

Retirement / Deferred Compensation (RSA-1)

Employees' Retirement

The ERS is a defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. Since its inception in 1945, the plan has provided disability and service retirement benefits to members and survivor benefits to qualified beneficiaries. The *Code of Alabama 1975*, Section 36-27 contains the actual language governing the plan. A defined benefit plan provides the employee with a specific benefit at retirement. This plan calculates a benefit based on a formula. Benefits are payable monthly for the lifetime of the member, possibly continuing for the lifetime of his or her beneficiary. Participation in the ERS is mandatory if a person is employed in a position eligible for coverage in a **non-temporary capacity on at least a one-half time basis earning at least the federal minimum wage**. Once enrolled, the member must continue participation until employment is terminated. Active members of the Teachers' Retirement System (TRS) are not eligible for ERS participation.

Click here for more information on the Retirement Systems of Alabama: <http://www.rsa.state.al.us/>

Click here for retirement calculator: <http://www.rsa.state.al.us/Webcalc/Calc1.asp>

Retirement Calculator:

Step 1: Type "ENT" into the block then click on "Submit"

Step 2: Choose "ENTERPRISE" from the drop down menu then click on "Submit"

Step 1: Complete blocks then click on "Calculate" for results

Deferred Compensation Plan (RSA-1)

One way for public employees in Alabama to increase their personal savings and add to their financial security is by investing in an Internal Revenue Code Section 457 Deferred Compensation Plan like RSA-1. RSA-1 offers an easy and flexible way to save for retirement through payroll deduction while providing tax relief today. Please find in this folder a brochure with information about RSA-1 and the forms necessary to enroll in RSA-1. Any public official or employee of the state of Alabama or any political subdivision thereof is eligible to participate in the RSA-1 Deferred Compensation Plan, regardless of age or participation in the Retirement Systems of Alabama (RSA). Participation in RSA-1 is strictly voluntary.

Click here for more information on Deferred Compensation (RSA-1): <http://www.rsa.state.al.us/RSA-1/rsa-1.htm>