PERS Employer Outreach, Communication & Education

Welcome!

Employer Outreach Presentation

Spring 2011

V10 4 April 11

Agenda

- OAR 459-070-0100, Employer Reporting
- Retirement Data Verification (SB 897)
- Reporting Retirees
- Eligibility: Reporting changes in EDX Release 6.0, and unchanged basics
- The importance of prompt termination posting
- Changing the method of employee contributions
- Employer Compliance Review

OAR 459-070-0100, Employer Reporting

- **Beginning March 2012**:
  - Sections (2)(b) and (2)(c): Employers may not submit or modify reports for pay periods in any calendar year after the first March statement of the following year
    - Statement dates are the 5th and 20th of any month
    - **The calendar year becomes "restricted" after the first March statement of the following year**
      - **Example: Reports for pay periods in 2011 may not be submitted or modified after March 5, 2012**
    - **Reports for pay periods in calendar years 2010 and earlier <u>are NOT subject to this rule</u>**
  - **Late reporting penalties stop accumulating when the reports can no longer be submitted or modified. However, if PERS permits the employer to submit a report after that date because it is necessary for proper benefit administration, penalties accrue <u>from the date the report was originally due to the date it is submitted</u>**
  - **A report is considered late if released for processing beyond three business days after the due date**
    - **Example:**
      - **An employer is a monthly reporter, with regular reports due the last day of the month**
      - **The March 31, 2011 report would be <u>considered late if released for processing on or after Wednesday, April 6, 2011</u>**

The Retirement Data Verification process

- OAR 459-005-0040 implements SB 897
- **Beginning July 1, 2011** age-eligible Tier1/Tier2 and OPSRP active and inactive members can request retirement data verifications
  - Age-eligible members are those within two years of earliest service retirement age
- Members will be asked to review retirement data posted at the time of their request and note possible errors
  - Members using Online Member Services (OMS) can review their data and request verification online
  - Members submitting a paper request will receive data documents for review

The Retirement Data Verification process (cont)

- The verification request
  - Covers all data back to the date of hire and up through December 31st of the last "closed" year
    - A "closed" year is any calendar year for which the PERS Board has declared earnings and earnings have been credited to PERS employer and member accounts
    - Data includes:
      - Creditable service or retirement credit
      - Tier1/Tier2 Regular and Variable account balances
      - Salary to be used in Final Average Salary (FAS) calculation
      - Sick leave, if the employer participates in the PERS sick leave program

The Retirement Data Verification process (cont)

- Employer Data Verification Request is placed in the employer’s Work List, and an e-mail is sent to alert the employer
- The employer has 60 days after notification to confirm data on the system or modify that data
  - A one-time extension for a specific member may be requested within 45 days after the notification is made to the employer, and must include:
    - The reason for the extension
    - The duration of the extension
    - The end date of the extension

The Retirement Data Verification process (cont)

- Data is considered verified at the earlier of:
  - Employer completion of the Verification Notice residing in the employer's Work List, or
  - Expiration of the 60 day period with no action taken by the employer
- With some exceptions, confirmed data **<u>cannot be changed except as directed by PERS to</u>:**
  - **Reconcile the member's records before the verification is issued**
  - **Implement changes resulting from a member's successful dispute of the data**
  - **Re-issue a verification to:**
    - **Comply with adjustments for USERRA**
    - **Implement a judgment, administrative order, arbitration award, conciliation or settlement agreement**
    - **Accommodate an account divided by divorce**
    - **Restore Tier 1 status to a Tier 2 member making a service purchase**
- **PERS will complete the verification process and send the verified data to the member**
- **The member can dispute verified data with 60 days of receipt of data verification documents from PERS.**
- **Data adjustments for periods from the last verification "closed" year to the member's actual retirement date are possible**.

Member On-line Account Summary

Account Summary - Windows Internet Explorer

D:\Shared\Benefits\Senate Bill Changes\Request Verification of Retirement Data via OMS\Account Summary.htm

File Edit View Favorites Tools Help

Account Summary

Site Navigation

- Account Home
- **View Account Summary**
- Account Summary
- Employment Details
- View Service Credit Details
- View Salary Details
- View/Update Personal Information
- Request Information
- Benefit Estimate
- PERS Forms/Publications
- View Payment History
- View Tax Forms
- Request Withdrawal
- Request Data Verification

Name **JOHL DOE** PERS ID **273462**

Account Summary

This is the first of four OMS screens available to members for review of retirement data at the time of a verification request

Tell Me More about the Account Summary

Account Public Employees Retirement System
Benefit Structure Tier 1
Account Type Member

Personal Details	
First Name	JOHN
Middle Name	E
Last Name	DOE
Date of Birth	05/12/1953
Phone number	No Phone currently on file.
Email	abcd@abc.com
Mailing Address	200 Teal Blvd LAKE OSWEGO, OR 97035-6732

The address on the Account Summary screen must be changed through the employer if the member is actively employed. Members not actively employed at the time of a verification request must submit any address changes to PERS

Update Personal Information

Elections	
Unit Elections	None
Current Variable Account Election	0% on 01/01/2002

Service Credit	
Regular Service Credit	30 years 6 months
Total Service Credit	30 years 6 months

Account Balance Summary	Balance as of 2008	Contributions	Earnings	2009 Total
Regular Balance	$185,129.09	$0.00	$14,810.32	$199,939.41
Variable Balance	$13,313.64	$0.00	$5,001.93	$18,315.57
Total Balance	$198,442.73	$0.00	$19,812.25	$218,254.98
P&F Unit Balance	$0.00	$0.00	$0.00	$0.00

Beneficiary Information

Standard Designation

Beneficiaries will be listed for both Tier1/Tier2 regular and variable accounts and OPSRP Pension accounts

Tell Me More

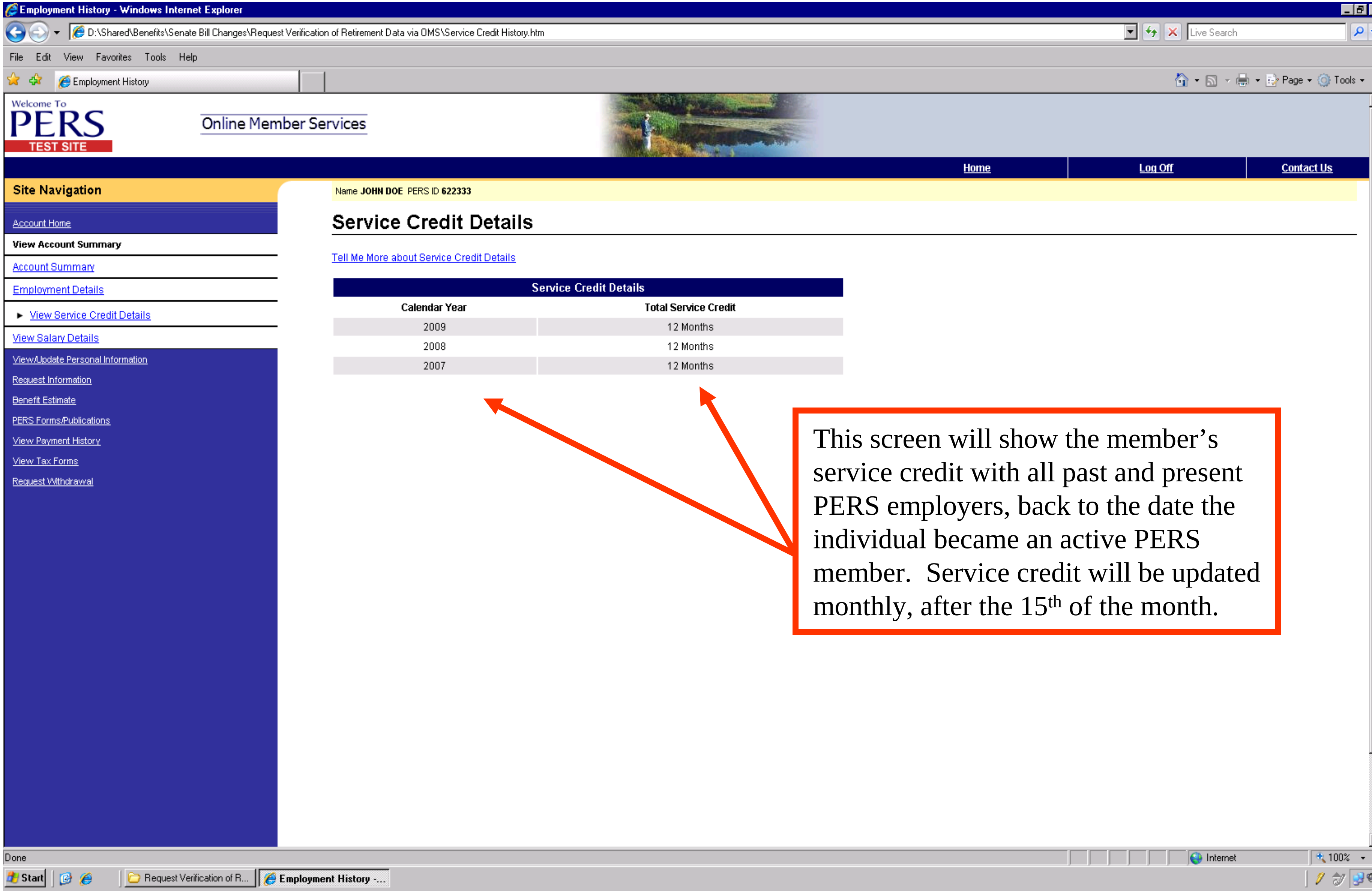
From this page you are able to view summary information for the account you selected. There is also an "Update Personal Information" link if you would like to update any of your Personal Information.

- **Tier** - If you have selected to view/update information for a PERS account in which the Account Type is 'Member', this will show the current Tier the account is in.

Done Internet 100%

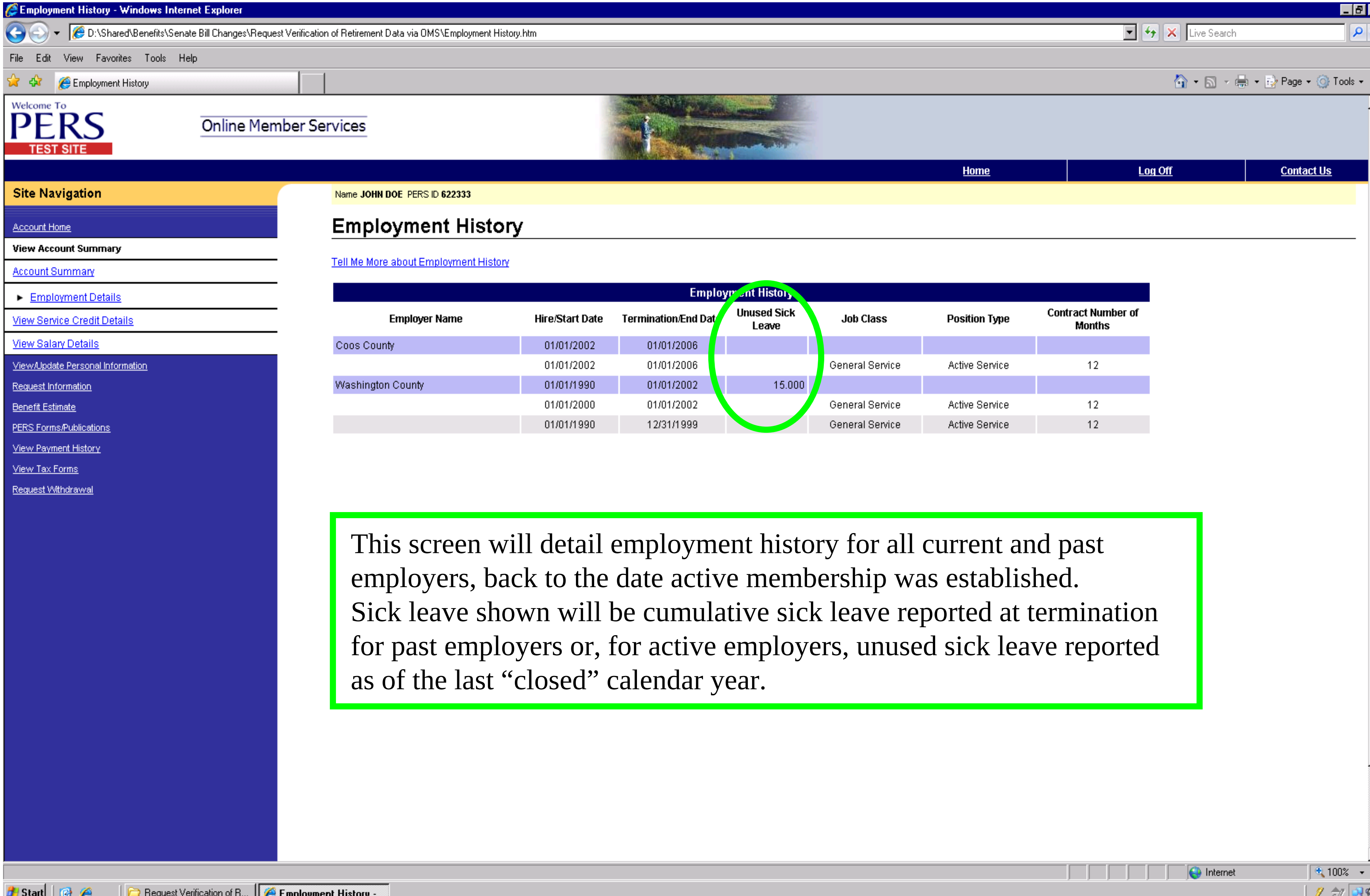
Start Request Verification of R... Account Summary - ...

Member On-line Service Credit



This screen will show the member's service credit with all past and present PERS employers, back to the date the individual became an active PERS member. Service credit will be updated monthly, after the 15th of the month.

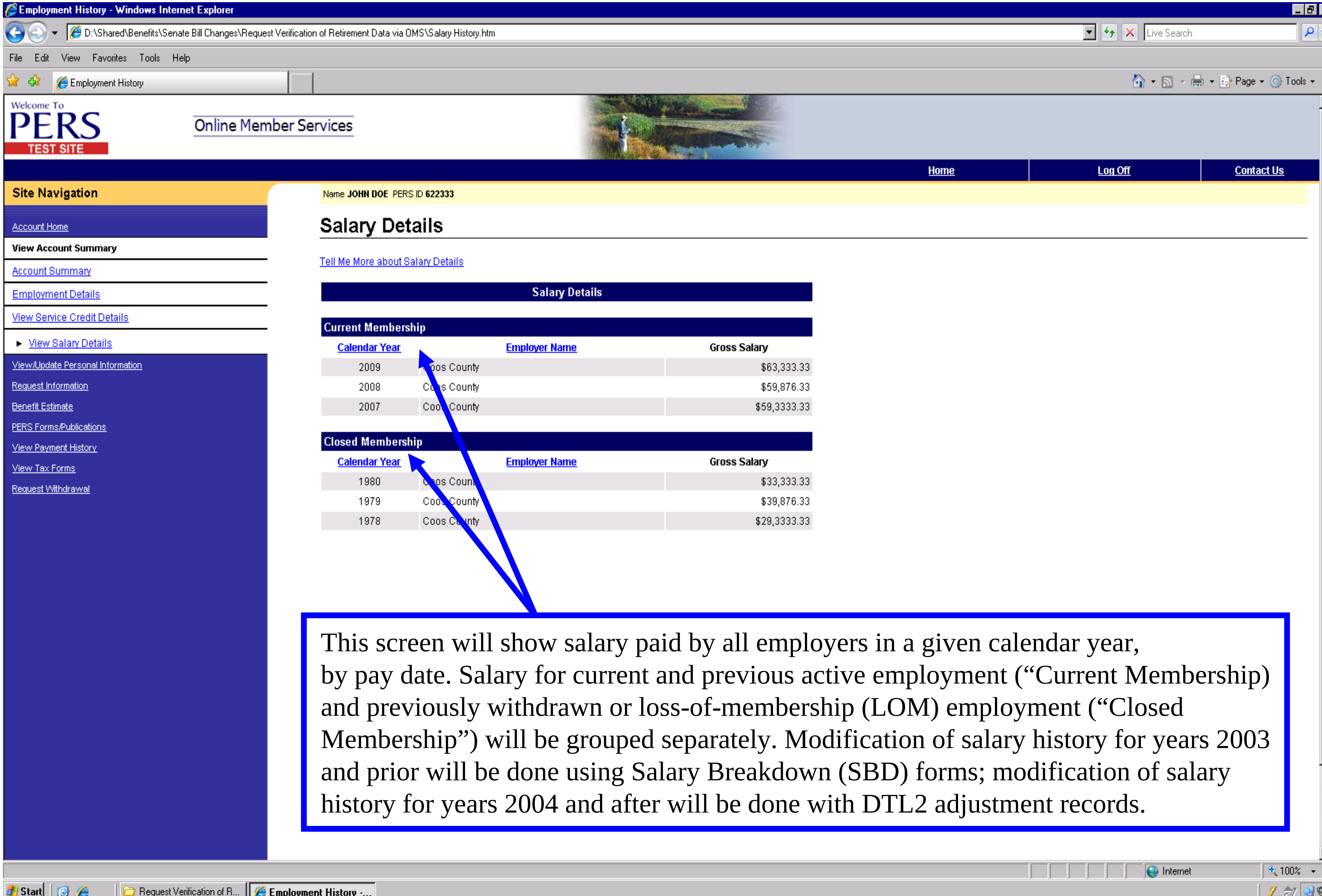
Member On-line Employment History



Employer Name	Hire/Start Date	Termination/End Dat	Unused Sick Leave	Job Class	Position Type	Contract Number of Months
Coos County	01/01/2002	01/01/2006				
	01/01/2002	01/01/2006		General Service	Active Service	12
Washington County	01/01/1990	01/01/2002	15.000			
	01/01/2000	01/01/2002		General Service	Active Service	12
	01/01/1990	12/31/1999		General Service	Active Service	12

This screen will detail employment history for all current and past employers, back to the date active membership was established. Sick leave shown will be cumulative sick leave reported at termination for past employers or, for active employers, unused sick leave reported as of the last "closed" calendar year.

Member On-line Salary Details

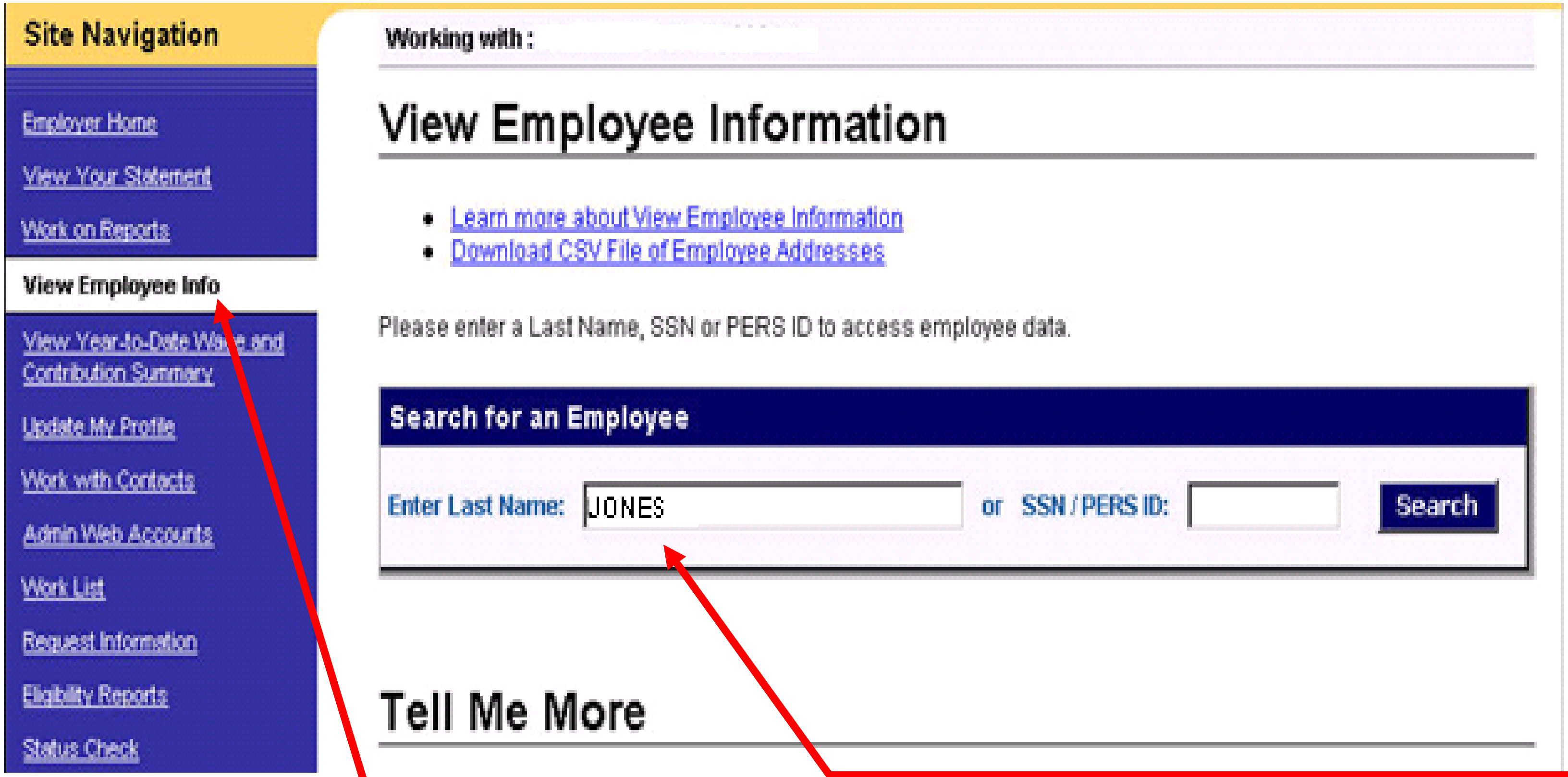


This screen will show salary paid by all employers in a given calendar year, by pay date. Salary for current and previous active employment (“Current Membership) and previously withdrawn or loss-of-membership (LOM) employment (“Closed Membership”) will be grouped separately. Modification of salary history for years 2003 and prior will be done using Salary Breakdown (SBD) forms; modification of salary history for years 2004 and after will be done with DTL2 adjustment records.

Data Verification Request

PERS will notify a member's past and present employers of an age-eligible member's verification request by entering a Data Verification Request in the employer's Work List and notifying the employer by e-mail. Unless an extension is requested and granted, employers will have 60 days from the notification date to verify or further modify data. When verification of data is complete, the employer will navigate to the Work List and complete the verification request. PERS staff will complete the data verification process when all employers have closed their employer verification requests or employer verification periods have elapsed, and mail the verified data to the requesting member.

View Employee Info



The employer begins verification of salary and employment data by clicking on the View Employee Info link located in the Site Navigation area on each employer EDX home page

Unlike EDX Release 5.0, the View Employee Info function in Release 6.0 won’t allow selection of information by years. Instead, the View Employee Info link will go directly to the search screen. Input a last name or SSN/PERS ID and click “Search”

View Employee Info

Working with :

View Employee Information

- Learn more about View Employee Information
- Download CSV File of Employee Addresses

If you searched on a last name, a list of all your past or present employees with that last name will be returned. Click the SSN link for an employee to proceed with verification for a specific employee.

Please enter a Last Name, SSN or PERS ID to access employee data.

Search for an Employee

Enter Last Name: JONES or SSN / PERS ID: Search

Page#
1

SSN	PERS ID	Last Name	First Name	Contribution Start Date	Position Type
112233445	123456	JONES	JOE		Active Service
223344556	456789	JONES	SUSAN	06/01/1993	Active Service

Employment Details

You'll arrive at this screen if you searched on a unique SSN or PERS ID in the View Employee Info screen or clicked on the SSN link for a specific member after searching by a last name. You can also reach this screen by clicking the "View Employment History Details for this employee" link on any other screen in this set.

Employee Employment History Details

Please use the links below to navigate to the desired activity for this employee.

- View Address Details for this employee.
- View Salary Details for this employee.
- Create Demographic Correction Request (DCR).
- Create Salary Breakdown Request.

Employment Details For: Joe Jones, SSN: 000000000, PERS ID: 1

Date of Birth: 01/01/1940

Contribution Start Date: 01/01/1970

Hire Intent	Start Date	Last Day Service	Term / End Date	Gross Unused Sick Leave	Transferred Unused Sick Leave	Job Class	Position Type	Plan	Average OT Hours	Contract No. of Months	Verify	Verified Date	User ID
N/A	11/30/2004		11/30/2004	0.000	0.000								
	11/30/2004		11/30/2004			General Service	Active Service	PERS Tier 1	0		☐		
Q	08/22/1960	12/31/1998	12/31/1998	2770.000	0.000								
	08/22/1960		12/31/1998			General Service	Active Service	PERS Tier 1	0		☑	06/25/2010	AAABBB
	08/22/1950		12/31/1955			General Service	Active Service	PERS Tier 1	0		☑	06/24/2010	AAABBB

Verify All | Save | Cancel

This screen will show employment/ position histories within each job segment for this member back to the first date of hire for this individual with you, the employer. If all position histories are complete and correct, click "Verify All" and "Save". **If any position history is incorrect, then click "verify" and "save" only on correct segments. DO NOT click "verify" on an incorrect segment; instead, send a DCR with corrections back to PERS.**

We've added Date Of Birth, Contribution Start Date, Gross Unused Sick Leave and Transferred Unused Sick Leave to this screen, and removed the "Confirm" box.

Salary Details

This screen appears when you click the "View Salary Details for this employee" link on any screen in this set.

This screen will show salary history by calendar year for the individual back to the date of hire with you, the employer. Salary for current and previous active employment ("Current Membership") and previously withdrawn or loss-of-membership employment ("Closed Membership") is shown. For each correct annual salary segment, check "Verify", then click "Save". If **all** segments are correct, click "Verify All", then "Save". **If a segment is incorrect, DO NOT click "Verify". Instead, for salary years 2003 and prior create an online Salary Breakdown Request to send corrected data to PERS. For salary years 2004 and after, submit DTL2 adjustment records.**

Working with : CROOK COUNTY, 02044

Employee Salary Details

Please use the links below to navigate to the desired activity

- View Employment History for this employee.
- View Address Details for this employee.
- Create Demographic Correction Request (DCR).
- Create Salary Breakdown Request.

Salary Details For: John Doe, SSN: 000000000, PER

Date of Birth: 01/01/1940

Contribution Start Date: 01/01/1970

Current Membership

Plan	Calendar Year	Subject Salary	LSP	LSVP	Gross Salary	Verify	Verified Date	User ID
PERS	2000	$10,000.00	$0.00	$0.00	$10,000.00	☑	01/20/2009	AACCBB
PERS	2001	$10,000.00	$0.00	$0.00	$10,000.00	☑	01/20/2009	AACCBB
PERS	2002	$10,000.00	$0.00	$0.00	$10,000.00	☐		
PERS	2003	$10,000.00	$0.00	$0.00	$10,000.00	☐		
PERS	2004	$10,000.00	$0.00	$0.00	$10,000.00	☐		
PERS	2005	$10,000.00	$0.00	$0.00	$10,000.00	☐		

Verify All | Save | Cancel

Closed Membership

Plan	Calendar Year	Subject Salary	LSP	LSVP	Gross Salary	Verify	Verified Date	User ID
PERS	1970	$10,000.00	$0.00	$0.00	$10,000.00	☐		
PERS	1971	$10,000.00	$0.00	$0.00	$10,000.00	☐		
PERS	1972	$10,000.00	$0.00	$0.00	$10,000.00	☐		
PERS	1973	$10,000.00	$0.00	$0.00	$10,000.00	☐		
PERS	1974	$10,000.00	$0.00	$0.00	$10,000.00	☐		
PERS	1975	$10,000.00	$0.00	$0.00	$10,000.00	☐		

Tell Me More

Address Details

You'll arrive at this screen if you clicked the "View Address Details for this employee" link on any screen in this set.

The Employee Address Details, Salary Details and the Employment History Details screens are a set of three screens, each accessible from the others. The Create Demographic Correction Request (DCR) and Create Salary Breakdown Request links are available on all three Details screens.

The PERS ID number has been added to each screen, along with the SSN.

Employee Address Details

Please use the links below to navigate to the desired activity for this employee.

- View Employment History for this employee.
- View Salary Details for this employee.
- Create Demographic Correction Request (DCR).
- Create Salary Breakdown Request.

Address Details For: Joe Jones, SSN: 000000000, PERS ID: 111111

Address Start Date: 08/29/2004

PO Box 12345
Anywhere, Or. 97999

Tell Me More

Salary Breakdown Request

Working with : CROOK COUNTY, 02044

Salary Breakdown Request

Please use the links below to navigate to the desired activity for this employee.

- View Employment History for this employee.
- View Address Details for this employee.
- View Salary Details for this employee.
- Create Demographic Correction Request (DCR).

Details For: John Doe, SSN: 000000000, PERS ID: 546345

Learn more about working with Salary Breakdown

The Salary Breakdown Request is used to report and correct salary **for calendar year 2003 and prior years**; the EDX DTL2 record is used to report and adjust salary for **calendar year 2004 and subsequent years**.

PERS will establish an internal "gate keeper" function to classify Salary Breakdown Requests, giving processing priority to those requests related to verification requests.

Please put in the date range for calendar years prior to 2004 that you would like to adjust. The system will generate a separate form for each calendar year. If the calendar years are not continuous you will need to create a new form for each calendar year.

*** - indicates required fields**

*Year From

*Year To

Comments

Save Cancel

Tell Me More

Salary Breakdown Request

Salary Breakdown Request

Details For: Joe Jones, SSN: 12345678, PERS ID: 111111

Learn more about working with Salary Breakdown

* - Indicates required fields

Salary Breakdown for Year: 1999

Job Class: General Service

Contract No. of Months: 00

Multiple Employment Segments: ☐

*Start Date:

Default Contribution Type: ○ EPPT ○ MPPT ○ MPAT

Term Date:

Month	Hours	Salary	Contribution Type	Contribution
January	10 0	$ 10 00.00	MPPT	$ 60.00
February	10 0	$ 10 00.00	MPPT	$ 60.00
March	10 0	$ [illegible]	MPPT	$ [illegible]
April	10 0	$ 10 00.00	MPPT	$ 60.00
May	10 0	$ 10 00.00	MPPT	$ [illegible]
June	10 0	$ 10 00.00	MPPT	$ 60.00
July	10 0	$ 10 00.00	MPPT	$ 60.00
August	10 0	$ 10 00.00	MPPT	$ 60.00
September	10 0	$ 10 00.00	MPPT	$ 60.00
October	10 0	$ 10 00.00	MPPT	$ [illegible]
November	10 0	$ 10 00.00	MPPT	$ 60.00
December	10 0	$ 10 00.00	MPPT	$ 60.00
TOTAL	1200.00	$12000.00		$720.00

By clicking the Calculate button below, you will calculate the totals based on the form entries above. This will n[...] Breakdown until you click the Save button below.

Calculate   Estimated Financial Impact $2676.01

The Salary Breakdown Request form is used to correct or add salary for calendar year **2003 and prior years.** The EDX DTL2 record is used to correct or add salary for calendar year **2004 and subsequent years.**

The process to create the Salary Breakdown Request begins when you click the "Create Salary Breakdown request" link. Enter Hours, Salary and Contribution type for each month in the year in question. Click "**Calculate**" when done, which will total row and column entries. The "**Estimated Financial Impact**" will show the estimated total contributions and earnings for data entered on the form. The SBD form will appear in the Work List and remain there until submitted by clicking the "Save" button (not shown) on the bottom of the form.

Demographic Change Request

This is the DCR form accessed through the "Create Demographic Correction Request" link. Click on the Job Segment/position history which must be modified, and the DCR format will appear. Make the necessary changes, add any relevant comments, then click "Save" which will route the DCR to PERS staff.

Working with : CROOK COUNTY, 02044

Demographic Correction Request

Please use the links below to navigate to the desired activity for this employee.

- View Employment History for this employee.
- View Address Details for this employee.
- View Salary Details for this employee.
- Create Salary Breakdown Request.

SSN/PERS ID 999999 Search

JOHN DOE

Learn more about working with Demographic Correction Request

Job Segment	Hire Intent	Start Date	Term/End Date	Last Day Service	Job Class	Position Type	Plan	Average OT Hours	Contract No. of Months	Unused Sick Leave
1	2	10/01/1997								0.000
		01/01/2004			School Employee	Active Service	PERS -Tier 2	0	0	
		07/01/2003	12/31/2003		School Employee	Active Service	PERS -Tier 2	0	12	
		10/01/1997	06/30/2003		School Employee	Active Service	PERS -Tier 2	0	0	

Start Date From 01/01/2004 **To**

Term/End Date From **To** **Remove Term/End Date**

Last Day Service From **To**

Job Class From School Employee **To**

Start Date **End Date**

New Position Type

Start Date **End Date**

Average OT Hours

Contract No. of Months

Hire intent

Unused Sick Leave

Review Contribution Start Date

Delete Position

Comments

Save Cancel

Tell Me More

Unused Sick Leave Request

Unused sick leave is included in retirement data verification for employers participating in the PERS sick leave program. The same PERS internal "gate keeper" function used to separate verification-related Salary Breakdown forms for expedited processing will also be used to separate verification-related Unused Sick Leave requests for expedited verification processing. Unused sick leave hours must still be entered on DTL1-02/Termination records when members separate active employment.

Working with : OAKRIDGE, CITY OF, 02168

Unused Sick Leave Reque

PERS Comments: Unused sick leave reque

Details For: JOHN DOE, 000000

Data Verification Request: ☑

Data Verification Effective Date: 12/31/2009

Job Segment	Hire Intent	Start Date	Last Day Service	Term/End Date	Gross Unused Sick Leave Hours	Transferred Unused Sick Leave Hours	Job Class	Position Type	Plan	Average OT Hours	Contract No. of Months
1	Q	06/06/1994									
		06/06/1994					School Employee	Active Service	PERS-Tier 1	0	10
2	Q	01/01/1980	05/31/1994	05/31/1994							
		01/01/1980		05/31/1994			School Employee	Active Service	PERS-Tier 1	0	7

Date of Death

Comments

Save Cancel

Tell Me More

Reporting Retirees Returning to Work

- Reporting sequence:
  - DTL1
    - Status Code 11: Retiree New Hire With Hour Limit
    - Status Code 12: Retiree New Hire Without Hour Limit
    - Status Code 13: New Hire-Retiree Return to Service
  - DTL2
    - Wage Code 07: Retired/No Contributions

Reporting Retirees Returning to Work

- Status Code 11: Retiree New Hire With Hour Limit
  - **OPSRP retirees have <u>NO permissible work hour limits</u>**
    - <u>Hired into a "qualifying" position</u> DTL1-01 should be submitted, active membership re-established at employment date
    - <u>Hired into a "non-qualifying" position</u> DTL1-11 should be submitted If 600 hours of service accrue in any calendar year, active membership is re-established, back to the later of the hire date or 1st of the year
    - OAR 459-075-0300
  - **Ch.238 Tier1/Tier2 work hour limit**
    - The work hour limit is uniform regardless of benefit payment option (monthly, Total Lump Sum, or AS Refund)
    - May not total 1040 hrs/calendar year
      - Any <u>compensated</u> hours count (vacation, sick, comp. time (when accrued))
      - Hours in "exempt" positions don't apply to the limit (retroactive to later of 1 January 2004 or date the exception became operative)

Reporting Retirees Returning to Work

- Status Code 12: Retiree New Hire Without Hour Limit
  - **Does not apply** to OPSRP retirees
  - **Applies to Tier1/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" through the "General Information" link on the employer website
    - Available to Ch.238 Tier1/Tier2 retirees who receive a "normal" retirement:
      - Retired with 30 years creditable service, 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" retirees
        - Tier 1 (retirement age 55 to 57, w/o 30 years)
        - Tier 2 (retirement age 55 to 59, w/o 30 years)
        - Tier1/Tier2 Police & Fire, retirement age 50-54, w/o 25 years.
  - **Applies to the Social Security exception for Ch.238 Tier1/Tier2 retirees regardless of age at retirement or benefit payment type**
      - Effective when Ch.238 Tier1/Tier2 retiree has reached full retirement age under Social Security (65-67)

Reporting Retirees Returning to Work

- Status Code 13: New Hire-Retiree Return to Active Service
  - Retirees exceeding work hour limits
    - Ch.238 retirees with no 1040 exception who total 1040 hours or more in a calendar year
    - OPSRP Pension program retirees who:
      - Are hired into a position with “qualifying” hire intent
      - Meet or exceed 600 hours in a position with “non-qualifying” hire intent
  - Retirees electing to give up a retirement benefit and again become an active member
  - Reporting Status Code 13 begins the re-employment process
    - “Reversing” retirement status to inactive member status may take 1-2 months

Eligibility Reporting and EDX Release 6.0

- **Reporting changes effective with EDX Release 6.0**
  - A DTL1-15 Non-Qualifying New Hire will create a **Non-Qualifying position**
  - **Only wage codes 02 (Regular/Non-qualifying) and 14 (Negative Adjustment/No Contributions) will post to a Non-Qualifying position**
  - Wage code 02 **will not post** to an Active Service or USERRA Qualifying Part Time position
  - Changes to a member's position qualification status will be made by PERS staff
    - An employer-driven process, yet to be determined
    - Example: 600 hours total service changes position qualification status from Non-Qualifying to Qualifying
    - Example: Substitute teacher (non-qualifying) hired as regular staff (qualifying)
- **Additional information, details and screen shots will be provided in the Fall 2011 Employer Outreach presentation**

The basic elements

- “Eligibility” means eligible for program membership
  - OPSRP Pension, IAP, Tier1/Tier2
- To become a program member, you must:
  - Be employed in a “qualifying” position, <u>and</u>
  - Complete a “waiting time” with <u>one employer</u>, <u>and</u>
    - Six full calendar months
    - No break greater than 30 working days
  - Continue the “employer-employee” relationship with the “waiting time” employer <u>after</u> completion of the “waiting time”

The basic elements (cont)

- What makes a position "qualifying"?
  - The "qualification" basic rules:
    - 600 hours of service in a calendar year qualifies
      - Concurrent employment

OR

    - Less than 600 hours in a full calendar year of employment does not qualify
  - Exceptions to the "qualification" basic rules:
    - "Partial year" exceptions
    - "Short segment " exceptions
  - Each calendar year is evaluated separately

The basic elements (cont)

- 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**

The basic elements (cont)

- Partial year exceptions:
  - Upon hire
    - Employer determines qualification for hire year
  - Upon separation
    - If 600 hours in prior year, segment qualifies
    - If less than 600 hours in prior year, employer determines qualification for separation year

The basic elements (cont)

- 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 determines qualification

Solving eligibility problems

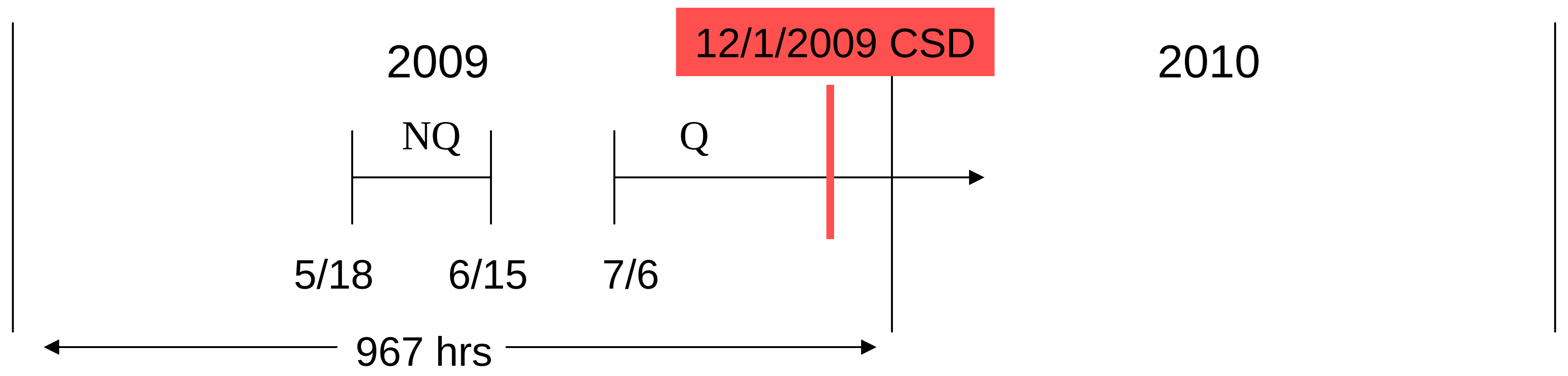
- Are there qualifying years?
  - Each calendar year is evaluated separately
    - <u>Tier1/Tier2 community college academic employees only: 1 July-30 June</u>
  - 600 hrs, or more, service in a calendar year makes every employment segment qualifying

OR

  - Less than 600 hours?
    - Full-year employment segments (1 Jan – 31 Dec) in years of less than 600 hours are non-qualifying
    - Do “partial year” or “short segment” rules apply?
- Is a waiting time required?
  - Six full calendar months with <u>**one**</u> employer
  - No break greater than 30 working days
- Does the employer-employee relationship with the waiting time employer continue after waiting time completion?

Bill is a new employee with no PERS history. Bill is hired by a PERS employer effective 5/18/2009 into a "non-qualifying" position, and separates from that position effective 6/15/2009. That same employer re-hires Bill effective 7/6/2009 into a "qualifying" position. 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)?



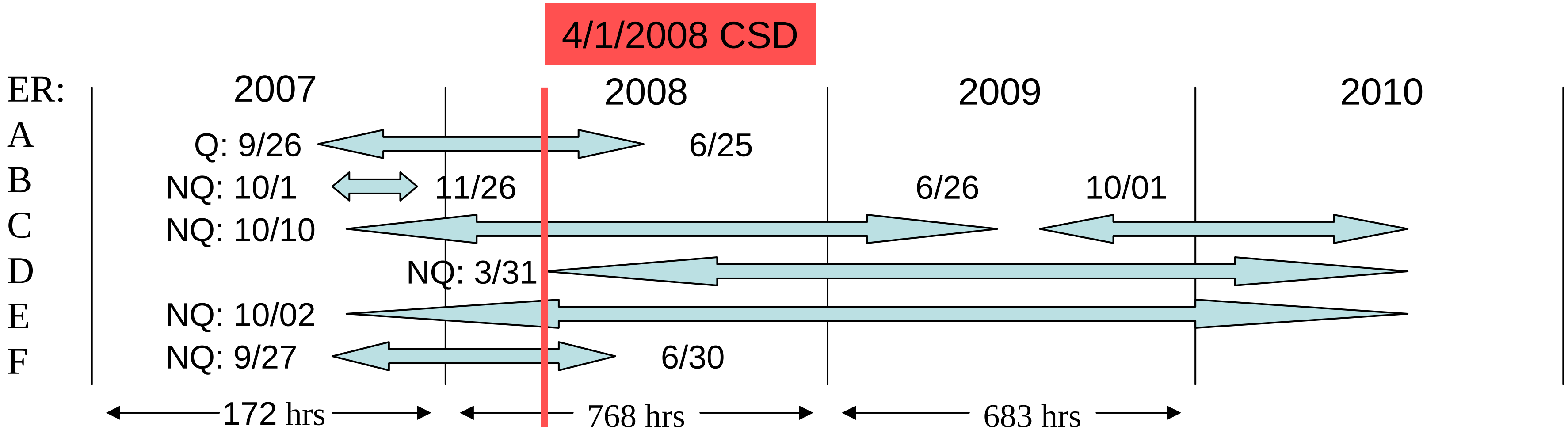
Are there qualifying years? Yes. 967 hrs. service were accumulated in 2009; the "non-qualifying" status of the 1st segment is overridden for 2009.

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

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

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" hired Bill into a qualifying position.**
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 determination is overridden in each of those years. 2007 presents partial year employment segments for each employer, so the employer determines segment qualification. In 2007, only the segment for Employer "A" was determined to be qualifying.

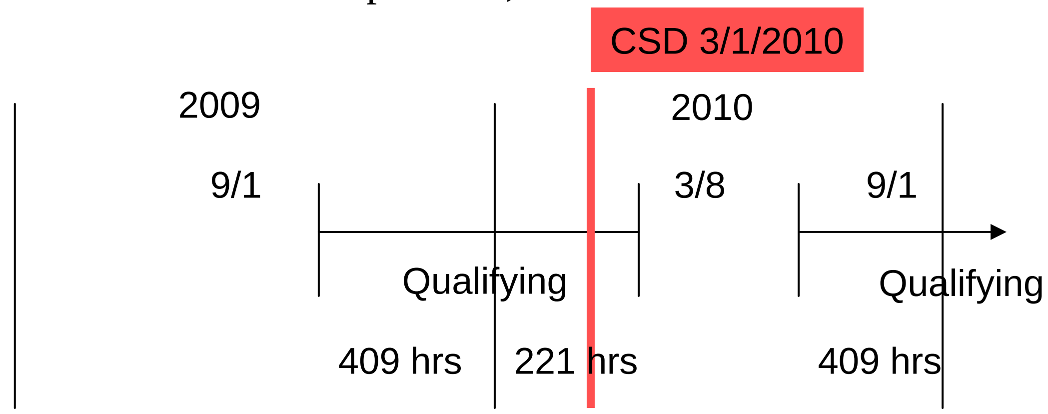
Is a waiting time required? Yes. Since the 2007 segment for Employer "A" is qualifying, the waiting time can begin in 2007. Waiting time begins with Employer "A" on 10/1/07 and completes on 3/31/08.

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

Bill establishes membership with a CSD of 4/1/2008; contributions begin 4/1/2008.

Bill is a new hire with no PERS history. Bill is hired into a “qualifying” position with Employer “A” effective 9/1/2009, works the remainder of 2009, continues into 2010 and begins a leave of absence 2/22/10. Bill’s employer reports Bill’s accumulated sick leave through 3/8/10, and puts Bill on LWOP with PERS effective 3/9/10. Bill will remain on LWOP until September 2010, then return.

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



Are there qualifying years? Yes. After Bill begins his leave of absence on 2/22/10, his employer continues to submit DTL2 records containing Bill’s remaining sick leave hours, wages and contributions. Bill’s accumulated sick leave is completely reported effective 3/8/10, extending his service to 3/8/10. LWOP status began the next day, 3/9/10, and LWOP periods after completion of the waiting time are treated as termination and rehire for eligibility determination. Bill’s service time in 2009 is less than 600 hours, but employment is less than full year, so the “partial year upon hire” exception allows us to rely upon the employer’s reporting the position as qualifying. Bill’s total service in 2010 is 630 hours, so 2010 becomes a qualifying year.

Is a waiting time required? Yes. The waiting time begins 9/1/09 and is complete 2/28/10.

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

Bill establishes membership with a CSD of 3/1/2010; contributions begin 3/1/2010.

The importance of prompt termination posting

- Late posting may cause increased problems after July 1, 2011
  - Increased workload for employers and PERS staff
- Potential impact of delayed terminations
  - U.S. Treasury required minimum distribution (RMD) regulations may affect an older retiree
  - May force older members to begin retirement upon posting of the DTL1-02/Termination record or be subject to an IRS penalty
  - May restrict choice of benefit payment options and benefit amounts of older members at retirement
- Information on infrequently employed members whose employment should be terminated
  - Employment report can be found through the "Inactive Employment Report" link in site navigation area of each EDX employer home page
  - Employment report shows members with open employment but no account activity within the previous 90 days

Changing the method of employee contributions

- **Employee contributions and methods**
  - Contributions are 6% of total subject salary
  - <u>A different method of contribution may be used for each separate class of employees, **however**…</u>
  - <u>The 6% is made by one method only for each DTL2 (wage and service) record</u>
  - Three contribution methods:
    - EPPT (employer paid pre tax)- assumed and paid by the employer, with no deduction from employee compensation
    - MPPT (member paid pre-tax)- remitted by the employer, with a pre-tax deduction from compensation to fund the contribution
    - MPAT (member paid after-tax)- remitted by the member, with an after-tax deduction in compensation to fund the contribution
- **Establishing or changing the method of employee contribution**
  - Determined by written employment policy or collective bargaining agreement
  - Becomes effective only when a copy of the document is received by PERS, for pay periods on or after the date received
  - Changes made by submitting a revised document
  - Not all classes of employees may be PERS-participating, but the document <u>must outline the contribution method used for each participating class of employees</u>
- **References:**
  - ORS 238A.330 and 335, OAR 459-009-0100 and -0200, OAR 459-070-0100 and -0110

PERS Employer Compliance Review Team accomplishments

- For 2010:
  - 26 employer site visits made and 82 employer self-assessments completed.
  - These statistics support the team goal of contacting each PERS employer within a four-year cycle
  - Findings:
    - 30% of employers contacted want more eligibility training.
    - 88% contact their ESC account representatives for information and guidance
    - 65% have attended employer EDX training
    - 50% had compliance issues requiring immediate attention
    - 100% of employers responding to performance surveys felt Compliance Review Team members were "excellent" or "good" at identifying critical employer reporting issues which help alleviate problems before they become overwhelming
- 2011 goals:
  - Employer site visits to increase to 6 per month in support of contacting all employers by 2014
  - Continue to identify problem reporting areas and identify training for emerging problem areas

Questions?

Please complete the online evaluation, available through a link in the "Employer News" area on the employer website, www.oregon.gov/pers/emp/index.shtml

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