



BULLETIN

To: All State Agencies, Departments, Boards and Commissions

Attention: Payroll Division
Retirement Coordinators

Date: June 26, 2003

Re: Employee Retirement Coding notification letters

Each month, the State Employees' Retirement System (SERS) sends a letter of notification to agency Payroll/Personnel Divisions listing those employees who have completed their six-month qualifying period. This notification directs agencies to change the employee's retirement deduction code and provides an employer pickup code.

The Governor's budget anticipates that certain employees will no longer be covered by the employer pickup program. Agencies will now need to determine whether an employee is covered by the employer pickup program on an individual basis and code their payroll accordingly.

The following table should be used as a guide when preparing agency payrolls for employees covered by Social Security:

<u>Deduction Code</u>	<u>Employee Contribution Rate</u>	<u>If Employee is NOT Covered by pickup</u>	<u>If Employee is Covered by pickup</u>
1	4%	00	01
S	7 1/2%	00	02
M	7 1/2%	00	02

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Page 2

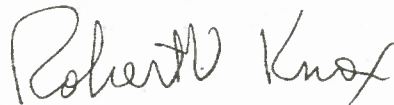
In addition, certain employment classifications (i.e. primarily "police" positions) no longer serve a qualifying period. There remains, however, a possible change to the employer pickup status. The following table should be used for any non-covered (i.e. non-social security positions) :

<u>Deduction Code</u>	<u>Employee Contribution Rate</u>	<u>If Employee is NOT Covered by pickup</u>	<u>If Employee is Covered by pickup</u>
0	8%	00	01
R	11 1/2%	00	02
2	11 1/2%	00	02

The notification letters will be modified to reflect these changes effective July 1, 2003 (see attached). A revised letter for those employees who will come into membership on July 1, 2003 will be sent to agencies in the near future.

Please contact the SRS Accounting Division at (217) 785-7191, if you have any comments or questions.

Sincerely,



Robert V. Knox
Executive Secretary
State Retirement Systems