

PERS Employer Outreach, Communication and Education

Welcome !

Spring 2013 Employer Outreach
Presentation

V6 July 9, 2013

Agenda

- Disability Retirement Basics
- Eligibility
- Reporting Retirees Returning to Work
- USERRA Reporting
- Reporting Leave Without Pay (LWOP)

Disability Retirement Basics

- Independent of any other disability program
 - Social Security or private insurance award **does not** guarantee approval of PERS disability retirement
- Initiated by the member, not the employer
 - **Duty and non-duty disability retirements**
 - Duty: active member, duty related, no service time requirement
 - Non-duty: active member, not duty related, 10 years active service at the time of application
 - Inactive member: apply within 5 years of separation, disability must be continuous since separation
 - **Members must anticipate being off work for a minimum of 90 days to be eligible for PERS disability**
 - Members should apply as soon as they anticipate being off work for 90 days due to medical condition or any long-term disability claim processing begins
 - Disability applications can be accepted within the 90 day period
 - Don't delay; different rules apply the longer application is delayed
 - **Member must be totally disabled and unable to do any work for which qualified, not just the last job.**
 - **PERS requires current supporting medical documentation from a specialist physician meeting PERS criteria.** If the member is not sure what specialist is required, please have member contact customer service.

Disability Retirement Basics (con't)

➤ Steps in the process

- Basic requirements verified upon member's application
 - PERS will request personnel files, position description, employment information and any available medical information
- Medical records requested from all providers
- Multiple records evaluations, including MD review
- Disability retirement approved if all reviews are passed
- If approved PERS will contact the employer for information necessary to complete the disability benefit process.
 - **Near the end of 2nd quarter 2013 PERS Member Account Priority Processing (MAPP) team becomes the employer "point of contact" for disability retirement processing**
 - **Processing goal: 15 days from receipt of member's disability benefit application until benefit calculation**

Disability Retirement Basics

➤ Please remember...

- **The member must initiate the disability process**
 - **Minimum 90 days off work (in office or from home) necessary to qualify**
 - **Please have your employee contact PERS with questions**
 - **Disability vs. service retirement questions should be addressed with PERS**
 - **Disability application forms should come ONLY from PERS**
- **The disability retirement process can take four to six months to process**
 - **Strict criteria required for approval (OAR 459-015-0005, -0010)**
 - **Please keep member's employment history current**
 - **Post present and/or past employment and leave of absence forms promptly**
 - **Return electronic "Last Day of Paid Leave" form as soon as possible**

➤ Returning to work while receiving PERS disability:

- **Applies to Tier1/Tier2 disabled members ONLY**
- **OPSRP disabled members CANNOT return to work while receiving disability benefits**
- **Notify the PERS Disability Unit if a disability applicant returns to work**
- **Tier1/Tier2 disabled member work limit is 599 hrs/calendar year, NOT the 1040 hour/calendar year service retiree limit!**
 - **600 hours service by a disability retiree in a non-qualifying position makes the position qualifying for that year back to the later of the date of hire or the 1st of the year.**
- **Disabled members returning to work must notify PERS within 30 days of their return to work, and...**
- **Tier1/Tier2 members working while on disabled status must report their income to PERS each month**

When a member has been approved for PERS disability, we place the “Last Day of Paid Leave Request” form in the Employer’s EDX Work List. This form needs to be completed and saved (which returns the form to PERS) as soon as possible in order to promptly calculate and pay the disability benefit.

Please use the “Comments” section of the form (not shown) to add other relevant information, such as noting any leave without pay segments.

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Site Navigation

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Work List

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Working with : _____

Last Day of Paid Leave Request

Details For: _____

[Learn more about working with Last Day of Paid Leave Request](#)

* - indicates required fields.

Plan PERS-Tier 1

Last Day Worked (Last day physically on the job) 01/31/2009

*1) Has the member returned to work since the above date?

 1a) If yes, specify the Employment start date.

*2) Was the member on paid leave?

 2a) If yes, specify the Last Day of Paid Leave.

*3) Please provide member’s gross monthly salary prior to the last day physically on the job. \$ _____

Yes No

Yes No

Clear Selections

The answer to this question is usually “No”

The answer must be “Yes”. For 2a) enter the last day worked or the last day of paid leave, **which ever is later.**

Eligibility

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

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, positions with full year employment (1 Jan – 31 Dec) do not qualify**
 - **Partial year employment:**
 - Worked less than full calendar year, and
 - Worked less than 600 hours in calendar year
 - **Partial year employment qualification 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**

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 employer’s express expectation whether a position will be 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”**
 - Employer-employee relationship continues if the employee is not terminated

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, short segment or 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? If so:**
 - Six full calendar months with one employer
 - No break greater than 30 consecutive working days
 - Can be accomplished **ONLY in a qualifying year**
- **Third: Does the employer-employee relationship with the waiting time employer continue after waiting time completion?**
 - Employer-employee relationship continues if the employee is not terminated

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 238.005(8) and ORS 238A.005(4)

Eligibility Example 1

You hired a 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 and include the contribution type (MPPT, MPAT or EPPT) in the notes section of the DCR.

Don't back out the now-incorrect wage code 02 records. When your account representative makes the change, EDX will **automatically change the posted records** to wage code 01, calculate contributions as 6% of total subject salary, and invoice you for the contributions. You can then edit your suspended records and they should post.

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.

Eligibility Example 1

Hire Intent:
Non-qualifying
(DTL1-15)

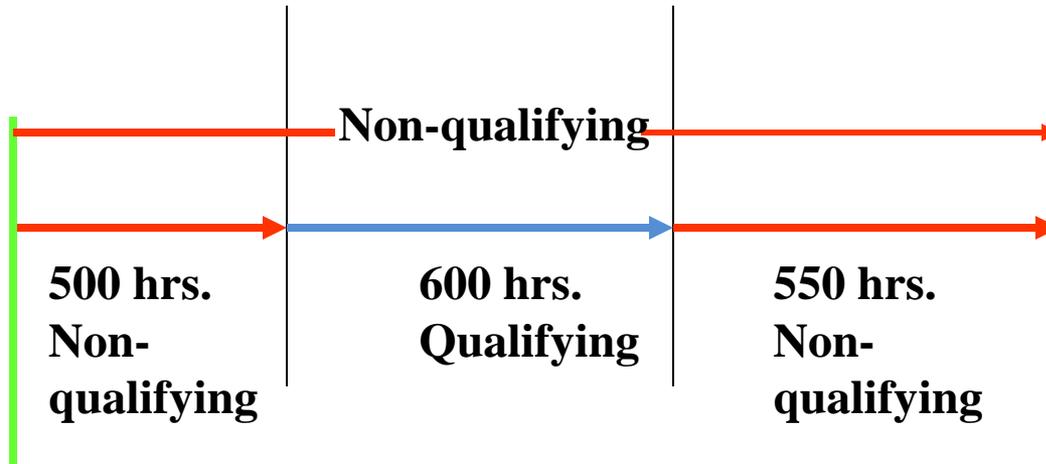
2011

2012

2013

Job Segment:

Position:



Hire Date: 3/1/2011

Eligibility Example 2

You hired a 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 record suspends 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, you'll be able to edit your suspended record, change the wage code to 01, calculate contributions as 6% of total subject salary, and submit the edited record.

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.

Eligibility Example 2

Hire Intent:
Non-qualifying
(DTL1-15)

2011

2012

Job Segment:



Position:



600 hrs.
Qualifying

600 hrs.
Qualifying

Hire Date: 4/1/2011

Reporting Retirees Returning to Work

- **Ch.238 Tier1/Tier2 retirees have an annual work hour limit while working for PERS employers**
 - **Ch.238 Tier1/Tier2 retirees work hours may not total 1040 hrs./calendar year (1039.99 hours/calendar year is OK) unless the position is “exempt” from the work hour limit.**
 - **Ch.238 Tier1/Tier2 retirees working in “exempt” positions have no work hour limit**

- **What are the consequences of a Ch. 238 Tier 1/Tier 2 retiree exceeding the work hour limit?**
 - **A Tier1/Tier2 retiree, retired more than 6 months, becomes an active member on the first of the month after the month the work limit is exceeded**
 - **A Tier1/Tier2 retiree, retired less than 6 months, becomes an active member effective back to hire date as a retiree**
 - Benefits paid after becoming an active member must be repaid
 - The employee must terminate employment and retire again to restart benefits
 - Employee contributions to the member’s IAP begin from the date active membership is reestablished (earnings may be included for prior years)
 - Employer contributions begin from the date active membership is reestablished

- **ORS 238.078, 238.082, OAR 459-017-0060**

Reporting Retirees Returning to Work

- **OPSRP retirees have NO statutory work hour limits. An OPSRP retiree may not return to a qualifying position and continue to receive benefits.**
- **What are the consequences of an OPSRP retiree returning to a qualifying position?**
 - **If an OPSRP retiree is hired into an active service (“qualifying”) position, retirement is CANCELLED and active membership is reestablished effective at date of hire**
 - **If an OPSRP retiree is hired into a “non-qualifying” position, the member remains a retiree provided total work hours are 599 or less per calendar year, but 600 hours service in any calendar year will re-establish active membership effective *back to the later of the first of that year or the hire date***
 - **If active membership is re-established:**
 - Retirement benefit payments stop on the date active membership is reestablished (the later of the first of the year or the hire date) and benefits paid after that date must be repaid
 - Employee contributions to the member’s IAP are due from the date active membership is reestablished. (earnings may be included for prior years)
 - Employer contributions are due from the date active membership is reestablished.
- **ORS 238A.245, OAR459-075-0300**

Reporting Retirees Returning to Work

- **Who is responsible for observing the retiree annual work hour limit?**
 - **Retirees are responsible for tracking their work hours to avoid exceeding work hour limits, and are responsible for the consequences of exceeding work hour limits**
 - **Employers will be responsible for remitting IAP contributions and possible prior year earnings as well as employer contributions back to the date a member resumed active membership**
- **Employers are *strongly* encouraged to help members monitor work hours to avoid the significant, adverse consequences faced by employees and employers when work hour limits are violated**

Reporting Retirees Returning to Work

- Reporting sequence for retirees returning to work as retirees:
 - 1) Prior to the member's retirement make sure all active service wages have been reported, and posted, then submit the DTL1-02/Terminated record
 - **Please DON'T terminate the active member until all active wages have been posted**
 - **Submit the DTL1-02/Terminated record in a separate report**
 - 2) When all active wages have posted and the DTL1-02/Terminated record has posted, submit the DTL1 retiree hire record:
 - 11: Retiree New Hire With Hour Limit
 - 12: Retiree New Hire Without Hour Limit
 - 13: New Hire-Retiree Return to Service
 - 3) When the DTL1 retiree new hire record has posted, begin reporting retiree wages for each pay period worked:
 - DLT2-07/Retired/No Contributions
 - **Please DON'T include DTL2-07 and DTL2-01 records in the same report**
 - **Wage Code 07 records can be entered only in Regular reports, not on Demographic & Adjustment reports.**
 - Negative adjustments to reported retiree wages are done using DTL2-14/Negative Adjustment/No Contribution records

Reporting Retirees Returning to Work

➤ Status Code 11: Retiree New Hire With Hour Limit

- Use this code to report:
- An OPSRP retiree hired into a “non-qualifying” position
 - Remains a retiree while total work hours are 599 or less per calendar year
 - 600 hours service in any calendar year will re-establish active membership
 - You may submit DTL1-11 and DTL2-07 records immediately upon hiring an OPSRP retiree into a “non-qualifying position”
 - If the records suspend, WAIT 90 days OR until you’re sure the OPSRP retiree has received their 1st benefit payment, then re-save the records
 - If the records still suspend, do nothing else and contact your ESC account team representative
 - DO NOT use DTL1 status code 15 to report OPSRP retirees unless directed to do so by PERS staff
- A Ch.238 Tier1/Tier2 retiree with an annual work limit
 - The work limit may not total 1040 hrs/calendar year
 - Up to 1039.99 hours/ calendar year is OK
 - This work hour limit applies to all benefit payment options (lump sum, monthly payment or combination)
 - Any **compensated time paid in a calendar year** counts toward the annual limit for that calendar year
 - For Tier1/Tier2 retirees, retiree paid leave (sick leave, vacation, etc.) counts in the calendar year taken
 - For OPSRP retirees in “non-qualifying” positions, retiree paid leave DOES NOT count towards the 599 hour/calendar limit
 - Retiree comp time counts in the calendar earned
 - Ch.238 Tier1/Tier2 retirees **working concurrently in positions subject to the limit and positions exempt from the limit (ORS 238.082, OAR 459-017-0060, retroactive to the later of January 1, 2004 or the operative date of the exception):**
 - Have a calendar year work hour limit
 - Only hours worked in positions subject to the limit count towards the calendar year work hour limit. Hours worked in exempt positions do not.

Reporting Retirees Returning to Work

➤ Status Code 12: Retiree New Hire Without Hour Limit

- Use this code to report **ONLY Tier 1/Tier2** retirees:
 - Employed in positions “exempt” from the 1040/hr. work limit.
 - Exempt positions are listed in ORS 238.082, OAR 459-017-0060, and in “Working after Retirement Exceptions in table format” found through the “General Information” link on the employer website
 - Exempt positions are available to Ch.238 Tier1/Tier 2 retirees:
 - Receiving a “Normal” (unreduced) benefit by retiring at:
 - 30 years creditable service regardless of age, or
 - Tier 1, age 58 or older, or
 - Tier 2, age 60 or older, or
 - Tier1/Tier2 Police & Fire, age 55 or older, or age 50-54 with 25 years creditable service
 - Some exceptions are available to “early” (reduced) benefit recipients who retired:
 - Tier 1, age 55 to 57, w/o 30 years
 - Tier 2, age 55 to 59, w/o 30 years
 - Tier1/Tier2 Police & Fire, age 50-54, w/o 25 years
 - **Early retirees who do not wait 6 full months after retirement before returning to an exempt position are not eligible for the exempt position and become subject to the 1040 hr work limit**
 - Who have reached Social Security full retirement age (65-67 depending on birthdate):
 - Retiree has no work limit effective the first month after reaching birthdate for Social Security full retirement age
 - Applies even if the Tier1/Tier2 retiree **is not taking a Social Security benefit at that birthdate**

Reporting Retirees Returning to Work

➤ **Status Code 13: New Hire-Retiree Return to Active Service**

- **Use this code to report :**
 - **Ch.238 Tier1/Tier2 retirees who:**
 - Are hired as an active member (into a position with “qualifying” (active service) hire intent)
 - Meet or exceed 1040 hours in a retiree position(s) that is not exempt from the statutory 1040 hr. limitation
 - **OPSRP Pension program retirees who:**
 - Are hired as an active member (into a position with “qualifying” (active service) hire intent)
 - Meet or exceed 600 hours in a position(s)
- **Reporting Status Code 13 begins the re-employment process**
 - “Reversing” retirement status to inactive member status allows the member to be re-hired into active status
 - “Reversing” retirement status may take 2-12 months depending on any problems encountered in the reversal

USERRA

- Reemployment rights and benefits for periods of service in the uniformed services.
 - Active, Reserve, National Guard

USERRA qualification

- USERRA qualification for any service period is employer-determined.
 - Resources for determination:
 - PERS Employer Announcement #33 on the PERS employer website,
www.oregon.gov/pers/emp/pages/index.aspx
 - 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. Employee's military leave begins.
 - Submit DTL1-05 (On Military Leave)
 - **IF** the employer decides to make “differential wage payments” while the member is on military leave:
 - A “differential wage payment” is any payment: 1) made by an employer to an individual while the individual is performing service in the uniformed services **on active duty for a period of more than 30 consecutive days**; and 2) representing all or a portion of the wages that the individual would have received from the employer if the individual were not performing service in the uniformed services.
 - Treated as compensation for all purposes, including retirement plan employee and employer contributions.
 - Submit DTL2-08(Contributions/No Service) for differential wage payments made for each reporting period during the member's absence for military leave
 2. Employee's military leave ends.
 - Submit DTL1-08 (Return from Leave)
 3. Employer determines USERRA service period qualification.
 - **PERS has no involvement in the determination.**
 - **If the service period is qualified**, complete the USERRA Certification form....

The USERRA process (cont)

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.
 - DTL2-11/USERRA Qualifying Wages records are submitted **only in Regular reports**
7. As the records post, invoices for contributions are generated.
 - EPPT, MPAT or MPPT
8. The process is complete.

USERRA

➤ Remember:

- **The employer determines USERRA qualification for members' 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
- PERS ***strongly suggests*** submitting documentation for **EACH period** of USERRA qualified service **within 30 days** of the member's re-employment.

Reporting Leave Without Pay (LWOP)

- Leave Without Pay (LWOP)
 - **“Employer-employee relationship” remains intact** (member is **not** terminated)...
 - But the member is **not actively working or on paid leave**
 - **Neither service credit nor contributions are due for periods of leave without pay**
- Reported for all leave without pay segments in any month with a minimum of 11 business days of LWOP.
 - **The 11 business days do not need to be one unbroken segment**
 - **May be a series of LWOP segments totaling 11 or more business days in one month**
 - Submit a DTL1-07/On Leave of Absence record **only after all wages and any accrued leave have been reported**
 - Submit a DTL1-08/Return from Leave when the member returns to their active service position
 - **DTL2-01 records will not post until a DTL1-08 record posts**
 - **DON'T DELAY posting** DTL1-07/On Leave of Absence and DTL1-08/Return from Leave records
 - DTL2 records posted during a late-reported LWOP period must be backed out before the leave of absence period can be posted
 - OAR 459-010-0010

Questions?

(Please complete the Spring 2013 online evaluation and Spring 2013 short quiz, links located in the “Employer News” area of the PERS employer website, www.oregon.gov/pers/emp/pages/index.aspx)



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