

# PERS EMPLOYER ADVISORY GROUP MEETING

NOTES

DATE: 4/17/20

TIME: 10:00 AM -12:00 PM

GOTOMEETING

<b>TYPE OF MEETING</b>	PERS EMPLOYER ADVISORY GROUP MEETING	
<b>FACILITATOR</b>	Sam Paris	
<b>NOTE TAKER</b>	Tamie Johnson	
<b>CALL IN NUMBER</b>	(866) 899-4679; participant code: 781304501	
<b>ATTENDEES</b>	<p><b>Online/Phone:</b> Jeff White, Marion County; Nancy Brewer, City of Corvallis; Nathan Klinkhammer, Portland State University; Rich McDonald, Chemeketa Community College; Shauna Tobiasson, Department of Administrative Services; Trudy Vidal, Department of Administrative Services; Bonny Ray, Oregon State University; Ralph Wyatt, Linn County; Michelle Kirby, City of Portland; Jennifer Palmer, Deschutes Public Library</p> <p><b>PERS:</b> Amanda Marble; Brandon Armatas; Cynthia Kirkwood; Dean Carson; Eleanor Probasco; Elizabeth Rossman; Kevin Olineck; Laurel Galego; MaryMichelle Sosne; Sam Paris; Shawn Dempewolf; Stephanie Vaughn; Tamie Johnson; Yvette Elledge-Rhodes</p> <p><b>Guests:</b> Gina Turner; Debbie Diener; Carole Samuels; Kristy Komes; Brian Kennedy; Claire Havener; Rhonda Miller</p>	
<b>TIME: 10:00-10:04</b>	<b>WELCOME</b>	<b>SAM PARIS</b>
<b>PURPOSE/GOAL</b>	Introductions.	
Sam welcomed the Employer Advisory Group and introduced new EAG members Jennifer Palmer and Michelle Kirby.		
<b>TIME: 10:04-10:11</b>	<b>DIRECTOR'S OFFICE UPDATE</b>	<b>KEVIN OLINECK</b>
<b>PURPOSE/GOAL</b>	Provide the group with an update on current practices.	
<p>Kevin on PERS' response to COVID-19: As of today, the 285 staff members who are vulnerable or have identified that they want to telecommute are working from home, leaving about 80 on site. All the work and production are as normal except that there are no offsite RAAS sessions and the headquarters building is closed to the public at this time. There are some challenges getting employer information to complete data verifications and court ordered documents.</p> <p>Board meetings: There is a special board meeting taking place Friday, April 24, to discuss some Oregon Administrative Rules (OAR) around SB 1049 and COVID-19. Agendas will be posted for next Friday's meeting. A conference call line will be set up to listen in to upcoming meetings as a way to have some form of public meetings. There are no public comment meetings when we go through rulemaking process; if interested, make sure you're signed up for GovDelivery.</p> <p>Yvette update on CARES Act: We received a question from the employer perspective about how to report hours on special leaves. There is an FAQ posted on the website to help answer questions. FAQ for PERS Employer Reporters: <a href="https://www.oregon.gov/pers/EMP/Pages/COVID-19.aspx">https://www.oregon.gov/pers/EMP/Pages/COVID-19.aspx</a>.</p> <p>Social Security links: <a href="https://www.irs.gov/newsroom/deferral-of-employment-tax-deposits-and-payments-through-december-31-2020">https://www.irs.gov/newsroom/deferral-of-employment-tax-deposits-and-payments-through-december-31-2020</a></p>		

<https://www.irs.gov/newsroom/covid-19-related-tax-credits-for-required-paid-leave-provided-by-small-and-midsize-businesses-faqs>

PERS will review, decide, and then communicate if any of the optional provisions of the CARES Act will be implemented; some affect the Oregon Savings Growth Plan (OSGP).

**TIME: 10:12-10:17**                      **SB 1049 EMPLOYER PROGRAMS**                      **YVETTE ELLEDGE-RHODES**

**PURPOSE/GOAL**                      Provide an update on the SB 1049 Employer Programs project.

COVID-19 impact: The majority of the project team is working remotely. We've changed how we conduct meetings and are back on track. Risks associated are being monitored, such as illness or child care needs. At this time, we are not seeing any schedule impacts. At the program level, we are doing well. Most projects are fluctuating between yellow and green. See SB 1049 Road Map attached to the agenda.

MaryMichelle Sosne on UALRP development following focus group meetings: Two of the three planned meetings were held and a survey has been completed. A lot of great feedback was received including good insight of budgeting, resources used/not used, what PERS can do to develop resources to streamline education processes, suggested improvements to the Employer Tool, such as being able to change assumed rate and refinement for side accounts. The survey sent out will be modified and included on the Employer Satisfaction Survey. Everyone is encouraged to participate in the survey. PERS really values the feedback. Workshop scheduled between PERS and CalPERS at the end of the month for initial review to look at adopting their calculation tool, and to make sure it meets the basic PERS requirements. If the assessment is successful, PERS plans to test with employers before launching.

Employer Incentive Fund: We received questions about deadline extension. As of right now, there is not a changed date, but those conversations are beginning. More communication to come.

Email [actuarial.services@pers.state.or.us](mailto:actuarial.services@pers.state.or.us) with any additional questions.

**TIME: 10:18-10:20**                      **SB 1049 SALARY LIMIT**                      **YVETTE ELLEDGE-RHODES**

**PURPOSE/GOAL**                      Provide an update on the SB 1049 Salary Limit project.

Already deployed a couple items. Looking at internal deployment in June with the longer term internal final deliverable in April 2021. At this time, employers should be managing Salary Limits, including partial years, with the information PERS provided. Find details on the Employer Tools page on the PERS website and in the March employer newsletter.

**TIME: 10:21-10:22**                      **SB 1049 WORK AFTER RETIREMENT**                      **YVETTE ELLEDGE-RHODES**

**PURPOSE/GOAL**                      Provide an update on the SB 1049 Work After Retirement project.

New wage codes will be up and running in late October. PERS provided a lot of information in the *Perspectives* (member) newsletter for retirees, to make sure our members understand Work After Retirement guidelines. The May employer newsletter will include information about Social Security guidelines.

**TIME: 10:23-11:22**                      **SB 1049 MEMBER REDIRECT**                      **YVETTE ELLEDGE-RHODES**

**PURPOSE/GOAL**                      Provide an update on the SB 1049 Member Redirect project.

The redirecting contributions tool should be up and running by June 30. The functionality for members to do voluntary elections should be available by Sept. 30. The functionality for employers to send contributions scheduled to be released by November 30.

Elli Probasco-On September 30, members will be able to log into Online Member Services to elect to either retroactive back to July 1 to make contribution whole or to start their election that gives a month lead time prior to when their deduction needs to start. At the time they submit the election, a Work Item request will be sent to employers to let them know the member's effective date. PERS expects to have functionality to create those invoices November 30. Once a member has elected to do voluntary contributions and if the member makes more than \$2,500 per month, the member will show up on Employer Statement as a line item so employers won't have to report separately. The statement will have employee information and be based on each employer's pay structure. Should work through statement, when money pushed to us, the designation will be similar to the part of the IAP portion that employers push to PERS. It is post-tax member contributions. If the employee makes less than \$2,500 per month and they elect, nothing will happen because they have not met the requirements.

Discussion about concurrency and non-concurrency, A group member asked if there is there a way to bill employees directly because it's all after tax.

Stephanie Vaughn: The statute is based on salary at the plan level, not position, a flat \$2,500 per month. Everything else the plan administers to concurrency. PERS is doing this through payroll deductions because these are additional member contributions. In the same statute as the mandatory contributions; the member elects to make those contributions, they don't get to decide the amount; it is tied to salary. Salary is an employer/employee relationship; the employer decides the salary and pays the salary. There are similar elective purchases, such as P&F members eligible to make unit purchases, which come into the system after tax. If a member makes an election, it is recommended the employer withholds. If an employee doesn't make the \$2,500 per month threshold, the money can be refunded easier than trying to go collect it one to two months later. Recommended that we include that disclaimer in the deferral notice so the member understands it will be initially withheld. Because it is an employer-sponsored plan, that is why payments are made through the employer and not directly to PERS.

Elli: Timing of the process is for an employer's normal DTL2 to come through from EDX, be posted, and create the allocation on the invoice using the already known statement dates of the 5th and the 20th. Once that is paid, a member is over \$2,500 and if they have elected Voluntary Contributions, then the invoice for the Voluntary Contributions will be triggered in the PERS system. PERS is discussing communications that we can put into OMS to help members understand the connection of making more than \$2,500 a month prior to putting in their election for Voluntary Contributions.

Stephanie: PERS suggests that once an employer is notified of the member election, they should automatically collect the contribution. We're considering implementation on how to handle employee terminations, and how PERS can help the employer. CBA may be helpful in developing some of the language in Administrative Rule.

Elli: We're turning retroactive election off in early November, so members will have one month for retroactive option. PERS should be able to get election out for member to submit to PERS by the end of September when functionality will be available.

Suggestion made from EAG member that if employees tell employers they want to elect this contribution, then employer could start withholding at that time, hold and track until PERS is able to collect it, then report on DTL. Asked if PERS could publish what member needs to do if they want to make contributions starting in July, also asked PERS to come up with a form for employee signup. It was requested if PERS could put together an employer only form that would state the member's election, employer could make a copy, send to PERS, and PERS could enter.

Yvette: PERS had to make a decision to focus effort on deploying complex EPSA, the first half of Member Redirect bill first. Concerned about employers managing paper forms if employers withhold

and the member forgets to sign up for it. Opportunity for communication on what PERS decides and what the employers can do.

Dean: PERS April *Perspectives* newsletter has information and the IAP Redirect webpage have videos (<https://www.oregon.gov/pers/MEM/Pages/SB1049-IAP-Redirect-T1T2.aspx> and <https://www.oregon.gov/pers/MEM/Pages/SB1049-IAP-Redirect-OPSRP.aspx>).

Both *Perspectives* and the webpage note that voluntary contributions will be available in the future, and the member communications include reminders that there are other opportunities members may have to save more.

Elli: The project team will discuss employer suggestions, elaborate what is possible, and then PERS will probably reach out to EAG prior to the next meeting. May share the process map so employers can understand PERS process.

Kevin: There have been studies that show a take-up rate of 10% to 20%; most likely not everyone will elect. This is legislatively mandated for PERS to provide, so we have to inform members about their options. It is a lot of work and complexity for perhaps a very small part of the overall population. PERS really appreciates all the information the EAG has provided today.

Suggestion made for FAQ sheet for this after-tax contribution versus other types of contributions. Request made to express that employers in this advisory group have a lot of concerns about implementing this in the next board briefing. Kevin agreed this can be noted at the Board meeting and the stakeholder meetings. In the recent JLCIMT meeting, Kevin already noted this will be one of the most disruptive pieces of this legislation for employers.

PERS will be presenting Oregon Administrative Rules (OAR) next Friday, April 24, 2020. Eighteen OARs will be touched, only one relevant to the EPSA, most others touched just to clarify terminology. IAP and ESPA distinguished.

Communications for Member Redirect: PERS created animated videos to help members understand their choice. Videos per plan, links in Member *Perspectives* newsletter that went out last week.

<b>TIME: 11:23-11:24</b>	<b>SB 1049 MEMBER CHOICE</b>	<b>YVETTE ELLEDGE-RHODES</b>
<b>PURPOSE/GOAL</b>	Provide an update on the SB 1049 Member Choice project.	
Move or choose a different TDF versus determined by birthdate. Election period will be in September through on-line member portal, providing a thirty-day period to do. Effective January 1, 2021. Communications planned targeting Member Statements and Perspectives newsletter.		
<b>TIME: 11:24-11:27</b>	<b>COMMUNICATIONS UPDATE</b>	<b>SHAWN DEMPEWOLF</b>
<b>PURPOSE/GOAL</b>	Provide the group with an update on communications.	
Shawn: She is the new PERS employer communications specialist and is looking forward to working with employers. Shawn has more than 25 years in corporate communications, mostly spent at Boeing. Shawn wants to strengthen relationships with additional employer roles (such as HR and financial roles), including through the UAL Resolution Program. The Employer Satisfaction Survey will be sent next month, running May 1 through May 31. Member Annual Statements will be sent in May. Employers please remember to forward information PERS sends to your staff. Over the next few months, Communications will work to clarify language on the PERS website. Next year, PERS will launch a newly designed website to make it easier to find information.		
<b>TIME: 11:28-11:35</b>	<b>ADDITIONAL ITEMS</b>	<b>SAM PARIS</b>
First Wage Clean-Up Project: Brandon Armatas, Interim DSS Manager, is business owner of this project. Last week Brandon presented to PERS Executive Leadership Team some implementation options. The team is gathering		

details of what that final plan is going to look like. Brandon hopes to provide an update at July's EAG meeting. Working towards next steps in logistics.

**Employer Service Center (ESC) Update:**

Laurel Galego, Employer Service Center Manager, ESC team is expected to respond within 24 hours. Some DCRs are completed within seven business days. If employer is not getting that turnaround, the employer call line is open Monday through Friday, 8:30 a.m. to 12 p.m., and employers can reach their personal representative from 8 a.m. to 5 p.m. ESC's work should not change due to COVID-19; it's been business as usual. Team pulled together to help employers work through issues as employers transition to working from home as well. Retrieving data from archives might be a hurdle, employees coming back to work and how to report them, and reporting SB 1049 retirees returning to work.

**Next Meeting Facilitator:** Sam Paris

**Next Meeting Date & Time:** July 17, 2020 10:00 a.m.-12:00 p.m.