



## October 2014 PERS Employer Monthly Update.

### In this update:

- 1) **2014 Annual Reconciliation begins October 1, 2014.**
- 2) **Reminder: Reporting retirees returning to work part-time as retirees.**
- 3) **Member disability benefits: The importance of prompt return of forms.**
- 4) **Fall 2014 Employer Outreach registration is now available.**

### **1) 2014 Annual Reconciliation begins October 1, 2014.**

***Phase 1 of the 2014 Annual Reconciliation begins October 1, 2014 and ends December 31, 2014.***

During this first phase employers are asked to focus on clearing suspended records and reports for calendar year 2014. Phase 1 would be an ideal timeframe for education employers to review their substitute teaching staff to identify those who are likely to reach 600 hours total service for 2014. Remember that 600 hours total service in any calendar year will change “non-qualifying” position types to “qualifying” for members who established membership in calendar 2014 or a prior year.

**Contact your ESC Account Team about changing the position type from “non-qualifying” to “active service” for employees on pace to reach 600 hours this year, or changing position type from “active service” to “non-qualifying” for employees not projected to reach 600 hours total service in 2014.** Your ESC Account Team members can answer questions about an employee’s service with other employers which cannot be answered by the Year-to-Date Wage and Contribution Summary or the Eligibility reports.

- 2) **Reminder: Reporting retirees returning to work part-time as retirees.**

### **Tier One/Tier Two retirees:**

**After retirement, Tier One/Tier Two retirees may return to work for a participating PERS employer(s) and continue to receive their retirement benefits as long as they do not work 1,040 hours or more in a calendar year. A Tier One/Tier Two retiree may work up to 1039.99 hours per calendar year and still be considered a retiree, but a Tier One/Tier Two retiree will re-establish active membership if they equal or exceed the 1040 hour limit in any calendar year. The 1040 hour limitation for retirees returning to PERS employment is commonly referred to as the “1040 hour rule.” The 1040 hour rule does not apply to OPSRP retirees, who may NOT return to work for a participating PERS employer(s) in a qualifying position (whether based on hire intent or by virtue of working 600 hours or more in a calendar year) and continue to receive retirement benefits.**

**In addition, Tier One/Tier Two retirees hired into certain positions (listed in ORS 238.082(4)-(8); Sections 2 and 3, chapter 499, Oregon Laws 2007; and Sections 3 and 4, chapter 774, Oregon Laws 2007) may work unlimited hours post-retirement for a participating PERS employer and continue to receive retirement benefits. In order to qualify for these statutory exemptions, the retiree must satisfy all the requirements for the exemption. A common requirement to qualify for these statutory exemptions is that the Tier One/Tier Two member not receive a reduced service retirement allowance as set forth in ORS 238.280(1), (2) and (3).**

**Tier One/Tier Two general service members who retire with less than 30 years cumulative service and between ages 55-57 as a Tier One member, 55-59 as a Tier Two member, or as Tier One/Tier Two Police & Firefighter members between ages 50-54 with less than 25 years cumulative service, are considered “early” retirees, with a benefit reduced for early retirement.**

Tier One/Tier Two “early” retirees only qualify for the exempt positions listed in ORS 238.082(4); and Section 3, chapter 774, Oregon Laws 2007; and must wait 6 full calendar months after retirement before being employed in those positions. **An “early” retiree who does not wait 6 full calendar months after PERS retirement before being hired into one of these DOES NOT QUALIFY for the exemption and is subject to the 1040 hour/calendar year work limit.**

The positions available to “early” Tier One/Tier Two retirees can be found: In the “Working After Retirement: 1040-Hour Exceptions in Table Format” document. (Positions open to Tier One/Tier Two “early” retirees are noted in the “Early Ret.” column.)

**The exemption from the 1040 hour/calendar year limit APPLIES TO THE POSITION listed in ORS 238.082, NOT to the retiree holding the position.**

Example 1: A Tier One/Tier Two “normal” benefit recipient, hired by an employer into an exempt position, may work unlimited hours WHILE IN THAT EXEMPT POSITION. If the retiree leaves that exempt position and goes to work as a retiree for another PERS employer in a position NOT listed in ORS 238.082 or OAR 459-017-0060, the retiree becomes subject to the 1040 hour/calendar year work limit while working in that non-exempt position.

Example 2: If the retiree works concurrently in an exempt position and a non-exempt position, the hours worked in the non-exempt position will be subject to the 1040hour/calendar year work limit.

**Tier One/Tier Two retirees who have reached federal Social Security full retirement age (65-67, depending on the retiree’s birth date) may work unlimited hours with PERS employers beginning the first of the month after the month in which Social Security full retirement age is reached. This exception does not apply to OPSRP retirees.**

**OPSRP retirees:**

**Hiring an OPSRP retiree into a position with “qualifying” hire intent CANCELS the individual’s retirement and re-establishes active membership effective at the hire date. Hiring an OPSRP retiree into a position with “non-qualifying” hire intent allows only 599.99 hours of work (total for ALL PERS employers) per calendar year.**

You may hire an OPSRP retiree into a non-qualifying position immediately after retirement and submit the DTL1-11 record at that time. In most cases that DTL1-11 record and any DTL2-07 records will suspend until EDX has been updated to reflect the OPSRP member’s transition from active to retired status. **If the DTL1 and DTL2 records suspend upon submission, you do not need to “re-Save” those records for 90 days or until you have: 1) Verified with the retiree that they have received their first benefit check, or 2) Checked with your ESC Account Representative that the individual is in retired status.**

Also, **NEVER** submit a DTL1-15 record to re-hire an OPSRP member as a retiree **unless your ESC Account Representative asks you to do so.**

**3) Member disability benefits: The importance of prompt return of forms.**

Processing disability applications can be time-consuming, but if that process results in award of an OPSRP disability benefit or a Tier One/Tier Two disability retirement, prompt response to PERS employer forms requests becomes very important.

If a disability application is approved, employers will receive forms necessary to complete the process. One of those forms is the Last Day Paid Leave, an online form which appears in employer EDX Work Lists once a disability is approved. **The LDPL form is very important, because a PERS disability benefit becomes effective on the first of any month, following the last month in which a member was on paid leave. The member’s benefit date cannot be established, and a benefit payment calculated, UNTIL THE LDPL FORM IS RECEIVED.**

There have been recent instances in which a member’s disability benefit calculation and benefit payment were delayed significantly due to employer failure to return the LDPL and other required forms. If you are an education employer, and your administrative office is closed for the summer, **PLEASE report to PERS an “immediate contact” staff member who can be contacted to complete and return disability forms immediately. This will avoid unnecessary delay in beginning a member’s disability benefit payment.**

**4) Fall 2014 Employer Outreach registration is now available.**

Registration for Fall 2014 Employer Outreach presentations is now available. The Fall 2014 Employer Outreach presentations will be done exclusively through the Internet via iLinc, the PERS distance presentation platform.

The Fall 2014 Outreach presentation is geared towards those new to PERS reporting duties (a year or less) and will review a reporting resource document soon to be posted on the PERS

employer web page. The document will include links to PERS reporting resources and a short review of specific reporting topics including completion of Salary Breakdown forms, reporting Leave without Pay (LWOP) and preparation and use of the online Demographic Correction Request (DCR) form. Those with more PERS reporting experience may also find value in review of these specific reporting topics.

Registration is done only online; your ESC Account Team representative will not be able to assist you with registration. Report cancelations to: [pers-employer.info.services@pers.state.or.us](mailto:pers-employer.info.services@pers.state.or.us)

Best regards,