

The General Retirement System for Employees of Jefferson County

Member Handbook

Revised January 2020
Reprinted September 2021

Member Handbook Receipt

I hereby acknowledge receipt of my Member handbook (Revised as of January 10, 2020 and reprinted September 2021)

Print Member Name

Signature of Member

Department Name

Social Security Number

Date

MEMBER HANDBOOK

FOR

THE GENERAL RETIREMENT SYSTEM
FOR EMPLOYEES OF JEFFERSON COUNTY

(As of January 10, 2020 and reprinted September 2021)

716 Richard Arrington Jr. Blvd. N
Suite 430 Courthouse
Birmingham, Alabama 35203

questions@grsal.net

www.grsal.net

(205) 784-4530

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GENERAL INFORMATION

Introduction.

The General Retirement System for Employees of Jefferson County (“GRS” or “System”) was established in 1965 by Act No. 497 of the Alabama Legislature, which was amended and restated in 2013 by Act No. 415, was further amended in 2019 by Act No. 243 and is now codified at §45-37-123 *et seq.*, Alabama Code (collectively, the “Act”). The purpose of GRS is to provide its vested members with retirement income and, if the member so chooses, the member’s spouse or designated beneficiary. GRS is a separate entity and separate jurisdiction from Jefferson County. GRS maintains all System assets in the GRS Trust Fund.

The GRS Pension Board is responsible for the administration and operation of the System. The GRS Pension Board is made up of five (5) members. Member Number One serves as the Chairman and is appointed by the Jefferson County Commission. Member Number Two is appointed by the Jefferson County Probate Judge. Member Number Three is appointed by the Personnel Board of Jefferson County. Member Number Four and Member Number Five are elected by the members of the System. Member Number Four must be a retired member of the System. Each Board member serves a three (3) year term of office.

GRS is not a department, agency, institution or instrumentality of Jefferson County. GRS is a separate employer from Jefferson County. Jefferson County, its governing body, elected officials and appointed officials have no authority or control over GRS, its employees or assets. GRS assets are not public funds. GRS is not a public corporation.

This Handbook serves as a summary of the GRS pension Plan. This Handbook is intended to provide you with an easy to understand explanation of your retirement benefits and is not intended to be the basis for making any individual or personal decisions. If this Handbook does not answer your questions, please contact the GRS office. The GRS staff welcomes your questions regarding your pension benefit.

This Handbook is for informational purposes only and to the extent there is a conflict with the Act or the GRS Pension Plan, the Act and the Plan control. Any terms that are capitalized but not defined herein shall be as defined in the legal GRS Plan document.

This Handbook describes the current provisions of the GRS Plan, as designed to comply with applicable legal requirements. The Plan is subject to federal laws, such as the Internal Revenue Code (“IRC”), and other federal and state laws which may affect your rights. The provisions of the GRS Plan are subject to revision due to, among other events, a change in laws or due to pronouncements by the Internal Revenue Service (“IRS”) or due to laws passed by the Alabama Legislature.

Type of Plan.

The GRS Plan is a qualified defined benefit pension plan and is also a “governmental plan” within the meaning of IRC Section 414(d) and within the meaning of Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and, as such, is exempted from the provisions of Title I of ERISA.

Benefits provided by the GRS Plan are NOT insured by the Pension Benefit Guaranty Corporation because the insurance provisions under ERISA are not applicable to the GRS Plan.

GRS Office.

The GRS office is located on the 4th floor of the Jefferson County Courthouse and is open Monday through Friday from 8:00am to 4:30pm. GRS staff are responsible for the day-to-day administration and operation of the GRS Plan at the direction of the GRS Pension Board. GRS staff are not employees of Jefferson County.

Any questions or correspondence relating to GRS or the GRS Pension Board should be directed through the GRS office. They may be contacted at:

716 Richard Arrington, Jr. Blvd. N
Suite 430 Courthouse
Birmingham, Alabama 35203
(205) 784-4530

Additional information about GRS and certain forms may be found on the GRS website, www.grsal.net.

System Audit and Actuarial Valuation of the System.

The GRS Board performs an annual audit of the System assets as of September 30 and an annual actuarial valuation is performed as of October 1. The purpose of these studies is to provide assessments of the present and future financial condition of GRS.

MEMBERSHIP

Participation in the GRS Plan is determined by the Act.

Membership.

- **Mandatory Membership**

Membership is mandatory if you are a full-time, classified, civil service employee of Jefferson County, the Personnel Board of Jefferson County, or The General Retirement System for Employees of Jefferson County and begins the first day of your employment. A Beneficiary Designation Form must be completed which can be obtained from the GRS office or GRS website.

- **Optional Membership**

Membership is optional if you are an elected, unclassified, appointed, or part-time employee of Jefferson County, the Personnel Board of Jefferson County, or The General Retirement System for Employees of Jefferson County. You may elect membership by completing a GRS “Application for Membership” form, which may be obtained from the GRS office or the GRS website. This optional election is **IRREVOCABLE** once membership starts. A Beneficiary Designation Form must also be completed with your Application for Membership which can be obtained from the GRS office or GRS website.

Contributions to the Plan.

- **Member Contributions**

Members are required to contribute 6% of their regular gross earnings, before-tax, each pay period. You cannot contribute more or less to the Plan. Your regular gross earnings generally include:

- (a) your regular salary or hourly wages, based on your pay grade, as established by the Personnel Board of Jefferson County or other appropriate authority;
- (b) plus any accumulated vacation time paid to you if included in the calculation of your basic average salary;
- (c) plus certain Worker’s Compensation Benefits (as further described in the GRS Plan’s legal document).

Bonuses, overtime, longevity pay, termination sick pay, uniform allowances, expense allowances, and any other non-regular forms of compensation are excluded from regular gross earnings.

- **Employer Contributions**

Your employer contributes an amount equal to the total of all member contributions.

- **Investment of Trust Fund Assets**

The GRS Pension Board hires investment managers to manage and invest the System assets with the goal of providing investment earnings over a long period of time.

MEMBERSHIP SERVICE

There are two forms of membership service used for calculating your pension benefit– paid and unpaid.

Paid Membership Service.

Paid membership service (“paid service”) includes all months where you made member contributions to GRS. One month of paid service is earned when a member receives pay for over one-half (½) of the calendar month. Non-pay days include, but are not limited to, Administrative Leave Without Pay, Granted Leave Without Pay, Absent With Out Leave, Suspensions, Non-Pay Family Medical Leave, etc.

Unpaid Membership Service.

If you were a member prior to August 16, 1996, you may receive credit for unpaid service in your final retirement calculation. However, if you were employed after August 16, 1996, you cannot receive credit for unpaid membership service (“unpaid service”).

Unpaid service includes:

- The period of time you were employed by Jefferson County in an elected, appointed, classified or unclassified position but you contributed no part of your earnings to GRS.
- The period of time you were employed under the Personnel Board of Jefferson County Civil Service System with a jurisdiction that does not participate in GRS.
- Any period of time during which you received a refund of your member contributions prior to August 16, 1996.

If you separate employment from Jefferson County and receive a refund and are re-employed after August 16, 1996, you forfeit all unpaid service.

Conversion of Military Service.

While remaining actively employed, you can be placed on an “approved” military leave by Jefferson County. If you leave the service of Jefferson County for the purpose of performing approved military leave and you are reinstated to the service of Jefferson County within ninety (90) days after separation from such approved military leave, GRS will receive notification from the Human Resources Department. GRS will request member contributions and County contributions from Jefferson County for the approved military leave time. Once Jefferson County pays the requested contribution amount(s) to GRS, your creditable service record will be updated with the months of service. If you think you may be affected by this law, ask GRS for further details.

*Converted Military Leave is paid in full by Jefferson County. If you separate from employment and receive a refund of your member contribution(s), you will not receive the member contributions that Jefferson County paid on your behalf for converted military service.

Service Records.

Jefferson County is required to provide GRS with all information regarding your employment history, pay and any other information necessary for GRS to properly administer the Plan. If you think your employment records are inaccurate, please contact the Jefferson County Human Resources Department. Any corrections or changes to your employment records must be made prior to your retirement.

Vesting.

A member who has made monthly member contributions to GRS for ten (10) years (120 months) becomes 50% “vested” in a pension benefit under the GRS Plan. For each year of paid service after ten (10) years, a member becomes an additional 10% vested until a member becomes 100% vested in a pension benefit upon completion of fifteen (15) or more years (180 months or more) of paid service to GRS.

Vesting means that you have earned the right to certain benefits:

- Your spouse is covered by an automatic 100% Pre-Retirement Joint Survivor Benefit if you die while actively employed. A 100% Pre-Retirement Joint Survivor Benefit is a monthly benefit paid during your beneficiary’s lifetime based on your years of service at the time of your death that is actuarially equivalent to the benefits that would have been paid to you as if you had terminated employment.
- If you separate employment before you are eligible to elect a Superannuation Retirement Benefit, you may elect a Deferred Retirement Benefit payable at age 60.
- You will receive interest payable on your member contributions if you separate from employment prior to retirement and elect to receive a refund.

Maximum Pension Benefit Reached.

You reach your maximum pension benefit when you have earned thirty (30) years (360 months) of paid service. GRS will notify you by letter when you have earned the maximum benefit. If you remain employed beyond thirty (30) years, you may elect to terminate your 6% member contribution by completing a form with GRS.

If you make this election, the following will apply:

- The election is irrevocable.
- Your final monthly benefit will be calculated at the time you earned thirty (30) years (360 months) of paid service.
- Any member contributions made beyond thirty (30) years will be refunded to you without interest.
- If you remain employed after terminating your member contributions, your final pension benefit will not include any compensation increases, cost of living increases, lump sum vacation pay, etc., that occur after you make this election.

BENEFICIARY DESIGNATION FORM

You should always maintain a current Beneficiary Designation Form on file with GRS. The form is available in the GRS office and on the GRS website, or one can be mailed upon request. Instructions in the form explain how to complete each section. You may contact the GRS office for assistance or with any questions. GRS must receive all pages of the original form for the submittal to be complete. Beneficiary forms maintained outside of GRS are not recognized by GRS including forms maintained by the Jefferson County Human Resources Department.

Important Reminders:

- A marriage or divorce does not automatically change the previous Beneficiary Designation Form on file (except in the case of a 100% Pre-Retirement Joint Survivorship Pension). To change your beneficiary, you must file a new Beneficiary Designation Form with GRS.
- If your designated beneficiary(s) predecease you, please update your Beneficiary Designation Form. Failure to do so could result in this issue being settled in Probate Court with associated court and legal expenses.
- Non-GRS Beneficiary Designation Forms that are maintained outside of the System are not recognized by GRS.
- You may change your beneficiary designations at any time before retirement. The form is available in the GRS office and on the GRS website, or one can be mailed upon request.
- You may request and receive a copy of your completed Beneficiary Designation Form.
- Naming a minor as your beneficiary may result in such distribution being paid to the legal guardian of such beneficiary, to a parent of such beneficiary, a responsible adult with whom the beneficiary maintains residence, or to the custodian for such beneficiary under the Uniform Gift to Minors Act.
- Failure to complete a Beneficiary Designation Form may result in a benefit being made payable to your estate with associated court and legal expenses.

BORROWING MEMBER CONTRIBUTIONS IS NOT ALLOWED

Your benefit or interest under the GRS Plan may not be sold, used as collateral for a loan, given away or otherwise transferred. You may not receive a loan of your member contributions to the GRS Plan. In addition, your creditors may not attach, garnish or otherwise interfere with your benefits. The GRS Plan cannot recognize any domestic relations order attempting to provide your benefit, or any portion thereof, to an alternate payee. Pension benefits become payable only when you separate employment, retire, or upon your death.

PERSONAL STATEMENT OF ESTIMATED RETIREMENT BENEFIT

GRS provides its members an annual “Personal Statement of Estimated Retirement Benefit.” Calculation of this estimate is based on your highest, consecutive thirty-six (36) months of earnings that were subject to the deduction of member contributions to the GRS Plan. Please verify that the information on your statement is correct. While this statement is the most accurate estimate available, statements are not binding. The purpose of the statement is to give you estimated information to consider in making your retirement decisions. Duplicate statements are available on MemberDirect.

MEMBERDIRECT

MemberDirect is a self-service website that is available to all members of GRS where individual retirement information can be accessed securely online. Active members are able to view service, contribution, and beneficiary information as well as obtain selected forms. Active members can also perform benefit estimates and review previous benefit statements. Retired members are able to view benefit payment history, withholding elections, and direct deposit information. Retired members can also obtain direct deposit advices, 1099-Rs and selected forms.

RE-EMPLOYMENT AFTER SEPARATION

Former Member Did Not Receive a Refund of Member Contributions.

A member who separates employment and does not receive a refund of his or her member contributions AND then re-employs in a position eligible for membership within five (5) years, will begin to accrue benefits again upon his or her date of re-employment (or elect to join, if applicable). The service time and contributions will be added together for both periods of employment.

Former Member Elected and Received a Refund of Member Contributions.

A member who separates from employment and receives a refund of his or her member contributions and then re-employs will become a new member in the System. There will be no pension credit for prior service.

DEATH OF ACTIVE MEMBER

When a member of the Pension System deceases while actively employed, disbursement of the vested benefit will be to the member's beneficiary(s) as designated in the member's Beneficiary Designation Form on file with the GRS office.

It is your obligation to inform your beneficiary and/or family that upon your death, the GRS office must be notified. Once the GRS office is notified of your death, the designated beneficiary(s) will receive a letter and documents from GRS explaining the available options. These documents should be completed and returned to GRS in a timely manner, along with a certified death certificate. A certified death certificate is required in all situations. GRS cannot discuss a deceased member's beneficiary designation with anyone other than the beneficiary(s).

Non-Vested Member (Unmarried or Married).

If you are not vested at the time of your death while working, regardless of whether you were married or unmarried at the time of your death, a refund of only your member contributions will be paid according to the designated beneficiary form on file with the GRS office.

Vested Unmarried Member.

If you are vested and not married at the time of your death while working, then the following rules apply:

- 100% Pre-Retirement Joint Survivorship Pension. If you elected this option prior to your death on a form provided by the GRS office, then your beneficiary may elect a 100% Pre-Retirement Joint Survivorship Pension. If you designate a non-spousal beneficiary, your beneficiary/you will pay the cost of the 100% Pre-Retirement Joint Survivorship Pension. Your beneficiary will need to provide a certified birth certificate to the GRS office.
or
- Refund. Your beneficiary can elect to be paid a refund of your member contributions regardless of whether you made an election for your beneficiary to be paid in the form of a 100% Pre-Retirement Joint Survivorship Pension.

Vested Married Member.

If you are vested and married at the time of your death while working, then your beneficiary may elect, on a form provided by the GRS office, to be paid in one of the following forms:

- 100% Pre-Retirement Joint Survivorship Pension. Your spouse may elect to be paid a 100% Pre-Retirement Joint Survivorship Pension, which is a monthly benefit paid for the remainder of your spouse's lifetime. The 100% Pre-Retirement Joint Survivorship Pension will be provided without additional charge if you are married at the time of your death. Your spouse will need to provide proof of marriage and a certified birth certificate to the GRS office. You may designate a non-spousal beneficiary with your spouse's consent before your death on a form provided by the GRS office. Your non-spousal beneficiary/you will pay the cost of the 100% Pre-Retirement Joint Survivorship Pension. Your beneficiary will need to provide a certified birth certificate to the GRS office.
- or
- Refund. Your beneficiary may elect a refund of your member contributions, with interest. This election will be a one-time distribution and forever forfeits the 100% Pre-Retirement Joint Survivorship Pension Benefit option.

JEFFERSON COUNTY SICK LEAVE – RETIREMENT CONVERSION PROGRAM

This program is offered and administered by Jefferson County. Please contact your payroll coordinator or the Jefferson County Human Resources Department to receive information about this program.

Pension members who qualify for this program do not retire or receive retirement benefits until their sick leave is exhausted. Approximately one month prior to exhausting your sick leave, the GRS office will notify you in writing asking you to schedule an appointment to discuss your retirement options.

SUPERANNUATION RETIREMENT BENEFIT

Your “normal retirement benefit” under the GRS Plan is referred to as the “Superannuation Retirement Benefit.” You become eligible for a Superannuation Retirement Benefit in one of three ways:

- (1) if you have thirty (30) or more years of paid service, regardless of your age;
- (2) if you have ten (10) or more years of paid service and you have attained age sixty (60); or
- (3) if you have thirty (30) years of service, twenty (20) years of which are paid service, and you have attained age fifty-five (55).

Three factors are used to calculate your monthly retirement benefit: (1) your **basic average salary**, (2) the **benefit formula** in effect at the time of your retirement, and (3) the number of **years of paid service** (and unpaid service if applicable).

Basic Average Salary.

Your basic average salary is based on your highest, consecutive thirty-six (36) months of earnings that were subject to the deduction of member contributions to the GRS Plan. For most members, their most recent thirty-six (36) months of earnings will produce their highest basic average salary. Earnings in these months are totaled together and divided by thirty-six (36) to produce your basic average salary.

Benefit Formula.

The Superannuation Retirement Benefit is calculated using this formula:

- (1) $2\frac{1}{2}\%$ (.025) multiplied by your basic average salary, multiplied by the number of years of paid service; PLUS
- (2) $\frac{5}{8}$ of 1% (.00625) multiplied by the basic average salary, multiplied by the number of years of unpaid service (if applicable).

No member may receive a retirement benefit greater than seventy-five percent (75%) of their basic average salary. If the Superannuation Retirement Benefit formula results in an amount in excess of seventy-five percent (75%) of your basic average salary, your benefit will be reduced to seventy-five percent (75%) of your basic average salary.

Years of Service. Years of service, including months, are used in determining your Superannuation Retirement Benefit. Months used in determining your Superannuation Retirement Benefit are converted to a fraction of a year as follows:

1 month	.0833
2 months	.1667
3 months	.2500
4 months	.3333
5 months	.4167
6 months	.5000
7 months	.5833
8 months	.6667
9 months	.7500
10 months	.8333
11 months	.9167
12 months	1.0000

Example Calculations for Superannuation Retirement Benefit.

- **Example:** John Doe is age 60 and has 20 years paid service. His basic average salary is \$2,400.
 - $\$2,400 \times 75\% = \$1,800$ is his maximum monthly benefit
 - $.025 \times \$2,400 \times 20 \text{ years} = \$1,200$ per month pension benefit that he will receive
- **Example:** Bill Smith is age 57 and has 30 years paid service. His basic average salary is \$3,500.
 - $\$3,500 \times 75\% = \$2,625$ is his maximum monthly benefit
 - $.025 \times \$3,500 \times 30 \text{ years} = \$2,625$ per month pension benefit that he will receive
- **Example:** Jane Doe is age 64 and has 32 years paid service and 2 years unpaid service. Her basic average salary is \$3,600.
 - $\$3,600 \times 75\% = \$2,700$ is her maximum monthly benefit
 - $.025 \times \$3,600 \times 32 \text{ years} = \$2,880$ for paid service plus
 - $.00625 \times \$3,600 \times 2 \text{ years} = \45 for unpaid service
 - Totals \$2,925 per month pension benefit
 - The Superannuation Retirement Benefit calculation exceeds 75% of basic average salary, which means the monthly pension benefit will be reduced and paid at the maximum monthly benefit of \$2,700.

EARLY RETIREMENT BENEFIT

A member may elect an Early Retirement Benefit, in which case the retirement benefit will be reduced to reflect that benefit payments started early. If you elect an Early Retirement Benefit, your benefits are reduced. There are two types of Early Retirement Benefits: a Regular Early Retirement Benefit and a 25-Year Early Retirement Benefit.

Regular Early Retirement Benefit.

You are eligible for a Regular Early Retirement Benefit if you have at least thirty (30) years of service, with at least ten (10) years of paid service and you have not attained the age of sixty (60).

If you qualify and elect a Regular Early Retirement, your retirement benefit will be reduced by your age at retirement as shown in the chart below:

<u>Your Age on Last Birthday Preceding Retirement</u>	<u>Benefit Percentage Reduction Applied to Calculation Based on Your Age</u>
59	93%
58	87%
57	82%
56	77%
55	72%
54	68%
53	64%
52	60%
51	57%
50	54%
49	51%
48	48%

- **Example:** Donna Smith is age 53 and has 20 years paid service and 10 years unpaid service. Her basic average salary is \$2,000.
 - $\$2,000 \times 75\% = \$1,500$ is her maximum monthly benefit
 - $.025 \times \$2,000 \times 20 \text{ years} = \$1,000$ for paid service plus
 - $.00625 \times \$2,000 \times 10 \text{ years} = \125 for unpaid service
 - Totals \$1,125 before reduction
 - $\$1,125 \times 64\% = \720 per month pension benefit that she will receive

25-Year Early Retirement Benefit.

You are eligible for a 25-Year Early Retirement Benefit if you have at least twenty-five (25) years of paid service, but less than thirty (30) years of paid service.

If you elect a 25-Year Early Retirement Benefit, your retirement benefit will be reduced by seven percent (7%) for each whole year under thirty (30) years. Months are not counted for the purposes of the seven percent (7%) reduction. So, for example, the reductions are as follows:

<u>Years of Paid Service</u>	<u>Percentage Reduction Applied</u>
29	7%
28	14%
27	21%
26	28%
25	35%

- **Example:** Tim Jones is age 53 and has 27 years paid service. His basic average salary is \$4,000.
 - $\$4,000 \times 75\% = \$3,000$ is his maximum monthly benefit
 - $.025 \times \$4,000 \times 27 \text{ years} = \$2,700$ before reduction
 - $\$2,700 \times 21\% = \567 reduction to pension
 - $\$2,700 - \$567 = \$2,133$ per month pension benefit that he will receive

POST-RETIREMENT JOINT SURVIVORSHIP PENSION (AT RETIREMENT)

Once you retire, your eligibility for the 100% Pre-Retirement Joint Survivorship Pension ends. However, you may elect a Post-Retirement Joint Survivorship Pension if you qualify for a Superannuation Retirement Benefit, Early Retirement Benefit, Deferred Retirement Benefit, or Involuntary Retirement Benefit. If you elect a Post-Retirement Joint Survivorship Pension for your beneficiary, your benefit is reduced to reflect the survivorship benefits that will be paid to your beneficiary. **This election must be made before your last day of employment or this option will be forfeited.** Once you retire, GRS cannot remove a spouse unless a valid divorce decree waiving the spouse's claim to the benefit is received. GRS cannot remove a non-spouse beneficiary or add a beneficiary after you retire.

NOTE: The Post-Retirement Joint Survivorship Pension is not available to members who receive a disability retirement benefit.

When electing a Post-Retirement Joint Survivorship Pension, you must choose the percentage of your benefit that your beneficiary will receive after your death. The available options are: fifty percent (50%), sixty-six and two-thirds percent (66 2/3%), seventy-five percent (75%), or one hundred percent (100%) of your Superannuation Retirement Benefit. The higher the percentage you elect, the higher the monthly pension benefit amount paid to your beneficiary and the lower your monthly pension benefit amount.

In addition to electing the percentage above, you also must elect one of the following two forms of payment:

- (1) **Pop-Up Option.** Under this option, if your beneficiary predeceases you, then on the first day of the month following your beneficiary's death, your monthly benefit will return ("Pop-Up") to the monthly benefit amount you would have received had you not elected the Post-Retirement Joint Survivorship Pension.
- (2) **Regular Option.** Under this option, if your beneficiary predeceases you, your monthly benefit remains at the reduced rate.

Calculation of Actuarial Reduction for Post-Retirement Joint Survivorship Pension.

Determining the cost for a reduction relating to election of a Post-Retirement Joint Survivorship Pension depends on information that is specific to you and your beneficiary, including:

- Your retirement date;
- Your Superannuation Retirement Benefit;
- The form of Post-Retirement Joint Survivorship Pension you elect (pop-up or regular);
- The percentage of your benefit you elect (50, 66 2/3, 75, or 100);
- Your nearest age at retirement; and
- Your beneficiary's nearest age at your retirement.

You may use MemberDirect to estimate the cost for a reduction relating to election of a Post-Retirement Joint Survivorship.

Required Documents.

If you elect a Post-Retirement Joint Survivorship Pension, the following information **must** be provided at the time of your election:

- **Original or certified, State-issued birth certificate** or an unexpired **United States passport** for your beneficiary. Uncertified copies (photocopies) of birth certificates and hospital-issued birth records are not acceptable.
- Social security number for your beneficiary.

SCEDULING GRS RETIREMENT APPOINTMENT AND REQUIRED DOCUMENTS

When you decide to retire, the following checklist will help remind you of what is needed in order to complete your paperwork. If you have any questions, please contact GRS.

- ___ If you have not already done so, call GRS to verify the date you are eligible to retire.
- ___ Notify your Department Head of your retirement date.
- ___ About thirty (30) days before your last day of employment, schedule an appointment with GRS to complete your retirement papers. You will be reminded of the information and documentation necessary for your appointment.

At your retirement appointment, you are required to provide:

- ___ **Original** or certified, **state-issued birth certificate** or an unexpired **United States passport**. GRS cannot accept any uncertified copies (photocopies) or hospital-issued birth records. Without appropriate documentation, your appointment will be re-scheduled.
- ___ If you elect a Post-Retirement Joint Survivorship Pension, you must provide your beneficiary's **original** or **certified birth certificate** or unexpired **United States passport** and **social security number**. GRS cannot accept any uncertified copies (photocopies) or hospital-issued birth records. Without appropriate documentation, your appointment will be re-scheduled. Election for a Post-Retirement Joint Survivorship Pension must be made before separating employment. Once you separate employment, this option is forever forfeited.
- ___ If you do not elect a Post-Retirement Joint Survivorship Pension, you must provide your beneficiary's name, address, social security number, and date of birth for each named beneficiary. Upon your death, any member contributions that have not been paid to you may be refunded to your beneficiary, with interest.
- ___ A voided, blank check to have your monthly benefit direct deposited to a checking account,

or

a letter on your bank's letterhead and signed by a bank representative with the routing and account number included to have your monthly benefit direct deposited to a savings account.

Contact the Jefferson County Human Resources Department to discuss and/or apply for health, vision or dental benefits, to the extent offered to you by Jefferson County.

TAX TREATMENT OF DISTRIBUTIONS

Generally, you must include any GRS Plan distribution of amounts that have not previously been taxed in your taxable income in the year in which you receive the distribution. The tax treatment also may depend on your age when you receive the distribution. However, pursuant to §40-18-19(a)(6), Alabama Code, GRS Plan distributions are not subject to Alabama state income tax on and after January 1, 1991. If you live outside of the state of Alabama, GRS Plan distributions may be subject to taxation by your state of residence. GRS staff cannot provide tax advice. Members are encouraged to seek such advice from competent accountants or legal counsel.

RETIREMENT CHECK MONTHLY WITHHOLDINGS

When the GRS office calculates your monthly pension benefit (which is currently payable the 22nd day of each month) withholdings are not automatically deducted from the benefit. Withholdings that can be deducted from a retirement benefit are: (1) federal income tax; (2) state income tax, if applicable; (3) health insurance; (4) dental insurance; and (5) vision insurance. You must authorize all withholdings.

Federal Income Tax.

A Form W-4P will be given to you at your retirement appointment. The Form W-4P has the following withholding options:

- No federal income tax withholdings;
- Withholding based on marital status and/or dependents;
- Withholding of a monthly flat amount; or
- Withholding of a monthly flat amount in addition to any withholding based on marital status and/or dependents.

You can change your federal income tax withholdings as often as needed. Form W-4P is available on the GRS website or can be mailed to you upon request.

State Income Tax.

State income tax, if applicable, will be withheld.

Insurance Premium Withholdings.

The Jefferson County Human Resources Department administers all health, dental, and vision insurance elections and/or changes for retirees. The Human Resources Department will forward a copy of your authorized elections to GRS. Your elections will be identified on your pension benefit direct deposit advice which is viewable on MemberDirect. All insurance monies withheld from monthly pension benefit payments are sent to the Jefferson County Human Resources Department.

RE-EMPLOYMENT AFTER RETIRING AND RECEIVING MONTHLY PENSION BENEFITS

A retiree who is receiving a monthly pension benefit and who elects to re-employ will have his or her monthly pension benefit stopped or reduced by the amount payable to the member due to the member's re-employment.

A member's monthly pension benefit is fixed at the time of his or her retirement. The member will remain inactive until he or she separates from employment again. At that time, pension benefits will become payable at the same rate the member was receiving prior to his or her re-employment.

DEATH OF A RETIREE

It is your obligation to inform your beneficiary and/or family that upon your death, the GRS office must be notified of your death by your beneficiary and/or family. To accept payment of a pension benefit after your death or the death of your spouse (in the case of a joint survivor election) constitutes fraud and any such instances will be prosecuted. You are entitled to the monthly benefit payment for the month in which you de cease.

REFUND OF MEMBER CONTRIBUTIONS

The refund of member contributions or election of a deferred retirement benefit **is not automatic. If you fail to complete the required documents within five (5) years after the date of your separation from employment, you will be deemed to have forever forfeited and donated your contributions to the GRS Plan trust.**

When you separate from employment, you may have several options available regarding the return of your member contributions. You are required to designate on the appropriate forms how you choose your contributions to be disbursed. This process may take sixty (60) days or more to complete.

To begin the refund process:

- (1) GRS will mail a certified letter to you explaining the options available to you. Election forms will be included.
- (2) You will decide how you want your contributions disbursed and then complete the appropriate form(s). All signed original form(s) must be returned to GRS.

GRS cannot process your refund until the original form(s) are correctly completed and received.

Refund checks will be mailed to the address on the Election Form and cannot be picked up at GRS. You may elect to direct deposit your refund on the Election Form.

Non-Vested Member Refund Information.

A non-vested member is entitled to a refund of his or her member contributions, without interest, upon separation from employment.

Vested Member Refund Information.

A vested member is entitled to a refund of his or her member contributions, with interest, upon separation from employment. Alternatively, a vested member may elect a Deferred Retirement Benefit, payable when the member attains age sixty (60).

DEFERRED RETIREMENT BENEFIT

When a vested member separates from employment and is not eligible to elect a Regular Superannuation Retirement Benefit, the member has the option of electing a Deferred Retirement Benefit. **A Deferred Retirement Benefit is NOT automatic. Failure to elect a Deferred Retirement or request a Refund within five (5) years of separation from employment, will forever forfeit all money you have paid or would otherwise be entitled to.** To receive a Deferred Retirement Benefit, you must make a timely election through the GRS office by completing the appropriate forms.

You may elect a Regular Deferred Retirement Benefit if you have at least ten (10) years of paid service. If you make such election, payment will commence upon the date that you reach age sixty (60) and will continue for your life.

The Regular Deferred Retirement Benefit is calculated by multiplying the Superannuation Retirement Benefit that you would have been entitled to had you reached sixty (60) years of age when you terminated employment, times a percentage based upon your paid service, as follows:

Ten (10) years of paid service:	50%
Eleven (11) years of paid service:	60%
Twelve (12) years of paid service:	70%
Thirteen (13) years of paid service:	80%
Fourteen (14) years of paid service:	90%
Fifteen (15) or more years of paid service:	100%

- **Example:** Sally Jones is age 48 and has 14 years paid service. Her basic average salary is \$1,500.
 - $\$1,500 \times 75\% = \$1,125$ is her maximum monthly benefit
 - $.025 \times \$1,500 \times 14 \text{ years} = \525.00 before percentage vested
 - $\$525 \times 90\% \text{ vested} = \472.50 per month pension benefit
 - At age 60, Sally would be eligible for \$472.50 per month for the remainder of her life.

Additional Rules Relating to Deferred Retirement Benefits.

- If you are eligible for a Superannuation Retirement Benefit, you are **not** eligible to elect a Deferred Retirement Benefit.
- If you are eligible for a Deferred Retirement Benefit, you will have the option of choosing a Post-Retirement Joint Survivorship Pension at the time you complete your final paperwork (approximately one (1) month before you turn age sixty (60)).
- If you have elected a Deferred Retirement Benefit, you can at any time before payment of benefits at age sixty (60), withdraw your full member contributions, **without interest**. You will not be paid a Deferred Retirement Benefit if you withdraw your member contributions.
- If you have signed up for a Deferred Retirement Benefit and die prior to age sixty (60), your spouse is entitled to a monthly benefit or may elect to withdraw your member contributions, **with interest**, in a lump sum payment.
- **Original or certified birth certificate or unexpired United States passport is mandatory**. This applies to you and the person who will receive the Post-Retirement Joint Survivorship Pension, if elected.
- You must notify GRS of any address changes in writing. A form is available on the GRS website.
- If you return to employment before you are eligible for Deferred Retirement at age sixty (60), your Deferred Retirement election is automatically rescinded for mandatory members and your prior paid service will be added to your most recent paid service. Optional members must rejoin the System by completing an “Application for Membership” form.

Approximately thirty (30) days before you turn sixty (60), the GRS office will contact you at the address on file with GRS to schedule an appointment to complete your retirement paperwork.

INVOLUNTARY RETIREMENT

The Act provides for involuntary retirement for a member who satisfies all of the following requirements:

- (1) the member is involuntarily retired;
- (2) after accumulating certain minimum amounts of paid and county service set forth in the pension law;
- (3) before accumulating enough paid service to be eligible for either a regular or early retirement;
- (4) upon the member's attainment of a certain age.

An Involuntary Deferred Retirement Benefit is not automatic. Members who wish to make application for this benefit must do so with GRS. The GRS Board evaluates each Involuntary Deferred Retirement Benefit application on a case-by-case basis and determines in its sole discretion whether the member is eligible for this benefit.

DISABILITY RETIREMENT BENEFIT

There are two types of Disability Retirement Benefits available: (a) Service Connected Disability Benefits and (b) Non-Service Connected Disability Benefits. There are **no** disability retirement benefits available for a **temporary** disability. Disabilities are determined based on whether the member can perform his or her job duties.

In the event that you are eligible for a Superannuation Retirement Benefit, you are not eligible for a Disability Retirement Benefit. A Disability Retirement Benefit is payable for your life **only**. There is no Post-Retirement Joint Survivorship Pension for a Disability Retirement Benefit. Upon your death, any member contributions that have not been paid to you will be refunded to your beneficiary, with interest.

Service-Connected Disability Benefits.

If your disability is the result of an on-the-job injury and it is determined that you are one hundred percent (100%) permanently and totally disabled, you are eligible for a Disability Retirement Benefit of sixty percent (60%) of the monthly earnings you were receiving at the time your disability began. If it is determined that you are less than one hundred percent (100%) disabled, benefits will be calculated according to the percentage of disability.

Non-Service Connected Disability Benefits.

If you have at least ten (10) years of paid service and thereafter suffer a disability that is not work-related, you may be eligible to receive a non-service connected Disability Retirement Benefit. A non-service connected Disability Retirement Benefit is determined with the Superannuation Retirement Benefit formula, and is based on 1) the percentage of your disability, and 2) the number of years until you are eligible for retirement as set out below:

Percentage Reduction for Disability

<u>Number of Whole Years Until Eligibility for Superannuation Retirement Benefit</u>	<u>Percentage of Superannuation Retirement Benefit</u>
1	93%
2	87%
3	82%
4	77%
5	72%
6	68%
7	64%
8	60%
9	57%
10	54%
11 or more	50%

Applying for Disability Retirement Benefit.

If you wish to apply for a Disability Retirement Benefit, you must return a completed Application for Disability Pension to GRS. You should call GRS and request an Application for Disability Pension. When you have obtained the required letter(s) from your physician(s), you can mail the completed forms and letters to the GRS office or schedule an appointment with GRS. If you are unable to obtain the letter(s) from your physician(s) to supply the information required, the process stops.

When the properly completed documents are received by the System, an appointment with the GRS Medical Advisor(s) will be scheduled and you will be notified of the date(s) and time(s) of your appointment(s) in writing. There is no cost to you for this evaluation unless you fail to show up for the appointment(s). The Medical Advisor(s) will make a determination and submit a report to GRS.

Decision of GRS Board.

The Medical Advisor's report will be considered by the GRS Board at a regular meeting. The GRS Board will approve or deny the application.

Member Notification.

If your Application for Disability Pension is denied, you will be notified in writing. You cannot reapply for six (6) months based on the same disability unless extenuating circumstances have occurred, in the reasonable opinion of GRS.

If your Application for Disability Pension is approved, you will be notified in writing. The letter will provide you with an estimate of your monthly benefit and will include paperwork necessary to accept the disability retirement benefit.

Payment of Disability Benefit.

If you are approved for a Disability Retirement Benefit, payment will begin once you: (a) accept the disability benefit, and (b) separate from employment.