



BULLETIN

TO: All State Agencies, Departments, Boards and Commissions
ATTENTION: Payroll Division and Retirement Coordinators

DATE: December 9, 2003

Re: New alternative formula contribution rates, effective January 1, 2004,
and updated Form 1404

The last scheduled increase in the alternative formula employee contribution rates takes effect on January 1, 2004.

The table below indicates the appropriate rate changes:

<u>For pay periods</u>	<u>Retirement Code</u>	<u>Deduction Rate</u>
<i>Ending on or before</i>	M or S	7.5 %
December 31, 2003	R or 2	11.5 %
<i>Beginning on or after</i>	M or S	8.5 %
January 1, 2004	R or 2	12.5 %

Several copies of the updated Form 1404, Retirement Contributions on Lump Sum Pay for Sick Leave, Vacation, and/or Personal Days, are also attached.

This revised Form 1404 should be used for all payments of lump payments applicable to employees who terminate their state employment on or after January 1, 2004. If an employee terminates employment as of December 31, 2003 in order to receive a retirement benefit effective January 1, 2004, use the previous version of the Form 1404 (R-01-03). Please copy and distribute the Form 1404 to the appropriate personnel. Additional forms are available upon request.

Questions or Comments

If you have any questions or comments regarding either the new contribution rates or Lump Sum Payment Contributions, please contact the SERS Accounting Division at 217-785-7210 or 217-524-3032.

Robert V. Knox
Executive Secretary
State Retirement Systems