

" FOR YOUR INFORMATION "

Jim Hodges, Chairman
Governor

State Budget and Control Board

John Drummond, Chairman,
Senate Finance Committee

Grady L. Patterson, Jr.
State Treasurer



Henry E. Brown, Jr., Chairman,
Ways and Means Committee

James A. Lander
Comptroller General

Richard Kelly, Executive Director

A NEWSLETTER FOR SCRS EMPLOYERS



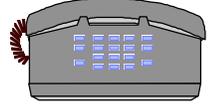
FIELD SERVICES

Attention employers in the following counties : Charleston, Dillon, Darlington, Florence, Georgetown, Horry, and Marion.

Larry Sanderson is your assigned Field Services representative and he will be out on sick leave for an indefinite period of time.

Please contact either Lynn Boles (803) 737-6889 or Brenda Hudson (803) 737-6802 if you need assistance for: benefit fairs, Ready-Set-Go meetings, Benefit Overviews or any employee or employer matters that require assistance.

You may also contact Customer Service 1-800-868-9002 or 803-737-6800 to leave them a message. They will contact you and then schedule one of the field staff to assist you during Larry's absence.



GOLD STAR IDEA

Our brochures will be taking on a new look in the months to come.

In order to better serve our members, the Retirement Systems has formed a committee to review the existing brochures and create a more user friendly format.

More on the changes in our Fall edition of "FYI".



EMPLOYER CONTRIBUTIONS ON WAGES PAID TO RETIRED MEMBERS

The 1999/2000 State Appropriations Act requires all employers to remit employer contributions on all wages paid to employees who are retired members of the SCRS or PORS. Employers will be required to pay all applicable employer contributions, including the retiree insurance surcharge, Group Life insurance and, in the PORS, Accidental Death

contributions. This applies to all wages paid to retired members on or after July 1, 1999. Employee contributions must **not** be withheld on wages paid to retired members.

The Monthly Deposit, Quarterly Contribution Report Summary, and other reporting forms will be revised to collect retiree wage information. In order to facilitate reporting of detailed quarterly retiree wage information, a minor revision has been made to the magnetic media reporting specifications. The change redefines an existing field (ORP indicator) in the data specifications. The record layout and field explanations have been revised to accommodate the reporting of this information. Employers who report by paper will need to include this additional field when reporting quarterly.

Employers will be required to report **all** retiree wages. Employers failing to report retired members and remit required employer contributions will be subject to interest assessments and other statutorily prescribed penalties. In addition, any employer failing to properly report retired member earnings will be required to reimburse the Retirement

Systems for all benefits wrongly paid to the retiree. Employers using the SCRS PC Program will receive a revised version of this software in ample time to submit contribution reports for the quarter ending September 30, 1999. Employers who have not received revised software by August 16, 1999 should contact Glenn King at (803) 737-6919.

Questions concerning this memo should be directed to our Employer Services department (803-737-6903) or our Customer Service department at (1-800-868-9002 or 737-6800).

Legislative Update



EXTRA!! EXTRA!!

It's that time of year again for the legislative update. During the 1999 Session of the General Assembly there were several amendments to the Retirement Act. We are happy to include the legislative update as a part of this mailing. Be sure to read the attachment carefully and distribute as necessary. You will not be receiving the legislative update as a separate mailing.



**Happy
July 4th from the
Retirement Systems**

SCRS FORMS ON THE INTERNET

The Retirement Systems is proud to announce that you may access the SCRS home page and **download the latest version** of our **forms** at:

WWW.SCRS.State.SC.US and click on **SCRS Forms**. The Adobe Reader is provided on the web site (free of cost) and it must be downloaded to read the publications or to download any data or forms.

Follow the easy directions provided and always have the most current form available at the click of your mouse.

New Effective Dates for Beneficiary



Changes

On June 16, 1999, South Carolina Retirement Systems distributed a memorandum to benefit administrators and payroll officers informing them of a policy change regarding effective dates for beneficiary changes.

On January 1, 2000, the beneficiary designations on a member's retirement application will no longer take effect on the date of receipt, but rather on the date of retirement, if the date of retirement is January 1, 2000, or after.

This change will allow members to maintain, until the date of retirement, separate beneficiaries for their active group life insurance and active membership survivor benefits, including contingent beneficiaries.

We are in the process of updating our retirement applications to reflect this change. Since we wish to include pertinent changes from the current legislative year, the revised applications will not be distributed until later this fall. Until the revised applications become available, any member filing a retirement application with a date of retirement of January 1, 2000, or after, will receive a letter of notification regarding this change.

Should a prospective retiree, at any time, need to determine his/her current active membership beneficiaries, Customer Service will be happy to mail a duplicate member's statement to his/her address on file. Should you, or your retiring employees, have any questions about this upcoming change, please feel free to call Customer Service at 1-800-868-9002 or 803/737-6800.

We appreciate any efforts that you make to communicate information

about this policy change to employees .

As employers, your assistance in this matter, and in your Retirement Systems' partnership role, is greatly appreciated.

INSTALLMENT LOAN RATE

The installment loan rate for 1999 is 9.75% ,effective July 1,1999.



TIP OF THE QUARTER

One of the benefits of membership with the Retirement Systems is the ability to purchase various types of service credit. Please inform your employees that the **REQUEST** to purchase service **must** be made **prior to termination or retirement.**



YOU MAY BE SENDING US TOO MUCH MONEY

This is not something you hear often; however, in this case it may be true.

We have noticed an increase in retirement contributions being made erroneously on bonuses and other special payments. S. C. Code Ann. §9-1-1020 and §9-11-210(12) specify that bonuses and other special payments are

not subject to retirement contributions.

As a result, earnings represented by such contributions are not applicable to a member's Average Final Compensation and have no effect on a member's retirement benefit. **So . . .**

YOU MAY BE SENDING US TOO MUCH MONEY IF YOU ARE CONTRIBUTING ON:

- X Christmas or Holiday Bonuses;
- X Retirement Bonuses or any single special payment at retirement;
- X Incentive or other special bonuses;
- X Lump-sum payment for sick leave;
- X Any other special payments not considered part of the employee's regular salary base.

If you need further information, please refer to your employer manual or contact Amy Benck, manager of Member Account Services, at 803-737-7582.

Retiree Earnings Limitation

The earnings limit for a service retiree has increased to \$25,000. Service retirees may return to work for an employer covered by the Retirement Systems and earn up to \$25,000 per fiscal year (July 1-June 30).





Let me guess your new address!!

Employers, please remind your employees that it is **their** responsibility to maintain a **current address** with the Retirement Systems when they retire. The agency receives a greater volume of returned 1099's each year. It is an expensive and time consuming process to locate the retirees and re-issue the 1099.



FYI:

A retiree must submit a Form 7202 whenever he/she change either state or federal withholdings or change accounts or banks. Withholdings can be changed at any time during the year. When a retiree changes banks, he will receive a check to his mailing address and the second month the check will once again be deposited into either the checking or savings account. Encourage your employees as they retire to select direct deposit.

All retirees on direct deposit receive an electronic funds transfer stub in January with their January check information and again in the month of July.



New Field Services Representative

The Field Services staff would like to introduce their newest staff member, George Ropp. He may be new to the Retirement Systems but has worn many hats in his 20 years with state government. George began working with the state in 1979 as an analyst with the State Personnel Division of the Budget and Control Board. He has worked at the Department of Labor as well as other agencies. George will be in training for the months to come and then will be assigned an area of the state. We welcome George and look forward to his fresh outlook on retirement issues. Many of you will have the opportunity to meet George in coming months as he travels the state with the other Field Services staff.



TIME is Running Out

It's never too early for your employees to start planning for retirement.

Experts recommend planning begin 10-15 years ahead of the blessed event.

Contact Beverly Cave at 803-737-6882 for information on how to conduct and schedule a Pre-retirement seminar.

SCRS EMPLOYEE OF The YEAR

1998-99



Angela Rodgers from the Service department was the 1998-99 winner of the SCRS Employee of the Year award.

Angela has been with the Retirement Systems since the summer of 1985 . Angela is now a Benefit Counselor in the Service department and cheerfully and willingly assists the members in their service purchase needs. We at the agency are proud of Angela's efforts .

Deborah Linn Hornaday



1958 - 1999

We regret to inform you that Deborah Hornaday, 20-year employee of the Retirement Systems, passed away May 31.

Throughout her career, Deborah worked extensively with employers and members alike. She will be remembered as a devoted employee who worked continually in the best interests of those whom she assisted.

At a recent ceremony, members of her family were presented with a plaque honoring Deborah for her service and dedication to the agency. We extend our sincerest condolences to her family.

1999-2000 Events



Calendar

Please submit your requests for benefit fairs, benefit overviews or other scheduled events for the fall and winter months to the Field Services department as soon as possible. The staff schedules events up to a year ahead of time and has limited dates and manpower left for those months. Events will be scheduled on a first-request basis.

FYI STAFF

Lynn Boles

Beverly Cave

Brenda Hudson

George Ropp

Deno Verenes