

PERS Employer Outreach, Communication and Education

Welcome!

Advanced Reporting Topics

V12 December 16, 2015

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What is “Subject Salary”?

- Subject Salary is:
 - **A payment made by a PERS employer to an employee which satisfies the statutory definition of “salary”:**
 - Tier One/Tier Two: ORS 238.005(26)(a-b)
 - OPSRP: ORS 238A.005(17)(a-b)
 - Examples of payments which meet the definition of “subject” salary are listed in the Payment Categories chart.
 - **OPSRP only: included** in a W-2 as taxable salary in the state of Oregon.
 - **Please Note: Taxable salary questions should be addressed to the employer’s tax specialist or to the employer’s tax consultant.**
- **Contributions are due on subject salary paid to a member in a “qualifying position.”**
 - For persons establishing OPSRP membership after January 1, 2016, contributions will become due beginning the first full pay period after the six-month waiting time.

What is “Non-subject salary”?

- Non-subject Salary is:
 - **A payment specifically excluded from definitions of “salary”:**
 - PERS (ORS 238.005(26)(c))
 - OPSRP (ORS 238A.005(17)(c))
 - Examples of payments which do not meet the PERS or OPSRP “salary” definition are listed in the Payment Categories Chart.
 - **OPSRP only: not included** in a W-2 as taxable salary in the state of Oregon.
 - **Please Note: Taxable salary questions should be addressed to the employer’s tax specialist or to the employer’s tax consultant.**
- **Contributions are NEVER due on “non-subject” salary.**

Salary and Hours

- **DTL2 Wage Codes**
 - **Any wage code may be used with any salary type (subject or non-subject).**
 - **Salary for “non-qualifying” service does not require use of “non-subject” salary.**
 - **“Non-subject” and “Subject” salary could be entered on the same DTL2 record.**
 - **A Non-Subject Salary sick leave payoff may be entered on the same DTL2 record with Hours Worked: Regular and Subject Salary, Regular.**
 - **The wage code states:**
 - **The type of service for which salary is being reported.**
 - **DTL2-01: reporting wages for periods of “qualifying” service.**
 - **DTL2-02: reporting wages for periods of “non-qualifying” service.**
 - **DTL2-07: reporting wages for retirees working as retirees.**
 - **DTL2-08: reporting wages and contributions with no hours of service.**
 - **The type of correction being made to previously posted salary, hours and/or contributions.**
 - **Positive or Negative correction; there are no positive or negative numbers in EDX, only positive or negative adjustment codes.**

Contribution Reporting Requirements beginning January 1, 2016

- Effective January 1, 2016 statute will be amended to require contributions for wages attributable to services performed during the first full pay period following the six month wait time.
 - On or after January 1, 2016 employers will need to use a different procedure to correctly report wages and contributions for any pay date after OPSRP membership is established if the pay period for that pay date includes waiting time service.
 - This new procedure is outlined in [Employer Announcement #97](#)

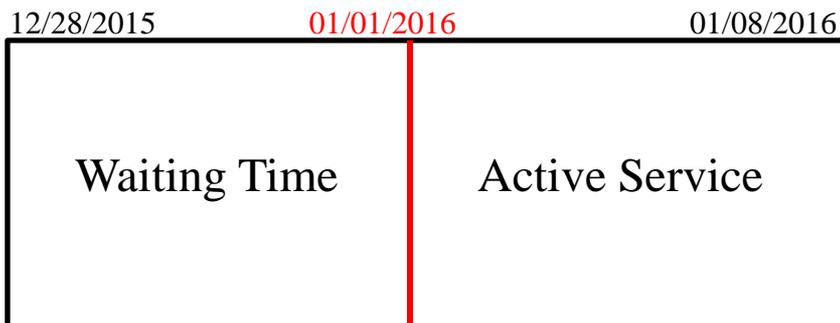
Contribution Reporting Requirements beginning January 1, 2016

Example: On or after January 1, 2016: Reporting contributions for the first pay date on or after OPSRP

membership is established: An employer's pay period begins December 28, 2015 and ends January 8, 2016, with a January 22, 2016 pay date. A reported individual becomes an OPSRP member January 1, 2016. The individual works 80 hours for the two-week period for a reported salary of \$2000.00

Reporting by a Local Government employer:

For this pay period WPBED are used on **both** of the two required DTL2 records. Salary on the 1st record is "Subject" and salary on the 2nd record is "Non-subject". Contributions are entered on neither record.



12/28/2015 12/31/2015 01/01/2016 01/08/2016

DTL2 #1:

Pay Date: 01/22/2016

Work Period Begin Date: 12/28/2015

Work Period End Date: 12/31/2015

Hours Worked: (Regular) 40.00

Reported Wage Code: 01

Subject Salary, Regular: 1000.00

Non-Subject Salary: (blank)

Contributions: (blank)

DTL2 #2:

Pay Date: 01/22/2016

Work Period Begin Date: 01/01/2016

Work Period End Date: 01/08/2016

Hours Worked: (Regular) 40.00

Reported Wage Code: 01

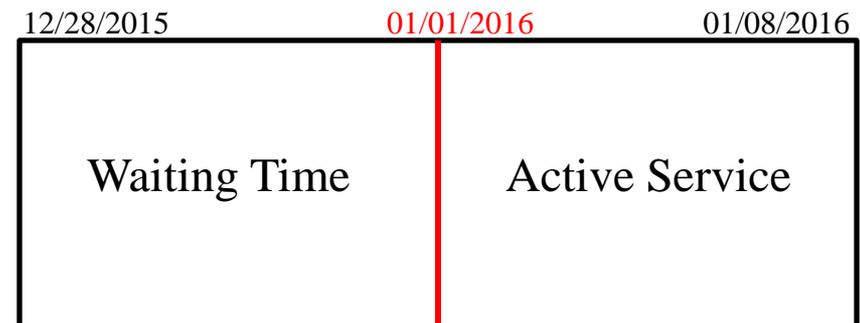
Subject Salary, Regular: (blank)

Non-Subject Salary: 1000.00

Contributions: (blank)

Reporting by a non-Local Government employer:

Non-local government employers **NEVER** use WPBED. For this pay period, salary is "Non-subject" and no contributions are entered.



DTL2:

Pay Date: 01/22/2016

Work Period Begin Date: (blank)

Work Period End Date: (blank)

Hours Worked: (Regular) 80.00

Reported Wage Code: 01

Subject Salary, Regular: (blank)

Non-Subject Salary: 2000.00

Contributions: (blank)

LWOP (Leave Without Pay)

- **A period of time in which the employee remains employed by the employer but is on an authorized unpaid leave of absence.**
 - Full month and “major fraction of a month.”
 - OAR 459-075-0150(1)(b).
 - OAR 459-010-0010(1).
- **No retirement credit accrues during reported periods of LWOP.**
- **Member and employer contributions are not normally reported for periods of LWOP.**
 - If the employee receives any payments that are due contributions during period of LWOP, these payments can be reported using DTL2-08/Contributions/No Service.
- **The employee is not considered terminated during an official period of LWOP.**
- **An official period of LWOP will not be considered an interruption of a “waiting time” period for Tier One/Tier Two members at any point or for OPSRP members on or after 11/23/2007.**
 - For OPSRP members from 8/29/2003 to 11/22/2007 an LWOP of more than 30 consecutive working days is considered a break in the waiting period.
 - A period of leave without pay will extend the waiting time by the length of the LWOP period.
- Statue references: OAR 459-010-0010, 459-075-0010

LWOP (Leave Without Pay)

- **Periods of LWOP in any calendar month which equal or exceed 11 business days must be reported separately.**
 - **A PERS business day is any day Monday through Friday in which PERS is open for business (OAR 459-070-0001(2), OAR 459-005-0001(14)).**
 - **Example: An individual has periods of LWOP of 4 business days in the first week of a month, 4 business days in the second week and 3 business days in the third week. The total is 11 business days and each period of LWOP which is part of a total of 11 or more PERS business days must be reported separately. (DTL1-07/Leave of Absence followed by DTL1-08/Return from Leave).**
- **Periods of LWOP which DO NOT equal or exceed 11 business days SHOULD NOT be reported.**
- **DLT2 records including wages, **HOURS** and contributions should be submitted for periods of PAID leave of absence (ex: sick leave, vacation or personal leave).**

Example:

- An employee is granted a leave of absence February 20, 2015 through April 6, 2015. The employee will use all their accrued sick leave during the leave of absence.
- **Wages, hours and contributions for all accrued sick leave are entered along with active service wages, hours and contributions on a DTL2 record for the pay period ending February 28 included in the employer's next Monthly Regular report.**
- The employer then reports LWOP status for the employee effective Monday, March 2.
 - **No further wages hours and contributions should reported during the period of LWOP.**
 - However, an employer policy requires pay for a personal time day during the employee's LWOP period. Since wages, hours and contributions must be reported for this holiday pay, the employer must:
 1. Submit a DTL1-08/Return from leave, then...
 2. Submit a DTL2-05/Positive Adjustment record for the holiday wages, hours and contributions, then...
 3. Submit a DTL1-07/Leave of Absence record to restart the employee's LWOP. Each of these records should be entered in separate Demographics and Adjustment reports.
 - This same employee is paid a taxable income cell phone allowance while on that LWOP. That allowance can be reported on a DTL2-08/Contribution/No Service record, included in the employer's next Regular report.
- The employee returns to work April 6, 2015.
- **If this employer were to report this leave and payment sequence after the fact, each of these actions could be requested through a Demographic Correction Request (DCR) sent to the employer's ESC Account Team representative.**

USERRA

- **Reemployment rights and benefits for periods of service in the uniformed services.**
 - A federal law granting employees certain rights to re-employment and benefits after completing a period of duty in the United States uniformed services.
 - Compliance is a federal requirement
 - Active, Reserve, National Guard
- **Heros Earnings Assistance and Relief Tax Act (HEART) update, 2008**
 - “Differential wage payments” treated as compensation for all purposes.
 - “Differential wage payments”:
 - Made by an employer to an employee on active duty for a period of more than 30 consecutive days.
 - **All or a portion of the wages the individual would have received from the employer if the individual were not performing service in the uniformed services**
 - **Total differential wage payments and USERRA-subject wages can never exceed total wages the individual would have earned during the period of uniformed service.**
 - **HEART Act provisions apply to differential payments made after December 31, 2008.**

USERRA qualification

- **Employers must determine USERRA qualification for any periods of uniformed service performed by their employees, based upon USERRA requirements.**
 - Resources for determination:
 - PERS Employer Announcement #33 on the PERS employer website,
www.oregon.gov/pers/emp/index.shtml
 - Title 38, US Code Chapter 43, II, 4316 and 4318.
 - Additional information at Department of Labor website:
www.dol.gov/vets/#userra

The USERRA process

- Steps in the USERRA process:
 1. The employee's military leave begins.
 - Submit a DTL1-05 (On military leave).
 2. The employee's military leave ends.
 - Submit a DTL1-08 (Return from Leave).
 3. The employer determines USERRA service period qualification.
 - **PERS has no role in the determination.**
 - **If the service period is qualified, complete the USERRA Certification form...**

USERRA

- **USERRA is a re-employment law**
 - **The first requirement is qualification for re-employment**
 - **The employer is responsible for determining re-employment qualification.**
 - **The individual must qualify for re-employment in order to receive retirement benefits for any periods of uniformed service.** To qualify for re-employment:
 1. The individual must have left a PERS or OPSRP qualifying position.
 2. The employee must have given notice that he or she was leaving to perform military service.
 3. The employee's cumulative period(s) of military service must not have exceeded five years (some exceptions are possible).
 4. The employee must be released from service under honorable or general conditions.
 5. The employee must have reported back to work, or re-applied **for re-employment with the SAME employer**, (also called the “post service” employer) within time constraints provided by law. (The state of Oregon is considered a single employer)
 - Once a member is re-employed under USERRA, he/she is entitled to the applicable retirement benefits provided under Oregon Administrative Rules (OAR) 459-011-0100 and 459-011-0110 (Tier One/Tier Two), 459-075-0100 (OPSRP Pension) and 459-080-0100 (IAP)

USERRA

- **The USERRA Certification form:**
 - Found on the PERS employer website under “Employer Forms”, “Paper Reporting-Personnel” or through this link:
<https://www.oregon.gov/PERS/MEM/docs/form/451emw.pdf>
 - Attention to Sections B, C & D
 - Sections B and C: Employer Certification & Qualifying time period.

Section B: Employer certification

I hereby certify that the employee listed above has met all of the qualifications for reemployment under the Uniformed Services Employment and Reemployment Rights Act (USERRA) 38U.S.C.4301-4333.

_____ Employer number	_____ Employer name		
_____ Certifying person's name	_____ Title		
_____ Signature	_____ Phone	_____ Ext.	_____ Date

Section C: Qualifying time period

Last date of employment or paid leave prior to USERRA-qualifying time: _____, _____, _____.
(month) (day) (year)

Time period that qualifies under USERRA: from _____, _____ to _____, _____, _____.
(month) (day) (year) (month) (day) (year)

First date of employment or paid leave following USERRA-qualifying time: _____, _____, _____.
(month) (day) (year)

USERRA Certification form, Section D:

USERRA states the amount of salary an employee would have earned includes the salary the employee was making at the time of his or her departure plus any cost-of-living increases, raises, etc., the employee would have received if he/she had not left for military service. This would include any increases that would have been awarded due to longevity of employment or seniority of position.

The amount of salary would also include the average overtime the employee would have worked and earned. For guidance and/or answers to questions about calculating salary for this purpose, refer to the U.S. Department of Labor's website at www.dol.gov/vets/#userra.

Enter the amount of salary the employee would have earned for each month the employee qualified under USERRA.

Example:

Year	January	February	March	April	May	June	July	August	September	October	November	December
			\$1,539.65	\$3,079.30	\$3,079.30							

Note: If the amount of salary cannot be reasonably determined, the salary shall be the employee's average rate of pay calculated for a period not exceeding the 12 months immediately preceding the period of qualifying military service.

Section D: Salary that would have been earned during each month of USERRA qualifying time

Year	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.

Note: if the amount of salary cannot be reasonably determined, the salary shall be the employee's average rate of pay calculated For a period not exceeding 12 months immediate preceding the period of qualifying military service.

USERRA

- **USERRA salary contributions on “differential payments” (if any) plus contributions on USERRA-subject salary, cannot exceed total contributions the employee would have made if the employee had not been called to active service.**
- **USERRA contributions for Tier One/Tier Two members:**
 - **EPPT (Employer Paid Pre-Tax):**
 - **The employer is responsible for submitting both employer and member IAP “make up” contributions, which will be invoiced through EDX.**
 - **Service credit will be granted when the “make up” contributions are paid.**
 - **MPPT (Member Paid Pre-Tax) or MPAT (Member Paid After Tax):**
 - **The employee may “make up” any or all IAP member account contributions they would have made if they had remained employed.**
 - **Starting at re-employment, the employee has up to three times the length of service to submit the “make up” contributions, not to exceed five years.**
 - **Contributions can be made only if the member remains employed with the “post service” employer. Contributions will not be accepted if the member terminates employment with the “post service” employer.**
 - **PERS will calculate contributions on any qualifying service time and inform the member of those contributions. Upon receipt of the member’s contribution payment, the member’s IAP account will be updated and the employer will be invoiced for employer contributions due.**
 - **Service credit for the qualifying military service period will be granted ONLY if the “make up” contributions are made by the member.**

USERRA

- **USERRA salary contributions on “differential payments” (if any) plus contributions on USERRA-subject salary, cannot exceed total contribution the employee would have made if the employee had not been called to active service.**
- **USERRA contributions for OPSRP members:**
 - **EPPT (Employer Paid Pre-Tax):**
 - **The employer is responsible for submitting member IAP “make up” contributions, which will be invoiced through EDX.**
 - **The employer will be invoiced for OPSRP Pension Program employer contributions and retirement credit will be automatically granted.**
 - **MPPT (Member Paid Pre-Tax) or MPAT (Member Paid After Tax):**
 - **The employee may “make up” any or all IAP member account contributions they would have made if they had remained employed.**
 - **Starting at re-employment, the employee has up to three times the length of service to submit the “make up” contributions, not to exceed five years.**
 - **Contributions can be made only if the member remains employed with the “post service” employer. Contributions will not be accepted if the member terminates employment with the “post service” employer.**
 - **PERS will calculate contributions on any qualifying service time and inform the member of those contributions. Upon receipt of the member’s contribution payment, the member’s IAP account will be updated.**
 - **OPSRP Pension Plan employees who qualify for reemployment are entitled to service credit to the OPSRP Pension plan for their qualifying military service without making member contributions. Employers will be responsible for submitting the employer contributions to the pension fund.**

USERRA

- Remaining steps in the USERRA process:
 4. The employer submits the completed USERRA Certification form to PERS.
 5. PERS creates an active USERRA position in EDX.
 6. The employer reports DTL2-11 (USERRA Qualifying Wages) for each reporting period in the USERRA-qualified service period.
 7. As the records post, invoices for contributions are generated.
 - EPPT, MPAT or MPPT.
 - Employer Pension program contributions.
 8. The process is complete.

USERRA

- Remember:
 - The employer determines USERRA qualification for their employees' periods of uniformed service.
 - EACH period of uniformed service must be reported, and evaluated, separately.
 - DTL1-05 (On Military Leave)
 - **IF** the employer decides to make "differential wage payments":
 - Submit DTL2-08(Contributions/No Service) for each reporting period during the member's absence for military service
 - DTL1-08 (Return from Leave)
 - USERRA qualification determination and process completion.
 - **PLEASE NOTE: Contact your ESC Account Representative BEFORE removing any posted USERRA contributions.**
 - **USERRA negative adjustments made by employers remove contributions only from the adjustment date forward.**
 - **Example:**
 - 2004 pay date USERRA contributions are posted in 2005.
 - In 2008, those same contributions are reversed.
 - In 2012, those same contributions are again posted.
 - **The Results:**
 - The 2004 USERRA initial posting will receive earnings from 2005 forward.
 - The 2004 USERRA contributions reversed in 2008 will have earnings reversed from 2008 forward. The earnings from 2004 through 2007 are not reversed.
 - The 2004 USERRA contributions reposted in 2012 now get earnings from 2012 forward.

Salary Breakdown (SBD) form completion.

- Salary Breakdown (SBD) forms are the only method used to provide salary information for years prior to January 1, 2004. Salary and hours are to be reported for each month the member worked and was paid a salary. **Hours are reported for the month in which they were worked, and salary is reported for the month in which it was paid.**
 - SBD forms cover calendar years, and ALL wages and hours paid in any calendar year should be entered on the SBD covering that calendar year.**
- An employer receives an SBD request from PERS for a part-time employee for years 1996 and 1997.
- The employer pays on the 1st of the month for hours worked in the previous month (ex: hours worked for the month of July 1996 were paid in the August 1, 1996 paycheck). However, the SBD data validations **require both hours and salary entries if either is entered**. Since hours are reported for the month worked and salary is reported for the month paid, we must use a “place holder” value to satisfy SBD validation requirements. The “place holder” value is 0.01 which will not impact salary, contributions and hours.

Salary Breakdown for Year 1996

Job Class
 Contract No. of Months
 Multiple Employment Segments *Start Date
 Default Contribution Type EPPT MPPT MPAT Term Date

Month	Hours	Salary	Contribution Type	Contribution
January		\$	EPPT	\$ 0.00
February		\$	EPPT	\$ 0.00
March		\$	EPPT	\$ 0.00
April		\$	EPPT	\$ 0.00
May		\$	EPPT	\$ 0.00
June		\$	EPPT	\$ 0.00
July	53.33	\$ 0.01	EPPT	\$ 0.00
August	53.33	\$ 900.00	EPPT	\$ 54.00
September	53.33	\$ 900.00	EPPT	\$ 54.00
October	53.33	\$ 900.00	EPPT	\$ 54.00
November	53.33	\$ 900.00	EPPT	\$ 54.00
December	53.33	\$ 9000.00	EPPT	\$ 540.00
TOTAL	319.98	\$12600.01		\$756.00

Salary Breakdown for Year 1997

Job Class
 Contract No. of Months
 Multiple Employment Segments *Start Date
 Default Contribution Type EPPT MPPT MPAT Term Date

Month	Hours	Salary	Contribution Type	Contribution
January	53.33	\$ 900.00	EPPT	\$ 54.00
February	53.33	\$ 900.00	EPPT	\$ 54.00
March	53.33	\$ 900.00	EPPT	\$ 54.00
April	53.33	\$ 900.00	EPPT	\$ 54.00
May	53.33	\$ 900.00	EPPT	\$ 54.00
June	53.33	\$ 900.00	EPPT	\$ 54.00
July	53.33	\$ 900.00	EPPT	\$ 54.00
August	53.33	\$ 900.00	EPPT	\$ 54.00
September	53.33	\$ 900.00	EPPT	\$ 54.00
October	53.33	\$ 900.00	EPPT	\$ 54.00
November	0.01	\$ 900.00	EPPT	\$ 54.00
December		\$	EPPT	\$ 0.00
TOTAL	533.31	\$9900.00		\$594.00

Specific Reporting Events.

- **02-Termination:** marks the end of the employer-employee relationship, effective on the Status Date. **Last Day Service must be entered on a termination record. Last Day Service is the last date the individual worked or was on paid leave. Last Day Service can be the same as the termination date or before the termination date, but Last Day Service can never be after the termination date.**
- **10-Deceased:** If the employer-employee relationship exists at the member's death, the status date is the date of death. If the employer-employee relationship ended prior to the employee's death the status date is the same as the termination date.
- **Unused Sick Leave hours are reported only with DTL1-02 or -10 records. Any lump-sum payout of unused sick leave is considered non-subject salary for Tier One/Tier Two and OPSRP members, and should be reported as non-subject salary. Unused sick leave hours paid out cannot also be reported as unused sick leave on DTL1-02 or -10 records.** Reporting unused sick leave is described in Employer Announcement #88. This example is taken from Employer Announcement #88 and shows the steps to calculate unused sick leave hours to be reported and calculates the hours to be reported for an employee who works 12 months and accumulates sick leave at 12 hours/month:

Employer Responsibility:		Hours
A	Accrued sick leave before capping <i>(Capping is required if sick leave accrual is other than eight hour per month)</i>	144
B	Accumulated sick leave (after capping when required)	96
C	Add transferred in and reinstated unused sick leave	100
D	Total sick leave at termination <i>(Capped accumulated, transferred in and reinstated sick leave)</i>	196
E	Less actual sick leave used <i>(Do not use pro-rated or converted sick leave in this calculation)</i>	60
The result is Gross Unused Sick Leave Hours* ((B+C=D)-E=Gross Unused SL)		136

For PERS reporting sick leave accumulates at the lowest accrual rate of any employee entitled to sick leave, with a maximum of 8 hours/month. Employers may allow a greater accumulation amount per month, but a maximum of 8 hours/month can be accrued for PERS reporting (i.e., sick leave is “capped” at that 8 hour/month maximum). **Sick leave use rate occurs at the employer specified rate,** possibly greater than 8 hours/month.

Report to PERS:		Hours
1	Gross Unused Sick Leave Hours* <i>(To be reported on the request for Unused Sick Leave)</i>	136
2	Less sick leave transferred in and reinstated sick leave <i>(To be reported on the request for Unused Sick Leave under Transferred Unused Sick Leave Hours*)</i>	100
3	NET Unused Sick Leave Hours* (1-2=Net Unused SL) <i>(To be reported on the DTL1-02/Termination)</i>	36

* see definitions for more information

Transferred sick leave is an employee's unused sick leave transferred from one employer to another employer. A group of employers may agree to allow accumulated sick leave to move between those employers with an individual who changes employment within that group of employers.

Reinstated sick leave would be hours retained by an employer when an employee departs employment and credited to that employee upon re-employment.

Specific Reporting Events.

- **Termination, rehire and waiting time**: An employer can change position hire intent by terminating the employee and rehiring the employee into another position with different hire intent.
- **Waiting time will continue unbroken if the individual is terminated and rehired with the same employer with a break of less than 30 working days (a working day is any day the employer is open for business. This will be assumed to be any day PERS is open for business, Monday - Friday, unless the employer communicates a different date).** If the break is greater than 30 working days, the waiting time will start over, with another full six calendar months to be completed. A period of reported Leave w/o Pay (LWOP) will not restart the waiting time period for Tier One/Tier Two members at any point or for OPSRP members on or after 11/23/2007, just extend the waiting time by the duration of the LWOP period.
- **The 30 working day break DOES NOT apply to summer break for education employers IF the employer-employee relationship continues throughout summer break.** If the employer-employee relationship continues the waiting time also continues. If an education employer terminates an individual who is still in their waiting time when a school year ends and 30 consecutive working days elapse before the individual is hired for the fall term, the waiting time starts over at the fall term hire date. This will affect an employee's OPSRP Contribution Start Date (CSD) and service credit.

Specific Reporting Events.

- **Changing member account contribution methods:** Contributions to member IAP accounts are 6% of total subject salary, no more and no less. Contributions are made by **ONE of three methods:**
MPAT – Member Paid After Tax (This is the default method if no other is selected).
MPPT – Member Paid Pre Tax. The required PERS employee contribution is deemed to be “**picked up**” for purposes of IRC Section 414(h)(2) and **submitted** by the employer.
EPPT – Employer Paid Pre Tax. The required PERS employee contribution is deemed to be “**picked up**” for purposes of IRC Section 414(h)(2) and **is assumed and paid** for purposes of ORS 238A.335(2)(b).
- **An account contribution method could apply to one position (such as an organization CEO), a group of employees in “similarly situated positions” (same type of job, i.e. patrol officer, fire fighter, 911 dispatcher, etc.), collective bargaining unit members or employees in a specific department of the employer’s organization.**
- A contribution method change for some or all employees can be adopted by collective bargaining agreement, official policy, ordinance, resolution or included in a personnel manual. The official document adopting a contribution method change for some or all employees must clearly state what employee groups or specific employee positions are affected by a specific contribution method. A collective bargaining agreement would not affect management personnel, who would need their own “group” for this purpose.
- **A contribution method for member accounts enacted by collective bargaining agreement, official policy, ordinance, resolution or personnel manual entry is prospective for those affected by the method specified in the official document defining the contribution method and those affected. Retroactive changes to an adopted contribution method are not allowed. The effective date will be the later of the date specified in the document, or the date notification is received by PERS.** After approval, the employer begins reporting contributions for qualified employees by the method applying to the employee. These steps must be repeated if a contribution method changes for some or all employees.
- PERS has a sample contribution type “template” available through ESC Account Team Representatives. Statute requires specific notification language when changing contribution type. Certain documents such as collective bargaining agreements do not contain all the necessary language for a valid notification. This language can be added to the PERS notification letter accompanying the document. PERS has a sample contribution type change “template” available through ESC Account Team Representatives that can be used for this purpose.

Specific Reporting Events.

- **Determination of “employee” status:** OAR 459-010-0030(2): “Under common-law rules, every individual who performs labor or services subject to the direction and control of an employer, both as to what must be done and how it must done, is an employee.” No distinction is made between classes of employees, such as managers and line workers who may be temporary, part-time, or full-time.
- A 20-factor test outlined in IRS Ruling 87-41 is used to determine the level of control and exerted over an individual in performance of tasks and whether that span of control defines an individual as an employee.
- OAR 459-010-0032(2) confers “independent contractor” status if “...the employing entity has the right to control or direct only the result of the labor or service and NOT the means and method accomplishing the labor or services.”
- **PERS may review contracts between an individual and a PERS employer to confirm “independent contractor” or “employee” status. An independent contractor would not be reported through EDX, could not establish OSPRSP membership and would not be subject to retiree annual work hour limits. Employers should consult legal counsel or the IRS if there are questions concerning an employee’s status.**
- **An individual provided by an employment contractor could be considered an employee depending on the outcome of the IRS 20-factor test.**

Specific Reporting Events

- **Some examples of individuals not considered employees:**
- **Tier One/Tier Two: “Employee” does not include:**
 - Independent contractors.
 - Those provided sheltered employment or made-work by a public employer (Oregon Industries for the Blind excluded).
 - Those employed and paid from federal funds under a federal program intended primarily to alleviate unemployment.
- **OPSRP: “Eligible employee” does not include:**
 - Persons engaged as independent contractors.
 - Aliens working under a training or educational visa.
 - Those provided sheltered employment or made-work by a public employer (Oregon Industries for the Blind excluded).
 - Persons categorized by a participating public employer as student employees.
 - Any inmate of a state institution.
 - Employees of foreign trade offices of the Oregon Business Development Department who live and perform services in foreign countries under provisions of ORS 285A.075(1)(g).
 - Employees actively participating in an alternative retirement program established under ORS 353.250 or an option retirement plan under ORS 341.551.
 - Public university employees listed in ORS 352.002 who are actively participating in an optional retirement plan offered under ORS 243.800.
 - Any person who is retired under ORS 238A.100-238A.250 or ORS 238 and receive retirement benefits while employed as a retiree.
 - Judges (“A person...who is elected or appointed to the office of judge on or after January 1, 1984...” (ORS 238.505)). Judges participate in the PERS retirement plan, not OPSRP.

Specific Reporting Events

- **“On-call” status.**
 - **Satisfies salary definitions:**
 - Tier One/Tier Two: “...the remuneration paid **an employee** in cash out of the funds of a public employer in return for services to the employer...”
 - OPSRP: “...the remuneration paid to **an active member** in return for services to the participating public employer...”
 - **Contributions are due for “on-call” hours accrued by those in “active service” positions.**
 - **“On-call” hours are considered compensated hours which count towards retiree annual work hour limits.**
 - **Suggested determination of “on-call” hours and salary for PERS reporting.**
 - **The employer determines compensated hours for periods of “on-call” service.**
 - **Example: An employer pays an employee \$100.00 for 12 hours of “on-call” service. The employee’s pay is \$20.00 per hour. Thus, $\$100 / \$20 = 5$ hours to be reported.**
 - **The employer determines hourly salary rate for the employee.**
 - **The regular hourly rate for those paid by the hour.**
 - **Pay period salary divided by pay period hours to produce an hourly rate for salaried employees.**
 - **Resulting hours and subject salary (and contributions, if due) are reported as part of the total wages and hours for the pay period.**

Specific Reporting Events

- **Police & Fire (P&F) Units.**
- The P&F Unit program is open **only to Tier One/Tier Two P&F (Job Class 2)** employees.
 - **No other job class may participate in the P&F Units program.**
 - **OPSRP P&F (Job Class 2) employees CANNOT participate in the P&F Unit program.**
- **The member initiates participation in the program.**
 - The member completes the “Notice of Unit Election” form, returning the form to employer payroll personnel.
 - The form link: <https://www.oregon.gov/PERS/MEM/docs/form/093ew.pdf>
 - The employer completes the form and returns it to PERS.
 - PERS will calculate the amount of an after-tax deduction required to purchase the number of units specified by the member.
 - Member may purchase up to 8 units.
 - **The after-tax deduction CANNOT BE CHANGED after calculation.**
 - If the member is still employed in a P&F position 60 days prior to retirement, the member may make a lump-sum payment to make up the difference between the member’s current P&F Unit account balance and the amount necessary to purchase the number of units requested by the member.
 - If the member is still employed in a P&F position 60 days prior to retirement, the member may make a lump-sum payment of the full amount required to buy the member’s chosen number of Units.
- **If you are a “local government” employer:**
 - Making the first report of unit contributions for a Tier One/Tier Two P&F (Job Class 2) employee and
 - Reporting for a pay period crossing monthly boundaries which requires two DTL2 records to report all employees in that pay period, then
 - **For the first Unit contribution report only, put ALL unit contributions in one of the two records; don’t split the first report of unit contributions.**
 - For the 2nd and following reports, you can split the contributions.

Specific Reporting Events

- **Designation of Beneficiary forms.**
 - **Immediately return to PERS any completed Designation of Beneficiary forms received from employees**
 - Employers are reminded to **immediately return to PERS any completed Designation of Beneficiary forms received from employees.**
 - Although employees may give an employer completed Designation of Beneficiary forms to submit to PERS, it still remains **the member's responsibility** to make sure a change of beneficiary designation is received by PERS. **A change of beneficiary designation is not considered effective until the form is received and accepted by PERS.**
 - Tier One/Tier Two members should complete both an IAP Pre-Retirement Designation of Beneficiary Packet **and** a Tier One/Tier Two Pre-Retirement Designation of Beneficiary form
 - OPSRP members should complete an IAP Pre-Retirement Designation of Beneficiary Packet.
 - The Tier One/Tier Two PERS member account of a Tier One/Tier Two member who has no PERS Pre-Retirement Designation of Beneficiary recorded with PERS will be distributed as required by statute. The IAP account for both OPSRP and Tier One/Tier Two member who have no IAP Pre-Retirement Designation of Beneficiary recorded with PERS will be distributed as required by statute.
 - There is no pre-retirement designation form for an OPSRP Pension benefit. **An OPSRP Pension pre-retirement benefit would be paid: 1) Only if the OPSRP member is vested in their Pension account prior to retirement, and 2) Only to a spouse or person constitutionally required to be treated as a spouse.**

Questions?