS</b>	<b>\$114,448</b>
<b>TOTAL STATE GENERAL FUNDS RECOMMENDED</b>	<b>\$5,227,095</b>