



Retirement Services Programs

ACCG - Retirement Programs

GEBCorp offers local governments in Georgia the opportunity to provide one or any combination of retirement plans to its employees. Many of these jurisdictions would be unable, on their own, to offer a retirement program that is competitive with larger governments and many private sector organizations. By bringing together the resources of the members, and relying on the expertise of the oversight groups and the strength of its investment advisors, these jurisdictions are able to offer programs that are fiscally sound and professionally administered.

Defined Benefit

Defined Benefit Plans are often considered the traditional type of retirement plan, the “pension plan.” They are called defined benefit plans because the retirement benefits to be received during retirement are set, or “defined,” by the employer. Typically, the benefit amount is based on a formula that takes into account salary, years of service, and age. In addition, there are generally several payment options that will increase or decrease the actual monthly benefits. The plans are designed to provide a fixed monthly benefit payment for at least the retiree’s lifetime. Based on the payment option selected, payments may also extend to a beneficiary after the death of the retiree.

Defined Contribution

In the public sector, there is no provision for a 401(k) retirement plan in the same way one sees such programs in the private sector. In order to provide essentially the same type of program, GEBCorp offers the combination of the 401(a) and 457(b) plans.

401(a) Defined Contribution Plan

The 401(a) Defined Contribution Plan can be considered the “employer” side of this type of retirement plan. In these plans, the “contribution” into an employee’s individual account is set or “defined” by the employer. These contributions are generally specific percentages of employee pay, and can be provided as a base contribution or “matching only,” that is, employer contributions based on the level of participant contributions to the 457(b) Plan described below. Some plans may require employees to contribute as well, which are deducted pre-tax from their paycheck. The benefits received during retirement are based on the amount of contributions made to the account and the level of investment earnings over time; no set or defined level of benefits is established by the employer. Many local governments also implement a companion 457(b) Deferred Compensation Plan which allow an employee to defer a portion of current pay into an individual investment account for use, with investment earnings, in the future.

457(b) Deferred Compensation

A 457(b) Deferred Compensation Plan offers employees, on a voluntary basis, the opportunity to defer a portion of current compensation and receive it, with earnings, in the future. The employee determines the amount to be deducted from a paycheck, before taxes are taken, into the 457(b) account, which is then placed in investment options selected by the employee from the array of diversified, high quality investment options offered by GEBCorp. These funds are available to employees after separation from employment. Taxes are taken on withdrawal, but when used as part of the overall retirement strategy, will be taxed on a lower, post-retirement level. It is most often used as a secondary plan used to supplement other types of retirement plans.