

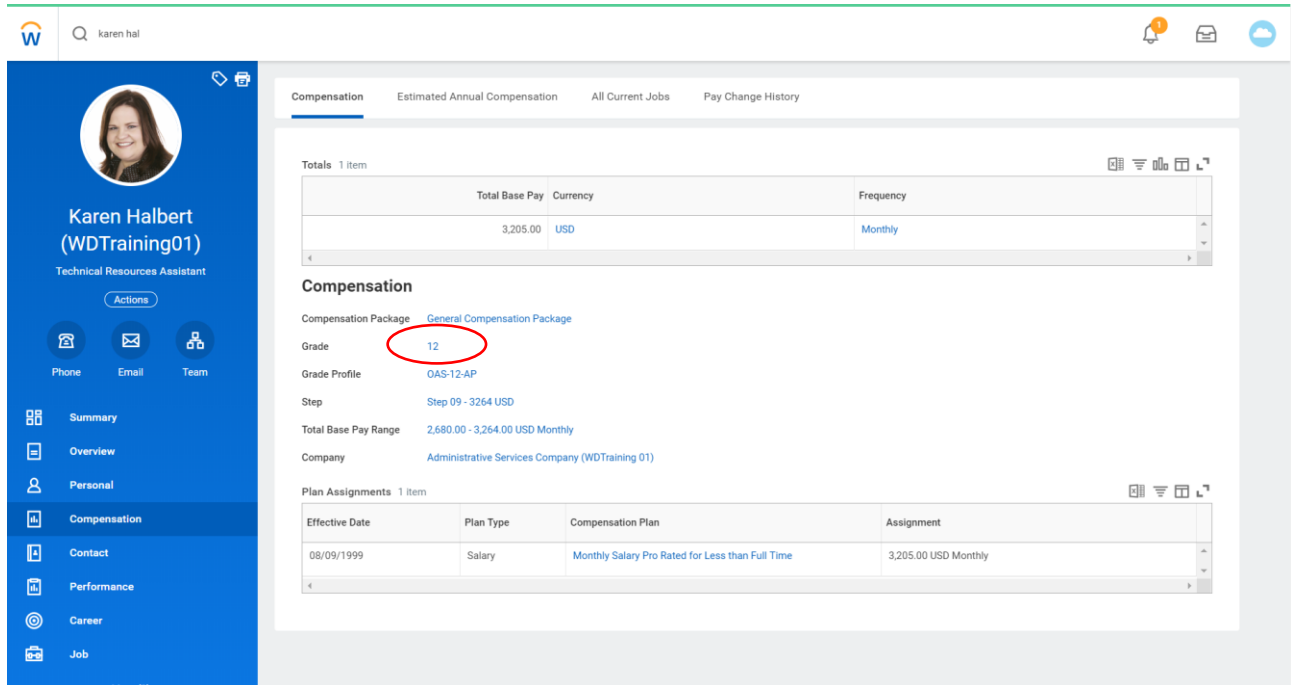
SEIU PERS Contribution Change

Frequently Asked Questions as of February 1, 2019

NOTE: The information contained in this FAQ refers to a 6.95% PERS Swap and an effective date of 2/1/19 which is relevant to all AFSCME Bargaining Units (except AFSCME DOC Parole and Probation Officer), Management Service, and Unrepresented employees. For AFSCME DOC Parole and Probation Officer and AEE represented employees the swap will happen in June of 2019 and will be 6.5% (AFSCME DOC Parole and Probation Officers) or 6% (AEE). Please note that when the swap happens for those remaining groups in June the process will be the same with the exception of the percentage increase to employees and the effective date. If you have questions about a transfer or promotion of an employee between either AEE or AFSCME DOC Parole and Probation Officers and another bargaining unit between February 1, 2019 and the June 1, 2019, please contact either Erin Haney (503-378-2705 or erin.d.haney@oregon.gov) or Nettie Pye (971-283-6813 or nettie.pye@oregon.gov).

TERMINOLOGY:

Salary Range Base Number: This is referred to the Compensation Grade Profile in Workday. It can be found in the employee compensation profile as seen here:



The screenshot shows the Workday interface for Karen Halbert's compensation profile. The left sidebar contains navigation options: Summary, Overview, Personal, Compensation (highlighted), Contact, Performance, Career, and Job. The main content area is titled 'Compensation' and includes tabs for 'Estimated Annual Compensation', 'All Current Jobs', and 'Pay Change History'. A table shows 'Totals' with one item: Total Base Pay of 3,205.00 USD, Frequency of Monthly. Below this, the 'Compensation' details are listed: Compensation Package (General Compensation Package), Grade (12, circled in red), Grade Profile (OAS-12-AP), Step (Step 09 - 3264 USD), Total Base Pay Range (2,680.00 - 3,264.00 USD Monthly), and Company (Administrative Services Company (WDTraining 01)). At the bottom, 'Plan Assignments' are shown in a table with one item: Effective Date 08/09/1999, Plan Type Salary, Compensation Plan Monthly Salary Pro Rated for Less than Full Time, and Assignment 3,205.00 USD Monthly.

Total Base Pay	Currency	Frequency
3,205.00	USD	Monthly

Compensation

Compensation Package: General Compensation Package

Grade: 12

Grade Profile: OAS-12-AP

Step: Step 09 - 3264 USD

Total Base Pay Range: 2,680.00 - 3,264.00 USD Monthly

Company: Administrative Services Company (WDTraining 01)

Effective Date	Plan Type	Compensation Plan	Assignment
08/09/1999	Salary	Monthly Salary Pro Rated for Less than Full Time	3,205.00 USD Monthly

Or the Compensation Grade Profile, as seen here:

View Compensation Grade Profile

15: AX-15-AA [Actions](#)

Effective Date 01/31/2019 Compensation Grade 15

Inactive

Name AX-15-AA

Description (empty)

Base Pay Elements Base Pay

Eligibility Rules American Federation of State, County & Municipal Employees (AFSCME) at Department of State Lands Rule

Currency USD

Frequency Monthly

Referenced by Job Profile 4

Compensation Steps Yes

Pay Ranges **Steps**

Steps 9 Items

Compensation Basis	Minimum	Segment 1 Top	Segment 2 Top	Segment 3 Top	Segment 4 Top	Midpoint	Salary Pay Plan	Allow Override	Steps						
									Step	Sequence	Name	Amount	Interval	Period	Progression Rule
Total Base Pay	2,506.00	2,752.50	2,999.00	3,245.50	3,492.00	2,999.00	Monthly Salary Pro Rated for Less than Full Time	Yes	Q	001	Step 01	2,506.00			
									Q	002	Step 02	2,584.00			
									Q	003	Step 03	2,694.00			
									Q	004	Step 04	2,795.00			
									Q	005	Step 05	2,923.00			
									Q	006	Step 06	3,050.00			
									Q	007	Step 07	3,182.00			
									Q	008	Step 08	3,330.00			
									Q	009	Step 09	3,492.00			

Salary Range with Range Option Code 'P': This refers to the salary ranges that include the additional 6.95% in lieu of an employer paid PERS Pickup. It is part of the Compensation Grade Profile and can be found by looking at the last digit, as seen here:

← **Compensation Grade Profile** 15: AX-15-AP Actions

Effective Date 02/01/2019 Compensation Grade 15

Inactive
 Name **AX-15-AP**
 Description (empty)
 Base Pay Elements [Base Pay](#)
 Eligibility Rules [American Federation of State, County & Municipal Employees \(AFSCME\) at Department of State Lands Rule](#)
 Currency USD
 Frequency Monthly
 Referenced by Job Profile 2
 Compensation Steps Yes

Pay Ranges **Steps**

Steps 9 items

Compensation Basis	Minimum	Segment 1 Top	Segment 2 Top	Segment 3 Top	Segment 4 Top	Midpoint	Salary Pay Plan	Allow Override	Steps						
									Step	Sequence	Name	Amount	Interval	Period	Progression Rule
Total Base Pay	2,680.00	2,943.75	3,207.50	3,471.25	3,735.00	3,208.00	Monthly Salary Pro Rated for Less than Full Time	Yes	Q	001	Step 01	2,680.00			
									Q	002	Step 02	2,764.00			
									Q	003	Step 03	2,881.00			
									Q	004	Step 04	2,989.00			
									Q	005	Step 05	3,126.00			
									Q	006	Step 06	3,262.00			
									Q	007	Step 07	3,403.00			
									Q	008	Step 08	3,561.00			
									Q	009	Step 09	3,735.00			

Salary Range with Range Option Code 'A': This refers to the salary ranges that do not include the additional 6.95% for Non-PERS Participating Members, such as new hire employees who are not yet eligible to participate in PERS. Additionally, these salary ranges continue to be maintained for REPR codes who have not done the PERS Swap yet.

View Compensation Grade Profile

15: AX-15-AA (Activate)

Effective Date 01/31/2019 Compensation Grade 15

Inactive

Name AX-15-AA

Description (empty)

Base Pay Elements Base Pay

Eligibility Rules American Federation of State, County & Municipal Employees (AFSCME) at Department of State Lands Rule

Currency USD

Frequency Monthly

Referenced by Job Profile 4

Compensation Steps Yes

Pay Ranges **Steps**

Steps 9 Items

Compensation Basis	Minimum	Segment 1 Top	Segment 2 Top	Segment 3 Top	Segment 4 Top	Midpoint	Salary Pay Plan	Allow Override	Steps						
									Step	Sequence	Name	Amount	Interval	Period	Progression Rule
Total Base Pay	2,506.00	2,752.50	2,999.00	3,245.50	3,492.00	2,999.00	Monthly Salary Pro Rated for Less than Full Time	Yes	Q	001	Step 01	2,506.00			
									Q	002	Step 02	2,584.00			
									Q	003	Step 03	2,694.00			
									Q	004	Step 04	2,795.00			
									Q	005	Step 05	2,923.00			
									Q	006	Step 06	3,050.00			
									Q	007	Step 07	3,182.00			
									Q	008	Step 08	3,330.00			
									Q	009	Step 09	3,492.00			

FREQUENTLY ASKED QUESTIONS:

- 1. What is the 6 percent pickup and how did it come to be?**
 Prior to 1979, state employees paid 6% of their salary towards PERS. In 1979, during bargaining, the State and the union agreed that the State would begin paying the 6% into employees PERS accounts, which increased employee’s take-home pay even though salary rates remained the same because employees no longer had to pay the 6% out-of-pocket.
- 2. How is the PERS Pickup changing for employees?**
 Rather than the state continuing to “pick up” the 6% by paying it directly into an employee’s PERS individual account program (IAP), these funds will be transferred back to the employee’s pay and then the contributions, as a pre-tax deduction, will be sent into the employee’s PERS IAP. To help offset this transfer from state paid contributions to employee paid contributions the State agreed to a 6.95% base wage increase. Any additional payroll tax (Social Security, Medicare, and Mass Transit tax), and increased PERS contribution, incurred as a result of the “buy back” will be covered by an additional 0.95 % paid by the state into the employee’s pay. While this will increase employee’s base wages by 6.95%, the intent of the buyout is to be relatively cost neutral to employees.
- 3. Will this affect represented employees union dues?**
 Dues that are percentage based and are calculated on an employee’s wages will increase.

4. How will I be able to tell which salary range an employee is on?

A new Range Option code, 'P', has been created to signify if the employee is a PERS participating member.

Here are some examples:

AMG-15-AA – This is a DHS Stabilization & Crisis Unit employee covered by an AFSCME Contract that is on a Salary Range with Range Option 'A'. An employee with this position profile is not a PERS member. No PERS contributions would be deducted from their gross wages and they would not receive a 6.95% increase in base wages.

AMG-15-AP – This is a DHS Stabilization & Crisis Unit employee covered by an AFSCME Contract that is on a Salary Range with Range Option 'P'. An employee with this position profile is a PERS member. PERS contributions will be deducted from their gross wages and they will have a 6.95% increase in base wages.

UA-17-IA – This is an Unrepresented employee that is on a Salary Range with Range Option Code 'A'. An employee with this position profile is not a PERS member. No PERS contributions would be deducted from their gross wages and they would not receive a 6.95% increase in base wages.

UA-17-IP – This is an Unrepresented employee that is on a Salary Range with Range Option Code 'P'. An employee with this position profile is a PERS member. PERS contributions will be deducted from their gross wages and they will have a 6.95% increase in base wages.

5. As a State agency with, how do we setup an employee to start or stop PERS contributions and receive the increase in base wages?

When an employee is initially hired, the agency will need to conduct a PERS status check. Once the status check has been completed the employee will need to be set up in the system in the appropriate Compensation Grade Profile to ensure the correct PERS status (A or P comp plan). If the employee is not yet PERS eligible, it is important to put the correct Retirement State Date in the P10 screen in OSPA. The Workday Team will receive monthly reports for employees with a retirement start date effective in that month and they will make the changes in Workday to update the employee from the A range option to the P range option.

6. As a State agency, will we have to change everyone's HR and payroll record within our agency starting February 2019?

No. DAS OSPS and Workday will complete a mass update based on a list from payroll identifying which employees are currently making PERS contributions. OSPS will send that list to Workday who will then update the HR records with a 'P' range option. OSPS will then use that same list and update the payroll record on the 'P010 Withholding/Retirement Info' to show the correct 'RTMT SYST' 'E' code.

After the initial implementation, for any employee who becomes a PERS participating member in February 2019 or later, Workday staff will be moving employees to the 'P' Range Option once their retirement start date is reached. Payroll personnel will still be responsible for entering the correct codes, including the retirement start date, in payroll.

7. What happens if payroll (OSPA) and HR (Workday) do not match?

If there is a mismatch between PPDB and OSPA, OSPA will produce a fatal error on the exception report for Preliminary and Final Payroll Runs. This error will result in no pay for the employee until PPDB and OSPA match.

8. How will this affect the recruitment process?

All recruitment announcements will use the Range Option A. The benefits tab of the announcement in Workday will include the necessary information regarding the PERS Pick-up.

9. What should the salary be in an offer letter for an employee?

Offer Letters for SEIU, AFSCME represented, Management Service, Unclassified, and Unrepresented positions

The salary and step included in this offer reflects the base salary. This position is represented by SEIU, AFSCME, Management Service, Unclassified, or Unrepresented employees (choose one). SEIU, AFSCME, Management Service, Unclassified, or Unrepresented employees (choose one) who are Public Employee Retirement System (PERS) participating members will have their base salary increased by 6.95% and pay the 6% employee contribution to PERS. If you are not yet a PERS participating member, the 6.95% pay increase and employee contribution will be effective once you begin participating in PERS.

10. As a State agency when a transfer is coming into our agency, how do we make sure the salary is appropriate?

With the exception of AEE and AFSCME Parole and Probation (as noted above), employees who are on the 'A' Range Option will be placed on the 'A' Range Option in the new Compensation Grade Profile. Likewise, employees who are on the 'P' Range Option will be placed on the 'P' Range Option in the new Compensation Grade Profile.

11. As a State agency how will we determine the correct differential amount for a PERS participating member who has a work out of class to a different representation?

WOC pay for PERS participating members who are working out of class in a position in any representation other than AEE or AFSCME Parole and Probation shall be calculated as follows:

- a. Employees who receive a five-percent (5%) differential shall have the differential added to their base wage (Range Option P).
- b. Employees who receive a fixed dollar WOC amount to the first step of the higher salary range shall have their WOC calculated by looking at the difference between their current base wage (Range Option P) and the first step of the higher range (Range Option P).
- c. Employees who receive a fixed dollar WOC amount to the next higher rate of pay shall have their WOC calculated by looking at the difference between their current base wage (Range Option P) and the next higher rate (Range Option P).

WOC pay for PERS participating members who are working out of class in a position represented by AEE or AFSCME Parole and Probation shall be calculated as follows:

- a. Employees who receive a five-percent (5%) differential shall have the differential added to their base wage (Range Option P).
- b. Employees who receive a fixed dollar WOC amount to the first step of the higher salary range shall have their WOC calculated by looking at the difference between their current base wage (Range Option A) and the first step of the higher range in the different representation.
- c. Employees who receive a fixed dollar WOC amount to the next higher rate of pay shall have their WOC calculated by looking at the difference between their current base wage (Range Option A) and the next higher rate of pay.

12. As a State agency what happens if PERS contributions are started too late or too early?

Each agency needs to include in their hiring process a PERS status check for any new employees to their agency, including transfers. Depending on the error HR and payroll offices will need to work together to determine what changes need to take place. In Workday a Compensation Plan Change will need to be requested. In payroll you would need to contact OSPS to help with modifying the contribution start date on the 'P010 Withholding/Retirement Info' screen. Then make the appropriate PERS adjustments on the 'P060 Tax/OPE Adjustments' screen.