



FOLDER #2 - INSTRUCTIONS FOR COMPLETING RETIREMENT ENROLLMENT FORMS

(Temporary/PT)

The information and instructions in this folder relate to retirement enrollment for an eligible Academic, Appointed, or Unclassified employee whose length of appointment is two years or less or whose appointment is 50% effort or less. A provision established under the federal OBRA '90 law requires social security coverage for employees who do not have meaningful retirement system coverage, as defined by the law. Affected employees are generally those who are not eligible to participate in a retirement system, who are part-time (50% or less) or who are temporary (an employee whose total appointment commitment is two years or less). However, employees who are vested in a Louisiana state retirement system, who are on a J-1 or F-1 visa *(except as noted below), or who are retired from a Louisiana state retirement system are exempt from social security coverage.

*In accordance with this law we are required to enroll you under social security. You do, however, have two alternatives. You may choose to participate in the Optional Retirement Plan or the Louisiana Deferred Compensation Plan in lieu of participating in social security. **NOTE:** If you have 10 or more years of creditable service in (or are retired from) a Louisiana state retirement system or on a J-1 or F-1 visa, please contact the AgCenter Human Resource Management Office before proceeding with these enrollment forms.*

INSTRUCTIONS FOR SELECTING AN OPTION: Brochures for the ORP and the LDCP are included in this folder.

1. **Social Security:** The employee contribution is 6.2% of salary. In order to qualify for social security retirement benefits, an individual must generally have forty quarters of coverage. "Forty quarters" is usually equivalent to 10 years of contributing to social security. Full retirement benefits begin at age 65, however, early retirement with reduced benefits is permitted at age 62.

a) If electing Social Security, complete the pink Election Form only and return it with your employment forms to your unit office or to the AgCenter Human Resource Management Office.

2. **Optional Retirement Plan (ORP) - Authorized carriers are ING (AETNA), TIAA-CREF, and AIG (VALIC)** - The employee contribution is 8% and the employer contribution for fiscal year 2006-2007 is 6.6401%. The ORP is a "defined contribution" plan to which you and your employer make contributions through the Teachers' Retirement System of Louisiana (TRSL) to the carrier of your choice to be invested in a retirement annuity contract in your name. The amount of your monthly annuity income at retirement is based exclusively on the contributions and their investment earnings, the age at which you begin receiving benefits, and the type of annuity you choose. Once a year, each November, you may elect a change of carrier with an effective date of January 1 of the following year. The ORP has no provisions for lump sum payments upon separation from service. Payments can only be made in the form of lifetime income.

- a) Complete the pink Election Form.
- b) Complete Sections I, II and III of the blue Application for Optional Retirement Plan (Form 16).
- c) Listed below are the contact persons for each carrier. The carrier of your choice will provide you with the ORP carrier's contract.

ING - Mike Sotile (225/766-8711)

TIAA-CREF -Katherine Hildreth (1-800-842-2006)

AIG (VALIC) - AIG (VALIC) - David Mills (225/931-9090) or Drake Aguiard (504/599-9015)

d) The carrier's contract must be completed and submitted directly to the carrier. A **copy** of the carrier's contract must be submitted with the pink Election Form and the blue ORP enrollment application (Form 16) to your unit office or to the AgCenter Human Resource Management Office.

3. **La. Deferred Compensation Plan (LDCP)** - The employee contribution must be at least 7.5% and the employer contribution is 6.2%. The LDCP is a tax deferred compensation plan to which you and your employer make contributions directly to the LDCP to be invested in a retirement annuity contract in your name. The amount of your monthly annuity income at retirement is based exclusively on the contributions and their investment earnings, the age at which you begin receiving benefits, and the type of annuity you choose. Your funds may be withdrawn in a lump sum upon separation from service.

- a) Complete the pink Election Form
- b) Complete the LDCP Participant Agreement provided in the LDCP brochure
- c) Return both forms to your unit office or to the AgCenter Human Resource Management Office.
- c) For further information regarding the LDCP, contact that office directly at 225-926-8082 or 1-800-443-7331.

NOTE: If your status changes such that your appointment is no longer considered temporary or part-time and you previously elected SS or LDCP, you will be **required** to enroll in either the Teachers' Retirement System of Louisiana or the Optional Retirement Plan and cease participation in SS or the LDCP (except that your participation in the LDCP may continue as a supplemental retirement plan in addition to participation in the TRSL or ORP). If, however, you elected the ORP, you will be required to remain in that system; participation in the TRSL will not be an option.

***Employees on J-1 or F-1 visas who are considered resident aliens for tax purposes or whose status changes to resident alien for tax purposes are required to participate in either Social Security or the La. Deferred Compensation Plan.**

Any questions regarding the completion of these documents should be directed to Kathy Loyd in the AgCenter Human Resource Management Office at 225/578-8229.

STATEMENT CONCERNING YOUR EMPLOYMENT IN A JOB NOT COVERED BY SOCIAL SECURITY – This form explains the potential effects of two provisions in the Social Security law for workers who also receive a pension based on their work in a job not covered by Social Security. The Windfall Elimination Provision (WEP) can affect the amount of a worker's Social Security retirement or disability benefit. The Government Pension Offset (GPO) can affect any possible Social Security benefit entitlement as a spouse or an ex-spouse. Complete this form and return to the AgCenter HRM Office.