

Basic Rules, Exceptions & Waiting Time Scenarios

Hire intent is determined by what is expected of the position, not what the employee does in the position.

The Basic Rules, Exceptions and Definitions:

1. Did the employee work 600 hours in the calendar year?
 - a. If yes, the position is qualifying regardless of hire intent.
 - b. If no, see #2 below.
2. Did the employee work the entire calendar year (Jan 1 through Dec 31) and work less than 600 hours?
 - a. If yes, the position is non-qualifying regardless of hire intent.
 - b. If no, see #3 below
3. If no to both #1 and #2
 - a. Does partial year exception apply? See definitions below.
 - b. Does short segment exception apply? See definition below.

Partial year upon hire=A period in the calendar year the employee begins employment after the first working day of the year and continues employment through December 31 into the new calendar year.

- a. The employer hire intent determines whether the position is qualifying or non-qualifying in the calendar year of hire.

Partial year upon separation=Employment that started with the prior year, continues into the New Year and terminates before the last working day of the year.

- a. If the employee worked 600 hours in the calendar year preceding the year of separation, the position is qualifying in the year of separation.
- b. If the employee did not work 600 hours in the calendar year preceding the year of separation, the employers hire intent determines whether the position is qualifying or non-qualifying in the year of separation.

Short segment=A period in the calendar year during which the employee is hired after the first working day of the year and terminates from employment before the last working day of the same calendar year by the same employer. Additional short segment rules:

- a. Was the employee hired and separated within the same calendar year?
- b. Was the employee employed for less than the entire calendar year?
- c. Did the employee work less than 600 hour in the calendar year?
 - a. If yes to all three, hire intent determines whether the position is qualifying or non-qualifying.
 - b. If no to any of the three, short segment doesn't apply. Refer to partial year exception and/or your CPERS analyst for additional assistance.

Scenario 1---Employee has less than 600 hours worked/paid with no break in service

Hire date =01/15/2017

Term date =09/11/2017

Total hours=597. Employee had hours worked/paid in each month of Jan-Sept.

Hire intent=*Non-qualifying (NQ)*. *Wait time is not met*. This is because hire intent is NQ and the employee had less than 600 hours.

Hire intent=*Qualifying (Q)*. *CSD is 8/1/17. Contributions start on ppe 8/31/17*. This is because hire intent is Q and all waiting time requirements have been met. This meets the short segment exception.

Scenario 2---Employee has more than 600 hours worked/paid with no break in service

Hire date =01/15/2017

Term date =09/11/2017

Total hours=605. Employee had hours worked/paid in each month of Jan-Sept.

Hire intent=*Non-qualifying*. CSD is 8/1/17. Contributions start on ppe 8/31/17. This is because the employee worked more than 600 hours which trumps the hire intent. Hire intent is now qualifying and all waiting time requirements have been met.

Hire intent=*Qualifying*. CSD is 8/1/17. Contributions start on ppe 8/31/17. This is because hire intent is Q and all waiting time requirements have been met.

Scenario 3---Employee has more than a 30 working day break in service (no lwop) with less than 600 hours worked/paid

Hire date =01/15/2017

Term date =12/11/2017

Total hours=597. Employee had hours worked/paid in each month of Jan, Feb and May through Dec with no lwop. Employee had more than a 30 working day break between last day worked in Feb and first day worked in May.

Hire intent=*Non-qualifying*, wait time is not met and would need to start over due to more than a 30 working day break between last day worked in February and first day worked in May. Waiting time would start over with the first work day in May.

Hire intent=*Qualifying*, wait time would need to start over due to more than a 30 working day break between last day worked in February and first day worked in May. The waiting time would start over with the first work day in May. Assuming its May 5, 2017, CSD is now 12/1/17, ppe 12/31/17. If this happens let your analyst know of the last day worked in February and first day worked in May so the employee's retirement account and CSD can be fixed.

Scenario 4---Employee has more than a 30 working day break in service (no lwop) with more than 600 hours worked/paid

Hire date =01/15/2017

Term date =12/11/2017

Total hours=605. Employee had hours worked/paid in each month of Jan, Feb and May through Dec with no lwop. Employee had more than a 30 working day break between last day worked in Feb and first day worked in May.

Hire intent=*Non-qualifying*, wait time would need to start over due to more than a 30 working day break between last day worked in February and first day worked in May. The waiting time would start over with the first work day in May. Assuming its May 5, 2017, CSD is now 12/1/17, ppe 12/31/17. This is because hours trump the hire intent and all waiting time criteria is now met. If this happens let your analyst know of the last day worked in February and first day worked in May so the employee's retirement account and CSD can be fixed.

Hire intent=*Qualifying*, wait time would need to start over due to more than a 30 working day break between last day worked in February and first day worked in May. The waiting time would start over with the first work day in May. Assuming its May 5, 2017, CSD is now 12/1/17, ppe 12/31/17. If this happens let your analyst know of the last day worked in February and first day worked in May so the employee's retirement account and CSD can be fixed.

Scenario 5---Employee has more than a 30 working day break in service due to lwop with more than 600 hours worked/paid

Hire date =01/15/2017

Term date =12/11/2017

Total hours=605. Employee had hours worked/paid in each month of Jan, Feb and May through Dec with lwop dates of February 20 through May 25.

Hire intent=*Non-qualifying, wait time would be extended by three months (March, April & May) due to the lwop.* CSD would be 11/1/17 with contributions due on ppe 11/30/17 as hours trump the hire intent. The majority of February was paid time so this month counts towards waiting time. May does not because the majority of the month was lwop.

Hire intent=*Qualifying, wait time would be extended by three months (March, April & May) due to the lwop.* CSD would be 11/1/17 with contributions due on ppe 11/30/17. The majority of February was paid time so this month counts towards waiting time. May does not because the majority of the month was lwop.

Scenario 6---Employee was hired, terminated on a Friday and re-hired on Monday. Similar to temp to perm

Hire date =03/07/2017

Term date=9/29/2017

Re-hire date=10/02/2017

Total hours from Mar-Oct=1041

Hire intent=*Qualifying.* CSD would be 10/1/17. However, since the employee wasn't employed on CSD date, wait time will start over with hire date 10/2/17 even though there is less than a 30 working day break. CSD is now 4/1/18 unless the agency changes the term date or re-hire date so there is no gap and it shows the employee as employed on the CSD of 10/1/17.

Scenario 7---Employee continues employment into new calendar year.

Hire date =03/07/2015

Term date=none as still employed

Total hours from Mar-Dec 2015=400, no other PERS employer

Total hours from Jan-Dec 2016=500 with your agency, 250 with another PERS employer for a total of 750 hours. The employee worked about 40-45 hours each month with your agency.

Total hours from Jan-Dec 2017=450, no other PERS employer

Total hours from Jan 2018=unknown but employee is still employed.

Hire intent=*Non-Qualifying.* *Year 2015, wait time not met. Less than 600 hours and NQ hire intent.*
Year 2016, wait time met. More than 600 concurrent hours. CSD is 7/1/16 as it's based off employment date of 1/1/16 which is the first day of the qualifying year.
Year 2017, no contributions due since it's less than 600 hours for the calendar year. Contributions are due if the employee has 600 or more hours in the calendar year as the hours trump the hire intent and wait time was already met in year 2016.
Year 2018, no contributions due if the employee has less than 600 hours. Contributions are due if the employee has 600 or more hours in the calendar year as the hours trump the hire intent and wait time was met in year 2016.

Hire intent=*Qualifying.* *Year 2015, wait time is met if employee had less than a 30 working day break. CSD is 10/1/17. This meets the partial year upon hire exception.*
Year 2016, contributions due for the full year as more than 600 concurrent hours and wait time was met in year 2015.
Year 2017, no contributions are due as employee was employed for the full calendar year and had less than 600 hours. This is now considered as a non-qualifying year.
Year 2018, if employee works 600 hours or more, or is terminated before 12/31/18, contributions are due. This meets either the qualifying year (more than 600 hours) or the partial year upon separation exception. If employee is employed for full calendar year and under 600 hours, contributions are not due as it's considered as a non-qualifying year.

Scenario 8---Employee is hired and terminated before meeting wait time. Similar to a seasonal position.

Hire date = 6/1/2017

Term date =10/31/2017

Total hours worked=1000

Hire intent=*Non-qualifying. Wait time not met* as employee terminated before CSD of 12/1. This is a qualifying year as the hours trump the hire intent.

Hire intent=*Qualifying. Wait time will not be met* as employee terminated before CSD of 12/1. Wait time will need to start over when the employee is re-hired.

Disclaimers:

1. Please always complete a status check when hiring, re-hiring or transferring in an employee as you never know if they had previous PERS employment or closed their membership with PERS.
2. LWOP extends waiting time.
3. USERRA—does not extend or restart waiting time. USERRA certificate needs to be completed and sent to CPERS to have the employee retirement account adjusted accordingly.