



OF ALABAMA

RETIREMENT SAVING MADE EASY

A 457(b) Deferred Compensation Plan

TOPICS TO BE COVERED

- Explanation of **RSA-1 Deferred Compensation Plan**
- Steps to opening an **RSA-1 account**
- Upcoming Changes for RSA-1:
 - Adding a Roth 457(b) Option
 - New Features for Member Online Services (MOS)



WHAT IS RSA-1 DEFERRED COMPENSATION?

- RSA-1 is a **voluntary** Governmental Defined Contribution Plan. The plan is based on Section 457(b) of the IRS and authorized by the Code of Alabama.
- The plan enables members to set aside a portion of your salary today to save for your retirement tomorrow.
- Currently, all RSA-1 contributions are not taxable for federal or state of Alabama income tax withholdings, which directly reduces the tax liability.



THE BENEFITS OF RSA-1

- RSA-1 has **No** fees of any kind!
- If eligible to purchase permissible service credit, members may use money in their **RSA-1 account** to purchase that service.
- Accepts transfers from other employer-sponsored 457(b) plans
- Currently accepts rollovers from the Partial Lump Sum Option Plan (PLOP) and Deferred Retirement Option Plan (DROP).



MAXIMUM 2023 CONTRIBUTIONS

Under Age 50

\$22,500.00

Age 50 or Over

\$30,000.00

Special Catch-up Provision*

Up to \$45,000 per year

*3 Years Prior to Normal Retirement Age (NRA)



OPENING YOUR RSA-1 ACCOUNT IS EASY!

Complete the following forms found in the back of the **RSA-1 Member Handbook** that is available today!

1. Plan Enrollment Form - mail to the RSA
2. Beneficiary Designation - mail to the RSA
3. Investment Option Election – mail to the RSA
4. Authorization to Defer Compensation - submit to payroll officer



AVAILABILITY OF RSA-1 FUNDS



- **Traditional 457(b) Plan (Pre-Tax)**
 - Separation of service, *regardless of age*
 - At age 70 ½, if still employed.
 - Unforeseeable Emergency as defined by the U.S. Treasury
 - Small balance distribution:
 - Have not contributed for 24 months
 - Balance of \$5,000 or less

CHANGES TO THE PLAN

- **Enrollment**

- Payroll Contributions will **not** be accepted if the member is not enrolled in the Plan.

- **Investment**

- Added Roth as an account type.
- Daily Net Asset Value (NAV)
- Contribution allocations can be changed daily.
- Fund reallocations can be changed monthly.

- **Rollovers**

- Now accepts rollovers from Thrift and Savings Plans (TSP) and 457(b) Designated Roth Plans.



CHANGES TO THE PLAN

- **Distributions**

- The amount requested can sometimes differ from the amount received.
- Added semiannual and quarterly to our distribution frequency options.
- Direct deposit can be used on all payment types except for outgoing transfers.
- Roth funds and pre-tax funds will be issued separately.
- Convert the RSA-1 account into a Roth 457(b).



IN PLAN ROTH CONVERSION

- Members may convert their existing RSA-1 (pre-tax) funds to RSA-1 (after-tax) Roth funds.
- Conversions are a taxable event and RSA-1 will issue a 1099R.
- Roth Conversions are irrevocable.



DIFFERENCES IN PRE-TAX & ROTH ACCOUNTS



Regular Contributions (Pre-Tax)

Roth Contributions (After-Tax)

Contributions:

Pay no income taxes on contributions. Taxes are deferred until withdrawn.

Income taxes are not deferred.

Withdrawals:

Pay taxes on contributions and interest upon separation from service.

Tax free withdrawals for qualified distributions.

Required Minimum Distributions:

Must begin a minimum distribution at age 73, unless still publicly employed.

No Required Minimum Distributions on a Roth account.

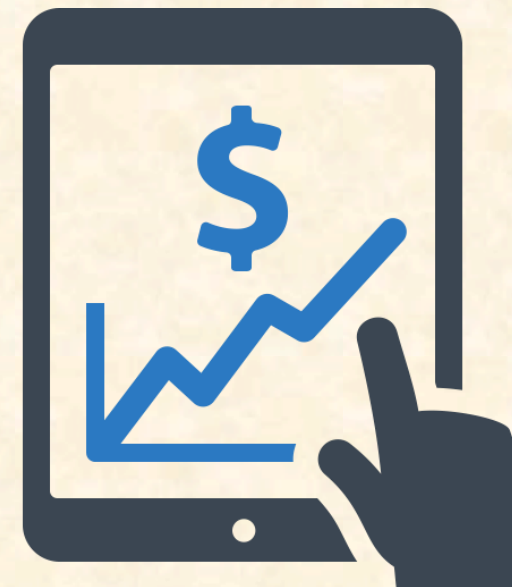


MEMBER ONLINE SERVICES

NEW FEATURES FOR RSA-1 MEMBERS

- **Online Processing:**

- Enroll Online
- Contribution allocation changes
- Fund reallocation changes
- Update federal tax withholding
- Submit special catch-up requests
- Initiate and upload distribution requests and beneficiary changes
- Stop periodic distributions
- Check status of requests and view account details





Get more information on RSA-1
by visiting our website at:

www.rsa-al.gov

Phone: (877) 517-0020

Email: rsa1info@rsa-al.gov

Member Online Services (MOS)

Portal: mso.rsa-al.gov




ESS Changes For RSA-1 Changes



Allow employers to report Retirement and RSA-1 submissions separately

- A new RSA-1 Contributions section has been introduced which users can report RSA-1 submissions.

This is a TEST environment. For PRODUCTION, please go to the following URL: <https://ess.rsa-al.gov>

 The Retirement Systems of Alabama

Employer Self-Service Employer Home Report Services Account Admin Logout [EPRA - Agency Epra](#)

Getting Started > Details > Summary > Payments Results

Enrollments	Retirement Contributions	RSA-1 Contributions
Choose this option to upload only enrollments in a file. You can upload multiple enrollment files per month as needed to enroll new members or update enrollment information for existing members.	Choose this option to upload only contributions in a file. Once an enrollment has been created for an employee, you can upload a contribution file to report contribution details. An enrollment must exist before contributions can be reported for an employee.	Choose this option to upload RSA-1 contributions in a file. Once an enrollment has been created for an employee, you can upload a contribution file to report RSA-1 contribution details. An enrollment must exist before contributions can be reported for an employee.
Upload File Enter Online	Upload File Enter Online	Upload File Enter Online


Submissions in Progress

Report Submission #	Submission Date	Mode	Type	Status	File Errors	Business Errors	Action
215333	09/12/2023	Enter Online	RSA-1 Contributions Only	In Progress			Void Report Suspend Report
215332	09/12/2023	Enter Online	Retirement Contributions Only	In Progress		View	Void Report Suspend Report

Employers can report and work on RSA-1 and Retirement contributions simultaneously and independent of each other, provided an Enrollment submission is not in progress

- RSA-1 Contribution Only submissions will not have references to retirement employee and employer contributions throughout the flow of the submission process.
- Retirement Contribution Only submissions will not have reference to RSA-1 PRE and POST tax contributions throughout the flow of the submission process.

This is a TEST environment. For PRODUCTION, please go to the following URL: <https://ess.rsa-al.gov>

 The Retirement Systems of Alabama

Employer Self-Service Employer Home Report Services Account Admin Logout [EPRA - Agency Epra](#)

Getting Started > Details > Summary > Payments Results

Enrollments	Retirement Contributions	RSA-1 Contributions
<p>Choose this option to upload only enrollments in a file.</p> <p>You can upload multiple enrollment files per month as needed to enroll new members or update enrollment information for existing members.</p>	<p>Choose this option to upload only contributions in a file.</p> <p>Once an enrollment has been created for an employee, you can upload a contribution file to report contribution details. An enrollment must exist before contributions can be reported for an employee.</p>	<p>Choose this option to upload RSA-1 contributions in a file.</p> <p>Once an enrollment has been created for an employee, you can upload a contribution file to report RSA-1 contribution details. An enrollment must exist before contributions can be reported for an employee. You can load the Retirement Contributions file or the RSA-1 only contributions file for the RSA-1 contributions to be processed.</p>
Upload File Enter Online	Upload File Enter Online	Upload File Enter Online

Submissions in Progress


Report Submission #	Submission Date	Mode	Type	Status	File Errors	Business Errors	Action
215333	09/12/2023	Enter Online	RSA-1 Contributions Only	In Progress			Void Report Suspend Report
215332	09/12/2023	Enter Online	Retirement Contributions Only	In Progress		View	Void Report Suspend Report



RSA-1 Contribution Submission – Container Details

- The current screen has been changed to only show the RSA-1 monies and wages when the employer is working on RSA-1 Contribution Only submission.

This is a TEST environment. For PRODUCTION, please go to the following URL: <https://ess.rsa-al.gov>


 The Retirement Systems of Alabama

Employer Self-Service Employer Home Report Services Account Admin Logout [EPRA - Agency Epra](#)

Getting Started > **Details >** Summary > Payments Results

Report Submission #: 215333 Submission Date: 09/12/2023 Type: RSA-1 Contributions Only Mode: Enter Online Status: In Progress

Employer Details

View Enrollment Error Details 

Show Errors For RSA-1 Contribution Details: ☐ Error ☐ Warning

Error Validations:

[Start Error Correction](#)

DPAS.WebUI.Internet.Employer.UserControls.ERSearchErrors* ACLS = C(0), R(0), U(0), D(1)

View Contribution Container Details

Employer	Total Records	Pay Date	Reporting Frequency	Records Passed	Rejected Records	Records with Errors	Total Employees	Total Pre-Tax RSA-1 Contributions	Total Post-Tax RSA-1 Contributions	Status	Submission Context Type	Current Contribution Submission
EPRA - PRATTVILLE	69	07/14/2023	Bi-Weekly	69	0	0	69	\$6,038.84	\$0.00	Processed	PROD	Report


[Prev](#) Display Records: 10 Page Number 1 of 1 [Next](#)



RSA-1 Contribution Submission – View Member Details in a Container

- Changes made to the existing view for RSA-1 Contribution Submission to show data in a column view per payment reason and PID.

This is a TEST environment. For PRODUCTION, please go to the following URL: <https://ess.rsa-al.gov>

 The Retirement Systems of Alabama

Employer Self-Service Employer Home Report Services Account Admin Logout [EPRA - Agency Epra](#)

Getting Started > **Details >** Summary > Payments Results

Report Submission #: 215333 Submission Date: 09/12/2023 Type: RSA-1 Contributions Only Mode: Enter Online Status: In Progress

Employer Details / Employer Name: EPRA - PRATTVILLE / Pay Date: 07/14/2023 / Payroll Frequency: Bi-Weekly

Search Contributions

SSN: PID: [Clear](#) [Search](#)

First Name: Last Name: [Show Errors Only](#) [Show All](#)

Error Validations:

Display Records:

Search Details

	Last Name ↓	First Name	SSN	PID	Date of Birth	Errors	Contribution Group	Position Status	Pay Period	Pay Date	Payment Reason	Wages	Pre-Tax RSA-1 Contribution Amount	Post-Tax RSA-1 Contribution Amount
Edit	DOE	JANE	XXX-XX-8750	10084875	10/02/1972	0	Contributing Law Enforcement	Regular	06/25/2023-07/08/2023	07/14/2023	Regular pay	\$2,459.77	\$50.00	\$0.00
Edit	DOE	JANE	XXX-XX-8470	10155647	01/05/1973	0	Contributing Local Employee	Regular	06/25/2023-07/08/2023	07/14/2023	Regular pay	\$3,156.59	\$250.00	\$0.00
Edit	DOE	JANE	XXX-XX-9490	10159949	06/09/1980	0	Contributing Local Employee	Regular	06/25/2023-07/08/2023	07/14/2023	Regular pay	\$2,781.14	\$20.00	\$0.00

View individual PID details in the RSA-1 Contributions Only report for error correction or adjusting RSA-1 pre-tax and post-tax monies.

RSA INTRANET | DPAS Resources | RSA ESS -

dev2-ess.rsa-al.gov/Employer/Pages/ERDetails.aspx

Updating Status | Details | Summary | Payments | Results

Report Submission #: 215333 | Submission Date: 09/12/2023 | Type: RSA-1 Contributions Only | Mode: Enter Online | Status: In Progress

Update Employee Contribution:

Personal Information

PID: 10084875 | SSN: XXX-XX-8750
First Name: JANE | Last Name: DOE
Tier/Group: Tier 1 | Employment Period: 10/29/2012 - Present
Contribution Group: Contributing Law Enforcement | Position Status: Regular
Payroll Period: 08/25/2023 - 07/08/2023 paid on 07/14/2023 | Payroll Frequency: Bi-Weekly
LOA Status Effective Date: 02/10/2019 | LOA Status: Not on Unpaid Leave

RSA-1 Contribution Information : Employer EPRA - PRATTVILLE

		Payment Reason	Error Count	Wages	Pre-Tax RSA-1 Contribution	Post-Tax RSA-1 Contribution	Override Warnings
	Delete	Regular pay	0	\$2,459.77	\$50.00	\$0.00	<input type="checkbox"/>
							<input type="checkbox"/>
		Total:		\$2,459.77	\$50.00	\$0.00	

Messages

Code	Message	Severity	Category
------	---------	----------	----------


< Previous | X Cancel | Save Changes | Next >

Employee: DOE, JANE, XXX-XX-0290, 11047029, 07/12/1999, 0, Contributing Local Employee T2, Regular, 08/25/2023-07/08/2023, 07/14/2023, Regular pay, \$1,651.11, \$75.00, \$0.00

10:37 AM 9/12/2023

RSA-1 Contribution Only submission summary screen

This is a TEST environment. For PRODUCTION, please go to the following URL: <https://ess.rsa-al.gov>

 The Retirement Systems of Alabama

Employer Self-Service Employer Home Report Services Account Admin Logout [EPRA - Agency Epra](#)

Getting Started > Details > **Summary >** Payments Results

Report Submission #: 215333 Submission Date: 09/12/2023 Type: RSA-1 Contributions Only Mode: Enter Online Status: In Progress

RSA-1 Contribution Summary

RSA-1 Contributions			
Employer	Pre-Tax RSA-1 Contributions	Post-Tax RSA-1 Contributions	Total Amount
EPRA - PRATTVILLE	\$ 6,038.84	\$ 0.00	\$ 6,038.84
Total	\$6,038.84	\$0.00	\$6,038.84

Invoices


Apply	Employer	Invoice	Invoice Type	Date	Amount
You have no invoices outstanding.					

[< Unsubmit and Review Details](#) [Proceed to Payment >](#)



RSA-1 Contribution Only submission payment screen

This is a TEST environment. For PRODUCTION, please go to the following URL: <https://ess.rsa-al.gov>



The Retirement Systems of Alabama

Employer Self-Service Employer Home Report Services Account Admin Logout

EPRA - Agency Epra

Getting Started > Details > Summary > **Payments** Results

Report Submission #: 215333 Submission Date: 09/12/2023 Type: RSA-1 Contributions Only Mode: Enter Online Status: In Progress

Contribution Payments

Review Your Payment Information

Employer	Pre-Tax RSA-1 Contributions	Post-Tax RSA-1 Contributions	Total RSA-1 Contributions
EPRA - PRATTVILLE	\$0.00	\$6,038.84	\$6,038.84
Totals	\$0.00	\$0.00	\$6,038.84

Invoices

Employer	Invoice	Invoice Type	Date	Amount
No invoices were selected.				
Total Invoices Applied				\$0.00

Remit Your RSA-1 Payments:

Save Allocation

Pay For EPRA - PRATTVILLE	Trustmark - TRUSTMARK NATIONAL BANK, ...0663	<input type="text" value="\$0.00"/>	Total Reported:	\$6,038.84
			Total Applied:	\$0.00
			Balance Remaining:	\$6,038.84
Total Amount Due:			\$6,038.84	
Total Applied:			\$0.00	
Balance Remaining:			\$6,038.84	

ESS PIN: *

Go Back Submit Your Payment >



CREDIT INVOICES

- Credit invoice are visible in ESS
- Credit invoices represent monies owed back to employees and/or the district
- Detail for credit invoices can be viewed via the ESS
- TRS credit invoices can be taken against TRS debit invoices only
- PEEHIP credit invoices can be taken against PEEHIP debit invoices only
- For TRS, at plan year end, credit invoices are created for overtime excess
- Tables reflect credit invoices as of Sept 12, 2023

PEEHIP				
Type	Unique Entities	Invoice Count	Credit Amount	Current %
K-12	67	83	(535,062.72)	93%
Not K-12	6	7	(7,627.00)	94%
Totals	73	90	(542,689.72)	94%

TRS				
Type	Unique Entities	Invoice Count	Credit Amount	Current %
K-12	24	31	(119,361.67)	97%
Not K-12	9	15	(145,844.45)	100%
Total	33	46	(265,206.12)	99%

Overtime Rules

- Act 2012-302 restricts compensation for use in retirement calculations to 120% of the base contract salary for Tier 1 members and 125% of the base contract salary for Tier 2 members during each scholastic year.
- Overtime pay is defined as wages earned in accordance with the Fair Labor Standards Act at the rate of time and a half for working more than 40 hours per week.
- Regular pay is defined as base wages including straight/gap pay, call-back pay, paid leave (not taken as a lump-sum), and other related pensionable compensation.

Year End Credit Invoice for Excess Overtime

- At the end of the TRS scholastic year, our system will determine if OT Salary was in excess of the maximums.
- If OT Salary was in excess, credit invoices will be generated for the amounts of excess employee and employer contributions.

	Tier 1 Example	Tier 2 Example
Scholastic Year Base Salary	\$ 60,000	\$ 60,000
Scholastic Year OT Salary	\$ 20,000	\$ 20,000
Scholastic Year OT/Base Salary %	33.33%	33.33%
OT Maximum per Statute	20.00%	25.00%
FY OT Salary in Excess of Max	13.33%	8.33%
Employer FY Contribution	\$ 10,072	\$ 9,256
Employee FY Contribution	\$ 6,000	\$ 4,960
Employer Contribution in Excess	\$ 1,342.93	\$ 771.33
Employee Contribution in Excess	\$ 800.00	\$ 413.33
Credit Invoice to Employer	\$ 1,342.93	\$ 771.33
Credit Invoice to Employee	\$ 800.00	\$ 413.33



Employer Services

Hunter Norris

THE EMPLOYER SELF SERVICE PORTAL (ESS)

AASBO Fall 2023

Information You Should Know!



Rate Changes



Enrolling New Hires



Post-Retirement Part-Time



Post-Retirement Full -Time



Ending Enrollments




Payment Reasons
















Training Opportunities

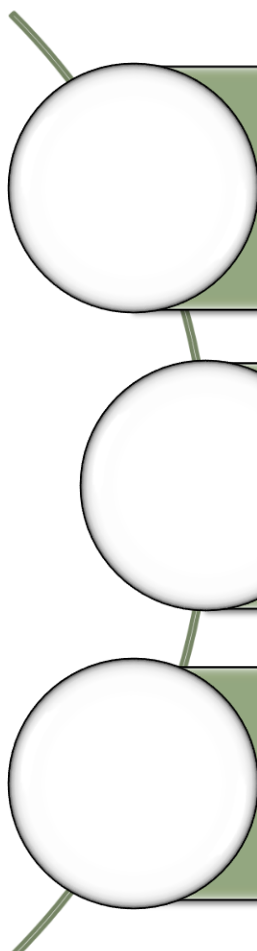
Rate Changes

Retirement System *	Plan Year *	Payroll Frequency *	Initial Pay Date *	Arrears *
 Teachers' Retirement System of Alabama	2023 - 2024	Monthly	08/31/2023	31 Days

- **Contribution rate changes take effect in the first pay period that ends on or after October 1.**
 - Select the Report tab
 - Select Payroll Schedule
 - Expand your 2023-2024 payroll schedule(s).
 - Identify the first pay period that ends on or after October 1.
 - *This will be the pay period in which rates will need to be adjusted in your payroll software.*

	Pay Date	Pay Period Begin Date	Pay Period End Date	Skip Report
 Action ▾	08/31/2023	07/01/2023	07/31/2023	<input type="checkbox"/>
 Action ▾	09/29/2023	08/01/2023	08/31/2023	<input type="checkbox"/>
 Action ▾	10/31/2023	09/01/2023	09/30/2023	<input type="checkbox"/>
 Action ▾	11/17/2023	10/01/2023	10/31/2023	<input type="checkbox"/>
 Action ▾	12/18/2023	11/01/2023	11/30/2023	<input type="checkbox"/>
 Action ▾	01/31/2024	12/01/2023	12/31/2023	<input type="checkbox"/>
 Action ▾	02/29/2024	01/01/2024	01/31/2024	<input type="checkbox"/>
 Action ▾	03/22/2024	02/01/2024	02/29/2024	<input type="checkbox"/>
 Action ▾	04/30/2024	03/01/2024	03/31/2024	<input type="checkbox"/>
 Action ▾	05/24/2024	04/01/2024	04/30/2024	<input type="checkbox"/>
 Action ▾	06/28/2024	05/01/2024	05/31/2024	<input type="checkbox"/>
 Action ▾	07/31/2024	06/01/2024	06/30/2024	<input type="checkbox"/>
 Action ▾	<input type="text"/>	<input type="text"/>	<input type="text"/>	

Enroll New Hires



Enrollments need to be entered in a timely manner as employees have 30 days from their date of hire to enroll in coverage(s) through member online services, so they are eligible for PEEHIP.

All employees, including non-participating and contract employees, need to be enrolled and have their wages reported.

Except for substitutes and board members, unless they are retirees.

Postretirement Employment-Part Time

A TRS retiree employed with **an ERS or TRS agency** may continue to receive full benefits provided that the retiree meets all of the following conditions:

A Retiree must have at least a 30-day break in service from the effective date of retirement before being reemployed with a TRS or ERS member agency.



A Retiree must not be employed in a permanent, full-time capacity.



A Retiree's salary cannot exceed the limitation on earnings.

Limits are subject to change each year based on the Consumer Price Index.

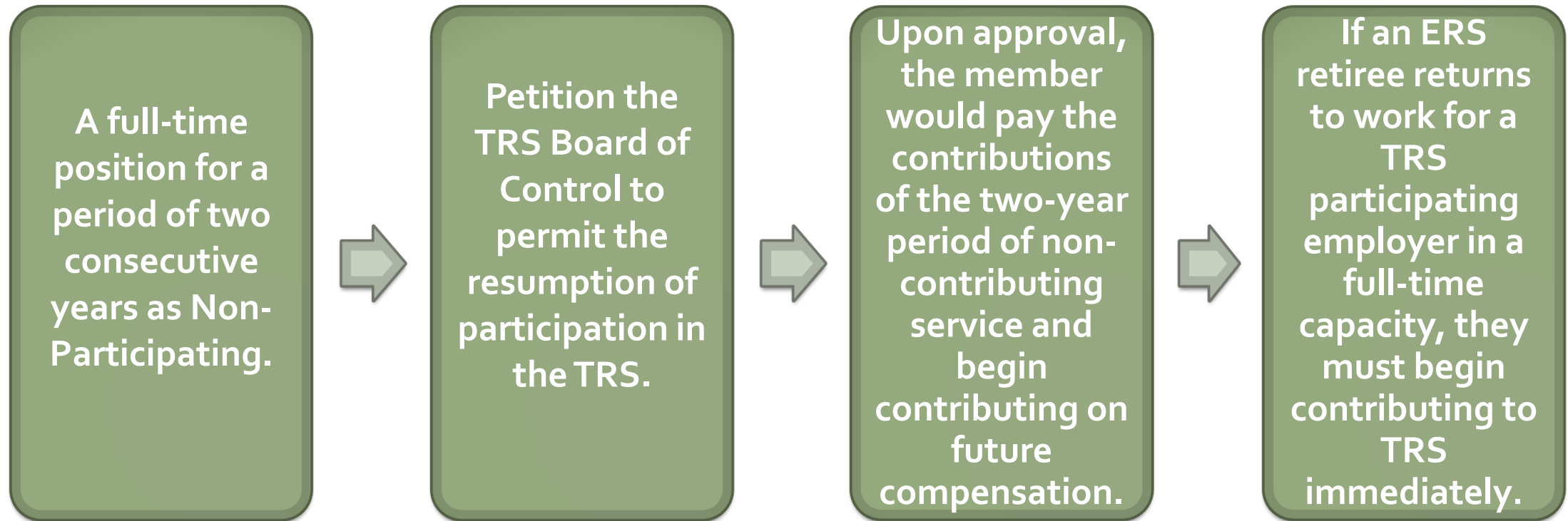


Failure to adhere to these restrictions will result in the suspension of retirement benefits.

Retirees are to be enrolled with non-participating contribution groups and reported with pensionable payment reasons (Regular Pay, Lump Sum/Longevity) so they show on the Postretirement Employment Report.

Postretirement Employment-Full Time

If a TRS retiree returns to full-time employment with a **TRS agency or ERS Agency, benefits will be Suspended.**



Retirees are to be enrolled with non-participating contribution groups and reported with pensionable payment reasons (Regular Pay, Lump Sum/Longevity) so they show on the Postretirement Employment Report.

Position Status

01 – Regular**	Should be used for employees who have a regular work schedule. Can be used for both full-time and part-time employees. This should also be used for retirees who have returned to work full-time.
03 – Seasonal/Irregular	Should be used for employees who do not have a regular work schedule. This should also be used for retirees who have returned to work part-time.
04 – Temporary	Should be used for employees who are hired with a pre-determined termination date that is less than one year from their start date.
08 – Ineligible to Contribute**	Should be used for employees contributing under ERS and employees that are hired in a position that is never eligible for participation, regardless of any previous eligibility or full-time/part-time status.
09 – Ineligible to Contribute to TRS and Ineligible for PEEHIP**	Same as position status 08 but should be used by agencies that offer PEEHIP when the employee is ineligible for both TRS participation and PEEHIP benefits.

** Impacts PEEHIP eligibility

Enrollments need to be ended in a timely manner.

The Enrollment End Date should be the last day the employee worked unless vacation or sick leave were used to in lieu of working.

Enrollment End dates can be future-dated in ESS if done manually via Search Demographics and in the Application Center of Nexgen if done by enrollment file.

Data on Enrollment Files can override data that was manually entered.

Ending Enrollments

Most Common End Reasons

00 – Change in Contribution Group	Is used when an employee changes Contribution Groups, such as going from a Support Worker to a Teacher. A new enrollment will need to be created.
01 – Retirement	Is used when an employee is retiring.
02 – Death	Is used when an active employee passes away.
03 – Change in Position Status	Is used when an employee changes Position Status, such as going from Seasonal/Irregular to Regular. A new enrollment will need to be created.
05 – Hired in Error	This should only be used when an enrollment is created in error or if the employee is enrolled and did not show up. This should only be used if there are no wages or contributions posted to this enrollment
06 – Voluntary Termination	Is used when an employee leaves employment of his or her own volition.
07 – Involuntary Termination	Is used when an employee is dismissed from the agency. This would include any employee whose contract ended or expired and was not renewed – if the employee was willing and able to return to work.

Payment Reasons

00 – Regular Pay	Only the employee's base salary should be included in Regular Pay.
01 – Lump Sum/Longevity and Other Pensionable	<p>Includes pensionable bonuses and other one-time payments, as well as pensionable longevity pay for an employee. For TRS employees, this would include pay for coaching, labs, or any time worked outside a normal contract, but does not include National Board Certification wages.</p> <p>Also includes additional time spent working (for example, in after school care, or coaching) outside of the normal position that the enrollment is tied to.</p>
02 – Overtime	<p>Includes wages for time worked over and above the normal full-time work schedule in accordance with the Fair Labor Standards Act (FLSA). It would not include overtime wages which have exceeded the overtime limit.</p> <p>The overtime limit is applied on a scholastic year basis.</p>
03 – Contract Payoff	Is to be used when an employee receives a contract payoff.
04 – National Board Certification	Wages only apply to employees reported under TRS and should only be used to report wages paid in relation to National Board Certification.
97 – Non-Pensionable Overtime	<p>Once an employee exceeds the overtime limit, those earnings in excess of the overtime limit should be reported as Non-Pensionable Overtime</p> <p>The overtime limit is applied on a scholastic year basis.</p>
98 – Non-Pensionable Lump Sum/Longevity	Includes non-pensionable lump sum comp time pay, bonuses, or other one-time payments.
99 – Other Non-Pensionable	Once an employee exceeds the earnable compensation limit, those earnings in excess of the earnable compensation limit should be reported as (Non-Pensionable Overtime) [recommended] or (Other Non-Pensionable Wages) because they are no longer pensionable.

ESS Portal Training

- In-house ESS Portal training sessions are available in Montgomery, AL, at the RSA Headquarters Building.
- Employer Services Representatives can be reached at 334.517.7005, option 2, or by email at Employer.Services@rsa-al.gov and are available for assistance Monday-Friday, 8 A.M.-5 P.M.

