



HUMAN RESOURCES  
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## UNIVERSITY SYSTEM OF GEORGIA

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### MEMORANDUM

**DATE:** January 26, 2024  
**TO:** USG Chief Human Resources Officers  
**FROM:** Lisa Joe, Director of Retirement Programs & Services  
**SUBJECT:** 2024 Retirement Plan Information

Eligible employees of the University System of Georgia (USG) participate in one of two qualified retirement plan options: the Optional Retirement Plan (ORP) (exempt/salaried employees only) – a defined contribution plan, or the Teachers Retirement System of Georgia (TRS) – a defined benefit plan. Some employees with former state service may be eligible and elect to continue their enrollment in ERS (Employees' Retirement System).

#### Optional Retirement Plan (ORP)

The ORP is a calendar year plan (Jan. 1 – Dec. 31). For 2024, the contribution rates for the ORP will remain the same. Plan participants may allocate their contributions among three different approved providers. TIAA, Fidelity, and Corebridge Financial (formerly AIG Retirement Services). The minimum allocation for any provider must be at least 10 percent.

#### ORP Contribution Rates – Calendar Year 2024

Employer Contribution	9.24%
Employee Contribution	6.00%

#### Teacher Retirement Plan (TRS)

TRS is a fiscal year plan (July 1 – June 30). The TRS board adopted the employee and employer contribution rates for FY 2024 and FY 2025. The new TRS limits for FY 2024 went into effect in July 2023.

#### TRS Fiscal Year 2024 – Contribution Rates

##### Effective July 1, 2023

Employer Contribution	19.98%
Employee Contribution	6.00%

#### TRS Fiscal Year 2025 – Contribution Rates

##### Effective July 1, 2024

Employer Contribution	20.78%
Employee Contribution	6.00%

#### TRS Maximum Salary Limitation for Employees Retiring in Fiscal Year 2024

Each fiscal year, the TRS Board of Trustees approves a maximum salary increase percentage that is used by TRS to compute a member's highest two-year average salary. The percentage applies to TRS members whose current date of membership is on or after July 1, 1984, and who plan to retire in FY 2024.

#### **Fiscal Year 2024 Maximum Salary Limit Increase – 5.53%**

If an employee has a salary increase above this percentage, TRS would not apply the amount above the limit to their two-year average salary for purposes of their monthly benefit. Employees preparing to retire should work directly with TRS related to their benefits calculation.

**Maximum Salary Limitation for USG Rehired Retiree Salary Calculations**

The following are the historical maximum salary limitations from 1995 to 2024 that is to be used to calculate the maximum allowable salary for USG Rehired Retirees returning to work as a rehired retiree. This applies to all retirees from all plans (ERS, TRS, and ORP).

**TRS Historical Maximum Salary Limitations\***

<b>FY</b>	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>%</b>	7.5	8.5	8.5	8.5	8.5	6.5	5.5	7.0	5.75	2.5	4.5	4.5	6.5	5.5	5.0

<b>FY</b>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>%</b>	2.5	2.5	2.5	2.5	2.5	3.5	3.5	5.5	4.5	2.5	4.5	2.5	2.5	10.79	5.53

\*This is referenced as the COLA in USG policy, 8.2.8.3, Employment Beyond Retirement

**Employees Retirement Plan (ERS)**

Employees who transferred to the USG from a State of Georgia agency and retained their membership in the Employees’ Retirement System (ERS) may be enrolled in one of the three plans: Old Plan, New Plan, and the Georgia State Employee’s Pension and Savings plan (GSEPS). The Fiscal Year 2024 and 2025 contribution rates are as follows:

**Old Plan**

<b>ERS Fiscal Year 2024 – Contribution Rates</b>		<b>ERS Fiscal Year 2025 – Contribution Rates</b>	
Employer Contribution	24.60%	Employer Contribution	24.45%
Employee Contribution	1.5%	Employee Contribution	1.5%

**New Plan**

<b>ERS Fiscal Year 2024 – Contribution Rates</b>		<b>ERS Fiscal Year 2025 – Contribution Rates</b>	
Employer Contribution	29.35%	Employer Contribution	29.20%
Employee Contribution	1.5%	Employee Contribution	1.5%

**GSEPS Plan**

<b>ERS Fiscal Year 2024 – Contribution Rates</b>		<b>ERS Fiscal Year 2025 – Contribution Rates</b>	
Employer Contribution	25.51%	Employer Contribution	25.51%
Employee Contribution	1.25%	Employee Contribution	1.25%
401(k) Employer Contribution	Matching up to 5%*	401(k) Employer Contribution	Matching up to 5%*
401(k) Employee Contribution	Up to 5%	401(k) Employee Contribution	Up to 5%

The following chart shows the employer contribution for employees saving at least 5%:

<b>Years of Service</b>	<b>Employer Contribution</b>
Less than 6 years	5.0%
6 years	5.5%
7 years	6.0%
8 years	6.5%
9 years	7.0%
10 years	7.5%
11 years	8.0%
12 years	8.5%
13+ years	9.0%

If you have any questions regarding ERS, please call (404) 350-6500 or go to the following link for the ERS website at <http://www.ers.ga.gov> or by submitting a ticket to the Shared Services Center for guidance.

**2024 IRC Section 401(a)(17) Limits:**

TRS, ERS and the ORP are deemed to be Section 401(a)(17) plans under the Internal Revenue Code (IRC). IRC Section 401(a) (17) identifies the maximum wage, or compensation, that may be used for calculating retirement benefits. For 2024, the maximum compensation that is to be used for computing retirement benefits is \$345,000 and applies based on the following dates:

- ORP employees hired *on or after Jan. 1, 1996*.
- TRS employees hired *on or after July 1, 1996*.
- ERS employees hired *on or after July 1, 1996*.

**Important note:** Employees hired prior to these respective dates are grandfathered and the maximum salary limits do not apply.

Employees hired prior to these dates should be enrolled in the benefit plans ORP or TRS in the system and the salary limits are not applied. Employees hired after these dates should be enrolled in the benefit plans ORPLMT or TRSLMT in the system and these limits would apply.

**2024 IRC Section 415 Limits:**

The IRS also imposes limits on the amount of contributions that may be allocated to an employee's defined contribution retirement plan accounts in any one year. This is known as an IRC Section 415 limit. This includes both employer and employee contributions.

- For 2024, the IRC Section 415 limit is 100% of compensation or the lesser of \$69,000. A Separate limit applies to ORP and 403(b) plan enrolled employees.
- The limits are set up in OneUSG connect. SSC in coordination with the Retirement@Work compliance monitoring system will monitor these limits to ensure the limits are not exceeded for the calendar year.
- The total employee and employer contributions for the ORP and employee contributions for the 403(b) participants are monitored to ensure that the 2024 IRC Section 415 limit of \$69,000 is not exceeded.

**2024 IRC Section 403(b) and 202 IRC Section 457(b) Elective Deferral Plan Limits:**

- Eligible employees may contribute up to \$23,000 in the USG 403(b) and/or 457(b) plans. Employee may contribute up to a total of \$46,000 combined in both plans.
- Employees age 50 or older, may contribute up to an additional \$7,500 in each plan for an additional \$15,000 combined in both plans for a total of \$61,000 annually.

403(b) Elective Deferral	\$23,000	457(b) Elective Deferral	\$23,000
403(b) Age 50 Catch-Up	\$7,500	457(b) Age 50 Catch-Up	\$7,500

**Executive 403(b) and 415(m) Excess Benefit Plan– Contributions Process**

All USG Presidents and the Chancellor are eligible to participate in the Executive Deferred Compensation plans. The amount is designated in the annual renewal letter. Each spring we will make these plans available to all eligible participants to enroll with an effective date of July 1 of each year. No changes are allowed once the decision to enroll has occurred until the next fiscal year.

To maintain consistency in the processing of contributions into the Executive 403(b) and 415(m) plans, please make sure contributions are processed according to the chart below. SSC will assist with the set-up of contributions in the OneUSG payroll system.

**Executive 403(b) Plan**

**415(m) Excess Benefit Plan**

- Contributions are run through the OneUSG connect payroll system using the executive 403(b) plan code
- Funds should be wired directly to each vendor
- Send Confirmation email to USG Retirement and corresponding vendor and/or submit a service request through PSW each month

- Contributions are run through the OneUSG connect payroll system using the executive 415(m) plan code
- Contributions going into and coming out of this plan are exempt from FICA
- An Employer Code has been added to the OneUSG connect under general deductions.
- The Code is set up as an Employer deduction and does not have any impact on the W2, taxes or earnings. It will show up as a line item on the employee’s pay stub.
- Funds should be wired directly to each vendor
- Send Confirmation email to USG Retirement and corresponding vendor and/or submit a service request through PSW each month
- Distributions should be reported on form W-2 in the tax year distributed

**Transparency In Government Act (TIGA) Reporting**

All employer contributions to executive deferred compensation plans for the Presidents, Chancellor, and any other senior level employee should be reported by each institution as compensation in the year contributed for the salary submission to the Georgia Department of Audits for TIGA reporting.

Please share this information as appropriate. Thank you for your assistance and if you have any questions, please let us know.