

Eligibility

- Rules effective January 1, 2007
- Basic concepts
 - Qualifying position
 - Hire intent
- Program membership
- Examples
- Who should be reported?

V18 28 Nov 2011

Basic concepts

- **What makes a position “qualifying”?**
 - **For any calendar year with 600 hours or more total service with one or more PERS employers, every position in that year qualifies automatically**
 - **For any calendar year with less than 600 hours total service with one or more PERS employers:**
 - **Full year employment (1 Jan – 31 Dec) does not qualify**
 - **Partial year employment qualification, with a single exception, is based on the employer’s “hire intent” for the position**

Basic Concepts

- With EDX 4.2, the employer determines “Hire Intent”
 - The expectation of employment, year by year, with this employer alone
 - Would a person in this position normally work 600 hours or more in any calendar year while working only for this employer?
 - If “yes”, the hire intent is “qualifying”
 - **DTL1: Status code “01”**
 - **DTL2: Wage code “01”**
 - If “no”, the hire intent is “non-qualifying”
 - **DTL1: Status Code “15”**
 - **DTL2: Wage Code “02”**

Basic Concepts

➤ “Hire Intent”

- DTL1 status code 01 or status code 15
- Determines intent for the employment segment and position
 - *Hire intent for the employment segment **never changes***
 - **Expectation of present and future service**
 - *Qualification status for a position **could change annually***
 - **Actual service in a calendar year**
- Use of these terms may be reviewed in the future

Basic Concepts

- Definition of a “partial year”
 - The year of hire:
 - Begins no earlier than the *day after the first working day of the hire year* and ends on December 31st of that year
 - The year of separation:
 - Begins on January 1st of the separation year and ends no later than the *day before the last working day of the separation year*

Basic Concepts

➤ Partial year exceptions:

- Upon hire
 - Employer's Hire Intent determines qualification for hire year position
- Upon separation
 - 600 hours service in the prior year makes the separation year position qualifying automatically
 - Less than 600 hours in the prior year makes the position "hire intent" the basis for separation year position qualification

Basic Concepts

➤ Short segment exceptions:

- Hired and separated in same calendar year
 - Worked less than full calendar year
 - Worked less than 600 hours
- Hired and separated in consecutive calendar years
 - Worked less than full calendar year in each year
 - Worked less than 600 hours in each year
- Employer's Hire Intent determines qualification

Program Membership

- “Eligibility” means eligible for program membership
 - OPSRP Pension, IAP, Tier1/Tier2
- “Hire intent” is the basic step establishing a “qualifying” position
- To establish membership you must:
 - **Be employed in a “qualifying” position,**
 - **Complete a “waiting time” with one employer,**
 - Six full calendar months
 - No break greater than 30 consecutive working days
 - **Continue the “employer-employee” relationship with the “waiting time” employer after completion of the “waiting time”**

Solving eligibility problems

- First: Are there qualifying years?
 - 600 hrs, or more, service in a calendar year makes every position in that year qualifying automatically
 - Less than 600 hours service in the calendar year?
 - Is the employment full year? If so, its non-qualifying
 - Is the employment partial year? If so, partial year rules apply
 - Each calendar year is evaluated separately
 - Only Tier1/Tier2 community college academic employees are evaluated on a school year, defined in statute as 1 July – 30 June
- Second: Is a waiting time required?
 - Six full calendar months with one employer
 - No break greater than 30 consecutive working days
- Third: Does the employer-employee relationship with the waiting time employer continue after waiting time completion?

Who should be reported?

➤ **Report:**

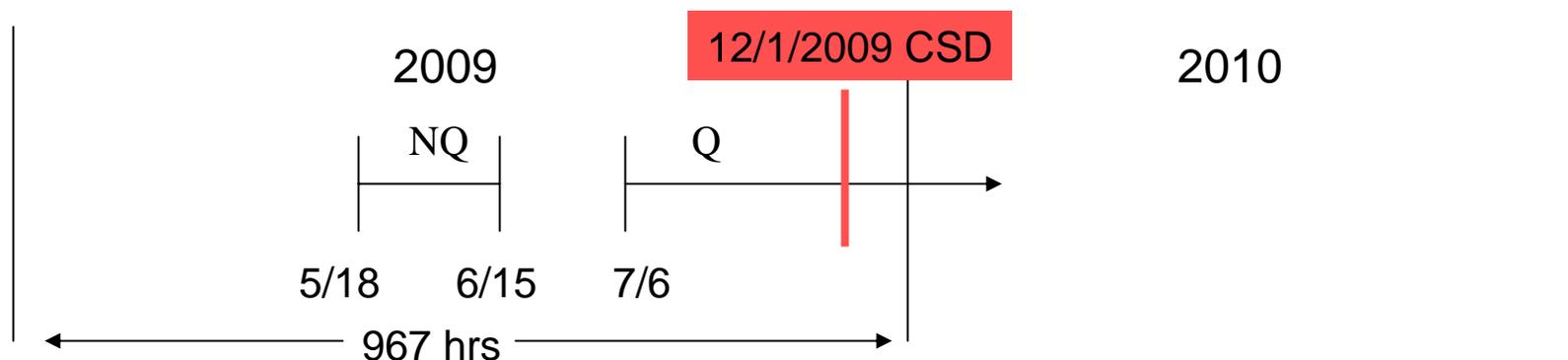
- **All employees in qualifying and non-qualifying positions**
 - Non-qualifying: DTL1-15/Non-Qualifying Hire, then DTL2-02/Regular/Non-Qualifying
 - Qualifying: DTL1-01/New hire, the DTL2-01/Regular Wages
- **All retirees returning to work as retirees**
- **Qualification status can be affected by concurrent employment**
 - Use these EDX home page links to check concurrent employment:
 - “Year-to-Date Wage and Contribution Summary”
 - Eligibility Reports

➤ **Don't report:**

- Inmates of state institutions
- Aliens on training or educational visas
- Students employees, designated as such by employers
- Statute reference: ORS 238.015 and ORS 238A.005(4)

1) Bill is a new employee with no PERS history. Bill is hired by a PERS employer effective 5/18/2009 into an employment segment with “non-qualifying” hire intent, and separates from that employment effective 6/15/2009. That same employer re-hires Bill effective 7/6/2009 into an employment segment with “qualifying” hire intent. Bill continues working in that position, accumulating 967 hours of service in 2009, and is still employed in that position.

Will Bill establish membership? If so, what is his Contribution Start Date (CSD)?



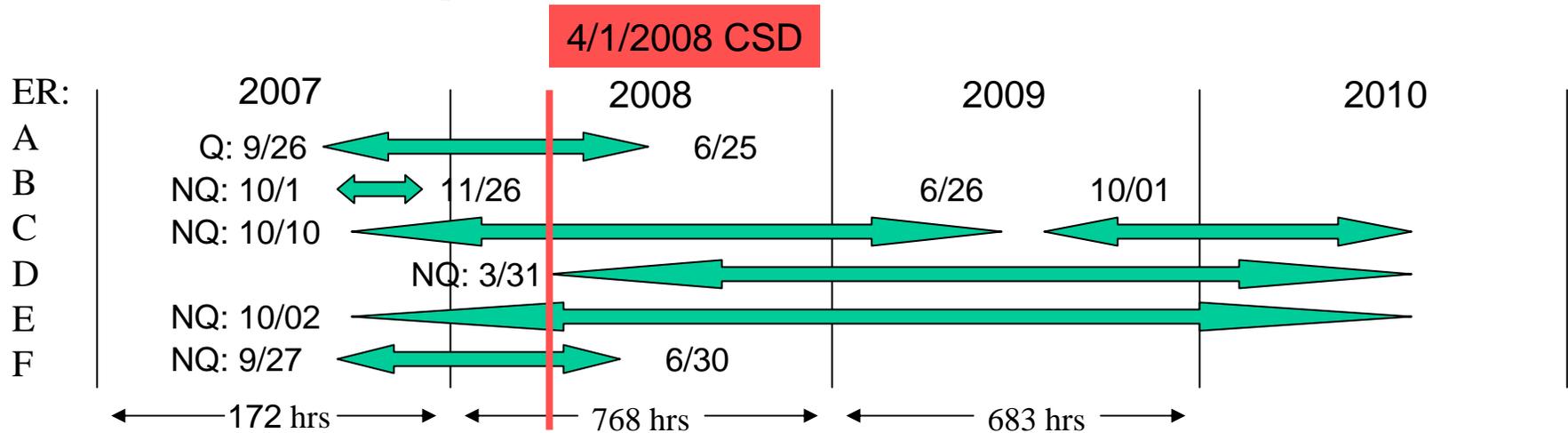
Are there qualifying years? Yes. 967 hrs. service were accumulated in 2009; the “non-qualifying” status of the 1st segment is overridden for 2009.

Is a waiting time required? Yes. The waiting time is six full calendar months, uninterrupted by the break between segments which is less than 30 working days (OAR 459-075-0010). Waiting time begins 6/1 and completes 11/30

Does the employer-employee relationship with the waiting time employer continue after waiting time completion? Yes, into and beyond 1 December 2009.

Bill establishes membership with a CSD of 12/1/2009; contributions begin 12/1/2009.

2) Bill is a new hire with no PERS history. He is hired part-time by six different employers in 2007. He terminates with Employer “B” on 11/26/2007, terminates with Employer “A” on 6/25/2008, terminates with Employer “F” on 6/30/2008, terminates with Employer “C” on 6/26/2009. He is rehired by Employer “C” on 10/01/2009, and remains employed in 2010 with Employers “C”, “D”, and “E”. Of all the employers, **only Employer “A” has “qualifying” hire intent.** Did Bill establish membership? If so, when is his Contribution Start Date?



Are there qualifying years? Yes. 2008 and 2009 have concurrent service totaling well over 600 hours, so each segment in each of those years is qualifying; employer “non-qualifying” hire intent is overridden in each of those years. 2007 presents partial year employment segments for each employer, so employer “hire intent” determines segment qualification. In 2007, only the segment for Employer “A” has qualifying hire intent.

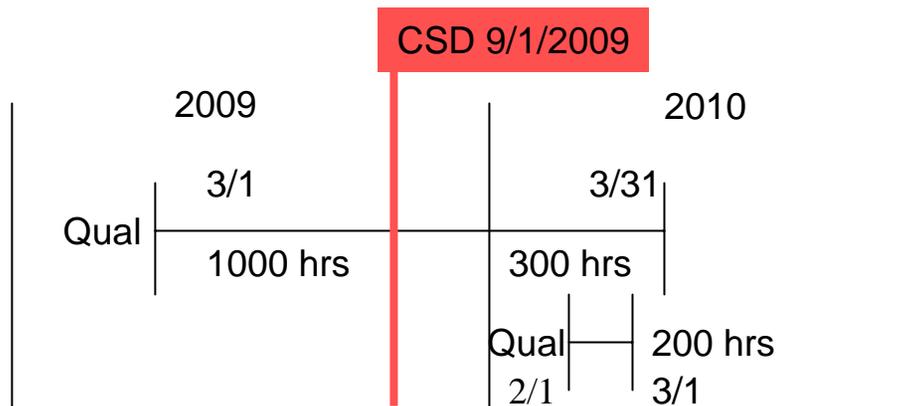
Is a waiting time required? Yes. Since the 2007 segment for Employer “A” is qualifying, the waiting time can begin in 2007. Waiting time begins with Employer “A” on 10/1/07 and completes on 3/31/08.

Does the employer-employee relationship with the waiting time employer continue? Yes.

Bill establishes membership, CSD of 4/1/2008; contributions begin 4/1 for all employers except “B”.

3) Bill is a new hire with no PERS history. Bill is hired into employment with “qualifying” hire intent by Employer “A” effective 3/1/2009, works the remainder of 2009 and into 2010, terminating 03/31/2010. Bill is also hired by Employer “B” into employment with “qualifying” hire intent effective 02/01/2010 and terminates this second employment 03/01/2010.

Does Bill establish membership? If so, what is the Contribution Start Date (CSD)?



Are there qualifying years? Yes. Bill has 1000 hrs service with Employer “A” in 2009 which clearly makes the year qualifying. 2010 does not qualify by hours, but the “partial year upon termination” exception qualifies the 2010 Employer “A” segment, and the “short segment” exception makes the 2/1-3/1 Employer “B” segment qualifying by Employer “B” qualifying hire intent.

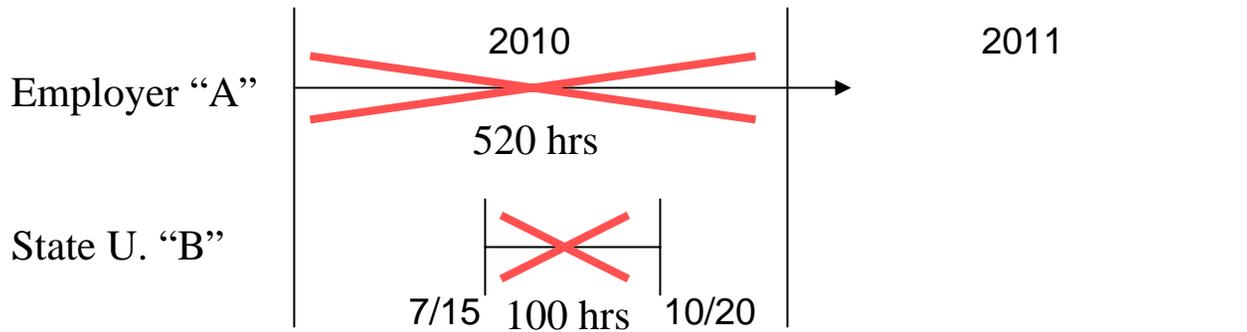
Is a waiting time required? Yes. The waiting time begins 3/1/09 and is complete 8/31/09.

Does the employer-employee relationship with the “waiting time” employer continue after waiting time completion? Yes.

Bill establishes membership with a CSD of 9/1/2009; contributions begin 9/1/2009 with Employer “A” for 2009 and are due for both employers for the 2010 employment segments.

4) Bill is an active OPSRP member, working continuously since 2008 in a “qualifying” position with PERS Employer “A”. Beginning 1/1/2010, Bill returns to school to complete his B.A. degree at State University “B”, and goes from full-time to quarter-time employment, in the same position, with Employer “A” throughout 2010 and into 2011, accumulating 520 hours service in 2010. Bill is offered a short-term internship through State University “B” in 2010, a work-study position available only to student employees. Bill begins the internship 7/15/2010 and completes on 10/20/2010, accumulating 100 hours service with State University “B”, a PERS-participating educational employer.

Does Bill earn contributions and retirement credit for some, or all, of his 2010 employment?



Are there qualifying years? NO. Although 620 hours service are accumulated in 2010, 100 hours are in a student work-study position, available only because of Bill’s student status. ORS 238A.005(4)(d) states that student employees are not eligible to become OPSRP program members, so hours worked as a student employee can’t be counted for eligibility determinations. Bill remains employed with Employer “A” for the full year 2010, 1 Jan – 31 Dec 2010, with less than 600 hrs service in the year. Consequently, Bill’s 2010 employment with Employer “A” becomes non-qualifying because of full-year employment in a year of less than 600 hours total service. Bill has no qualifying service for 2010.

Is a waiting time required? No; previously completed.

Does the employer-employee relationship with the “waiting time” employer continue after waiting time completion? Not applicable here.

Bill receives no contributions or retirement credit for his 2010 employment.

5) You hired an active member as a substitute teacher effective March 1, 2011 into an employment segment with “non-qualifying” hire intent, **so you used DTL1 status code 15 for the DTL1 submitted for this new hire.** As expected, this person works only 500 hours for the remainder of the spring 2011 and fall 2011 terms.

In 2012 you use this person as a substitute more than you planned. This member exceeds 600 hours for calendar year 2012 at the end of April 2012 and your DTL2-02 records then start to suspend. Validations active with EDX Release 6.0 won’t let you post wage code 01 records to a non-qualifying position. This means you can’t edit the suspended wage code 02 records, change to wage code 01, add contributions and resubmit the records. **What should you do?**

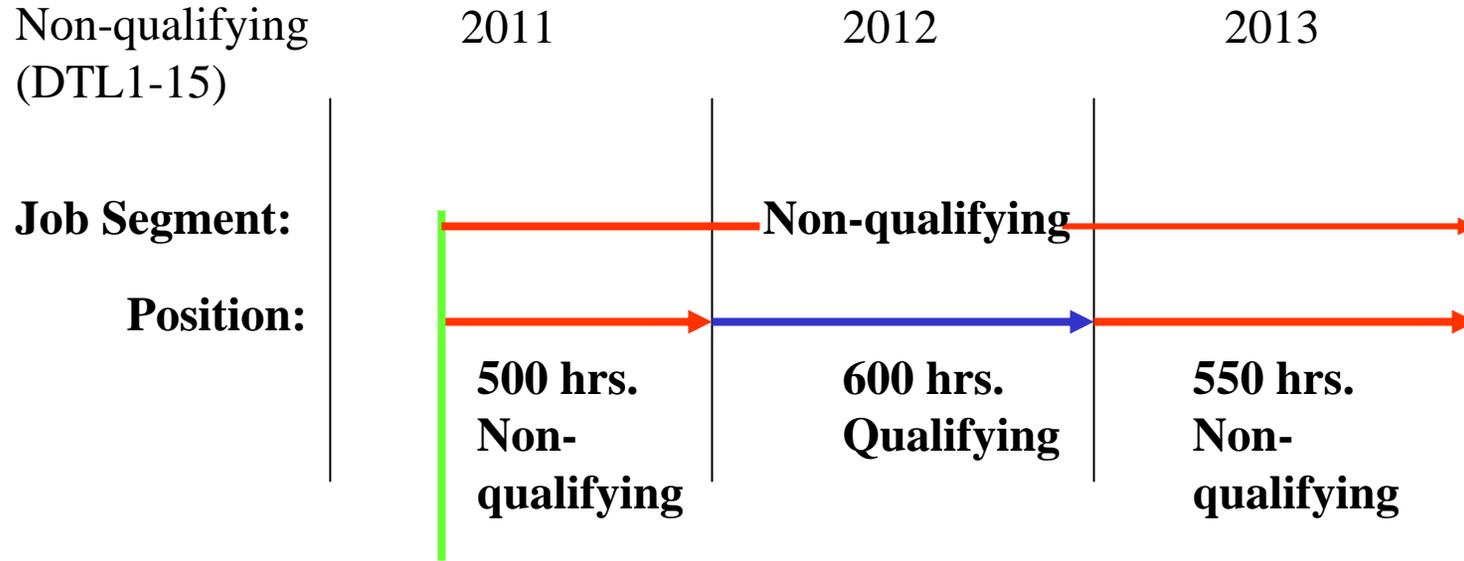
You should send your ESC account representative a Demographic Correction Request (DCR) requesting the position be changed from non-qualifying to qualifying for 2012.

Don’t back out the now-incorrect wage code 02 records. When your account representative makes the change, EDX will **automatically change** the records to wage code 01, calculate contributions as 6% of total subject salary, and invoice you for the contributions.

You believe that you will not use this person 600 hours in 2013 and don’t wish to continue withhold contributions beginning January 1, 2013. What should you do? Send your ESC account representative a DCR asking that the 2013 position be changed from qualifying to non-qualifying. As it turns out, this person works only 550 hours in 2013 and your DTL2-02 records post for the entire calendar year.

5)

Hire Intent:
Non-qualifying
(DTL1-15)



Hire Date: 3/1/2011

6) You hired an active member as a substitute teacher effective April 1, 2011 into a position which you expect will never attain 600 hours service with you in any calendar year. You also know this person is working for three other school districts in 2011 and has reached 600 hours total service in 2011. How should you report this new hire?

Based on the expectation of employment with you alone, you should report this individual using DTL1 status code 15, non-qualifying. However, your first DTL2-02 records suspend since the individual already has 600 hours total service for 2011. What should you do?

You should send your ESC account representative a Demographic Correction Request (DCR) requesting the position with you be changed from non-qualifying to qualifying for 2011. When your account representative makes the change, EDX will automatically change the records to wage code 01, calculate contributions as 6% of total subject salary, and invoice you for the contributions.

You believe that you will not use this person more than 600 hours in 2012, but you know employment with other school districts will continue, again totaling 600 hours service for 2012. **What should you do?**

If you are sure of 2012 total employment, you can leave the position as qualifying for 2012. Should the situation change in 2012, and this individual attains less than 600 hours total service, you can ask your ESC account representative to change the position to non-qualifying. The system will then “flip” DTL2-01 records to -02 and generate a contribution refund for 2012.

6)

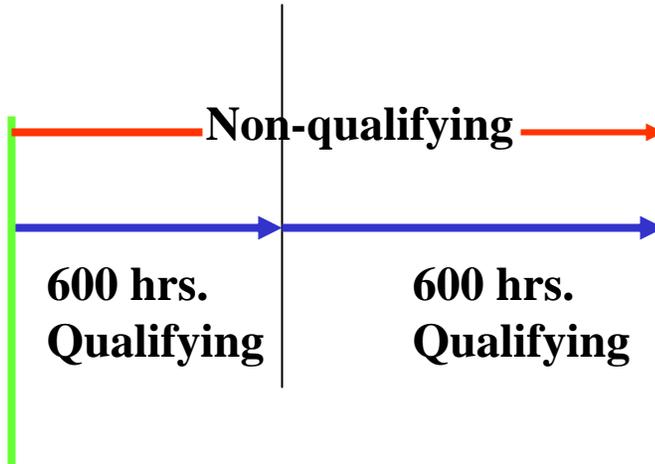
Hire Intent:
Non-qualifying
(DTL1-15)

2011

2012

Job Segment:

Position:



Hire Date: 4/1/2011

Questions?



E-mail questions or comments to:
pers-employer.info.services@state.or.us