



ERS Member Benefits AT A GLANCE



What is ERS?

The Employees' Retirement System (ERS) is a defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. Since its inception in 1945, the plan has provided disability and service retirement benefits to members and survivor benefits to qualified beneficiaries.

A defined benefit plan provides the employee with a specific benefit at retirement by calculating the retirement benefit based on a formula. Benefits are payable monthly for the lifetime of the member, possibly continuing for the lifetime of his or her beneficiary. The *Code of Alabama 1975*, Section 16-25 contains the actual language governing the plan.

Mandatory Participation

Participation in the ERS is mandatory if a person is employed in a position eligible for coverage in a non-temporary capacity on at least a one-half time basis earning at least the federal minimum wage. Once enrolled, the member must continue participation until employment is terminated. Temporary employees with a specific termination date not exceeding one year are ineligible, but temporary employees employed longer than one year must begin participation in the ERS at the beginning of the second consecutive year of employment.

Contributions to RSA

Contributions to the RSA for your retirement benefit come from three sources: Employer (taxpayer), Member, and Investment Earnings (the largest portion). Member contributions are based on percentages of earnable compensation, but earnable compensation cannot exceed 120% for Tier 1 and 125% for Tier 2 of base pay. *See box for explanation of Member Contributions.*

Service Retirement

Service retirement benefits are available to members who cease ERS-covered employment and meet minimum service and age requirements. The monthly retirement benefit is made for life without interruption unless there is a return to full-time employment with a ERS or TRS agency, or to temporary employment in excess of Postretirement limits. A member is eligible to receive retirement benefits under either of the following conditions:

Tier 1

- ◆ Member has at least 10 years of service credit and has attained the age of 60 (age 52 for State Police)
- Or**
- ◆ after accumulating 25 years of service credit (30 years for local units who have not adopted 25-year retirement) at any age.

Tier 2

- ◆ Member has at least 10 years of service credit and has attained the age of 62 (age 56 for State Police and certified, full-time firefighter, correctional officer, and law enforcement officer).

Tier 1 and Tier 2

***Tier 1** plan member: Any member of the Retirement Systems who had service for which he or she received credit in the ERS or in the TRS prior to January 1, 2013.

Member Contributions*

Regular State Employees	7.5%
Full-time, Certified Firefighters Correctional Officers Law Enforcement Officers	8.5%
State Police	10.0%

*Local Units have the option of adopting the state employee rates above or remaining at 5.0% for regular employees and 6.0% for full-time certified firefighters, correctional officers, and law enforcement officers

Tier 2 plan member: Any member of the Retirement System who first began eligible employment with an ERS or a TRS participating employer on or after January 1, 2013, and who had no eligible service in the ERS or the TRS prior to January 1, 2013.

Member Contributions

Regular State and Local Unit Employees	6.0%
Full-time, Certified Firefighters Correctional Officers Law Enforcement Officers	7.0%
State Police	10.0%

Disability Retirement

If the career of a ERS member is cut short because of permanent disability, the member may qualify for monthly disability benefits. To qualify for a disability benefit, the member must meet all the following conditions:

1. The member must have 10 years of creditable service.
2. The member must be in-service. A member is considered in-service if currently working or on official leave of absence for one year, which may be extended for no more than one additional year. A member will not receive service credit for periods of leave without pay.
3. The RSA Medical Board must determine the member to be permanently incapacitated from further performance of duty. The Medical Board bases its determination upon information provided by the member's physician.

Calculating Your Retirement

Average Final Salary x Years and Months of Service x Benefit Factor / 12 = Maximum Monthly Benefit

Tier 1 Example: Average Final Salary: \$35,000 and Service Credit: 27 years and 6 months

$\$35,000 \times 27.5 \times .020125^* / 12 = \$1,614.19$ per month

**2.875% for State Police*

*Any **certified, full-time** firefighter, correctional officer, or law enforcement officer not covered under the State Police retirement plan may receive one additional year of retirement credit for every five years of employment for which the member has remitted the appropriate hazardous duty payment.*

Tier 2 Example: Average Final Salary: \$35,000 and Service Credit: 27 years and 6 months

$\$35,000 \times 27.5 \times .0165^* / 12 = \$1,323.44$ per month

**2.375% for State Police*

Keeping You Informed

RSA Website (www.rsa-al.gov)

The RSA website includes all ERS publications and forms, the RSA monthly newsletter (*Advisor*), financial reports and retirement videos. News from RSA features updates on policies, procedures, new legislation, federal laws, and other late-breaking events.

MOS <https://mso.rsa-al.gov/>

If you haven't already, create an online account with RSA's Member Online Services to view your ERS and RSA-1 statements or change your address.

RSA Newsletter

The *Advisor* is mailed each month to all RSA members, and any other persons or organizations interested in the RSA.

Annual Statement of Account

The ERS provides each member a Statement of Account for the year ending September 30. The statements are mailed to the ERS member's current address on record. You may also view your account statement online.

ERS Publications and Forms

The ERS Member Handbook presents an overview of mandatory participation, creditable service, vesting, disability and service retirement, preretirement death benefits and postretirement employment. Each new member is mailed a handbook and one can be requested at any time. Forms and all publications are available on our website.

Seminars

The RSA offers its members several opportunities for retirement education. Retirement Preparation Seminars are offered at various sites throughout Alabama. This program helps members to begin or continue their planning and preparation for retirement, The RSA also offers mid-career seminars for members with 1-19 years of service credit. They are called Control Your Money Game and are half-day seminars to help you get and stay on the right track for retirement. Individual counseling appointments are offered across the state as well as in Montgomery at our RSA Headquarters. Contact Member Services to make an appointment.

***For questions regarding your benefits or to set up an appointment, please call
Member Services at 877.517.0020 or 334.517.7000***

