

# PERS Employer Outreach, Communication and Education

## **Welcome!**

### Advanced Reporting Topics

V14 October 17, 2016

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# What is “Subject Salary”?

- Subject Salary is:
  - **A payment made by a PERS employer to an employee which satisfies the statutory definition of “salary”:**
    - Tier One/Tier Two: ORS 238.005(26)(a-b)
    - OPSRP: ORS 238A.005(17)(a-b)
  - Examples of payments which meet the definition of “subject” salary are listed in the Payment Categories chart.
  - **OPSRP only: included in a W-2 as taxable salary in the state of Oregon.**
    - **Please Note: Taxable salary questions should be addressed to the employer’s tax specialist or to the employer’s tax consultant.**
- **Contributions are due on subject salary paid to a member in a “qualifying position.”**
  - For persons establishing OPSRP membership after January 1, 2016, contributions will become due beginning the first full pay period after the six-month waiting time.

# Statutory Definition of PERS “Salary”

## ORS 238.005(26)(a) and (b) *Tier 1/Tier 2 Members (Chapter 238)*

- (a) **“Salary” means** the remuneration paid **an employee** in cash out of the funds of a public employer in return for services to the employer, plus the monetary value, as determined by the Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and other advantages the employer furnishes the employee in return for services.
- (b) **“Salary” includes but is not limited to:**
- (A) Payments of employee and employer money into a deferred compensation plan, which are deemed salary paid in each month of deferral;
- (B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary paid in each month of participation;
- (C) Retroactive payments described in ORS 238.008; and
- (D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS 652.190.

## ORS 238A.005(17)(a) and (b) *OPSRP Members (Chapter 238A)*

- (a) **“Salary” means** the remuneration paid to **an active member** in return for services to the participating public employer, including remuneration in the form of living quarters, board or other items of value, to the extent the remuneration is includable in the employee’s taxable income under Oregon law. “Salary” includes the additional amounts specified in paragraph (b) of this subsection, but does not include the amounts specified in paragraph (c) of this subsection, regardless of whether those amounts are includable in taxable income.
- (b) **“Salary” includes the following amounts:**
- (A) Payments of employee and employer money into a deferred compensation plan that are made at the election of the employee.
- (B) Contributions to a tax-sheltered or deferred annuity that are made at the election of the employee.
- (C) Any amount that is contributed to a cafeteria plan or qualified transportation fringe benefit plan by the employer at the election of the employee and that is not includable in the taxable income of the employee by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on January 3, 2013.
- (D) Any amount that is contributed to a cash or deferred arrangement by the employer at the election of the employee and that is not included in the taxable income of the employee by reason of 26 U.S.C. 402(e)(3), as in effect on January 3, 2013.
- (E) Retroactive payments described in ORS 238.008.
- (F) The amount of an employee contribution to the individual account program that is paid by the employer and deducted from the compensation of the employee, as provided under ORS 238A.335 (1) and (2)(a).
- (G) The amount of an employee contribution to the individual account program that is not paid by the employer under ORS 238A.335.
- (H) Wages of a deceased member paid to a surviving spouse or dependent children under ORS 652.190.

# What is “Non-subject salary”?

- Non-subject Salary is:
  - A payment specifically excluded from definitions of “salary”:
    - PERS (ORS 238.005(26)(c))
    - OPSRP (ORS 238A.005(17)(c))
  - Examples of payments which do not meet the PERS or OPSRP “salary” definition are listed in the Payment Categories Chart.
  - **OPSRP only: not included** in a W-2 as taxable salary in the state of Oregon.
    - Please Note: Taxable salary questions should be addressed to the employer’s tax specialist or to the employer’s tax consultant.
- Contributions are NEVER due on “non-subject” salary.

# Statutory Definition of PERS “Salary” Exclusions

## **ORS 238.005(26)(c)** ***Tier 1/Tier 2 Members (Chapter 238)***

- (c) **“Salary” or “other advantages” does not include:**
- (A) Travel or any other expenses incidental to employer’s business which is reimbursed by the employer;
- (B) Payments for insurance coverage by an employer on behalf of employee or employee and dependents, for which the employee has no cash option;
- (C) Payments made on account of an employee’s death;
- (D) Any lump sum payment for accumulated unused sick leave;
- (E) Any accelerated payment of an employment contract for a future period or an advance against future wages;
- (F) Any retirement incentive, retirement severance pay, retirement bonus or retirement gratuitous payment;
- (G) Payments for periods of leave of absence after the date the employer and employee have agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for sick leave and vacation;
- (H) Payments for instructional services rendered to public universities of the Oregon University System or the Oregon Health and Science University when such services are in excess of full-time employment subject to this chapter. A person employed under a contract for less than 12 months is subject to this subparagraph only for the months to which the contract pertains; or
- (I) Payments made by an employer for insurance coverage provided to a domestic partner of an employee.

## **ORS 238A.005(17)(c)** ***OPSRP Members (Chapter 238A)***

- (c) **“Salary” does not include the following amounts:**
- (A) Travel or any other expenses incidental to employer’s business which is reimbursed by the employer.
- (B) Payments made on account of an employee’s death.
- (C) Any lump sum payment for accumulated unused sick leave, vacation leave or other paid leave.
- (D) Any severance payment, accelerated payment of an employment contract for a future period or advance against future wages.
- (E) Any retirement incentive, retirement bonus or retirement gratuitous payment.
- (F) Payment for a leave of absence after the date the employer and employee have agreed that no future services in a qualifying position will be performed.
- (G) Payments for instructional services rendered to public universities of the Oregon University System or the Oregon Health and Science University when those services are in excess of full-time employment subject to this chapter. A person employed under a contract for less than 12 months is subject to this subparagraph only for the months covered by the contract.
- (H) The amount of an employee contribution to the individual account program that is paid by the employer and is not deducted from the compensation of the employee, as provided under ORS 238A.335 (1) and (2)(b).
- (I) Any amount in excess of \$200,000 for a calendar year. If any period over which salary is determined is less than 12 months, the \$200,000 limitation for that period shall be multiplied by a fraction, the numerator of which is the number of months in the determination period and the denominator of which is 12. The board shall adopt rules adjusting this dollar limit to incorporate cost-of-living adjustments authorized by the Internal Revenue Service.

# Salary and Hours

- **DTL2 Wage Codes**
  - **Any wage code may be used with any salary type (subject or non-subject).**
    - Salary for “non-qualifying” service does not require use of “non-subject” salary.
    - “Non-subject” and “Subject” salary could be entered on the same DTL2 record.
      - A Non-Subject Salary sick leave payoff may be entered on the same DTL2 record with Hours Worked: Regular and Subject Salary, Regular.
  - **The wage code states:**
    - **The type of service for which salary is being reported.**
      - DTL2-01: reporting wages for periods of “qualifying” service.
      - DTL2-02: reporting wages for periods of “non-qualifying” service.
      - DTL2-07: reporting wages for retirees working as retirees.
      - DTL2-08: reporting wages and contributions with no hours of service.
    - **The type of correction being made to previously posted salary, hours and/or contributions.**
      - Positive or Negative correction; there are no positive or negative numbers in EDX, only positive or negative adjustment codes.

# Contribution Reporting Requirements beginning January 1, 2016

- Statute was amended January 1, 2016 to require contributions for wages attributable to services performed during the first full pay period following the six month wait time.
  - On or after January 1, 2016 employers will need to use a different procedure to correctly report wages and contributions for any pay date after OPSRP membership is established if the pay period for that pay date includes waiting time service.
  - This new procedure is outlined in [Employer Announcement #97](#)



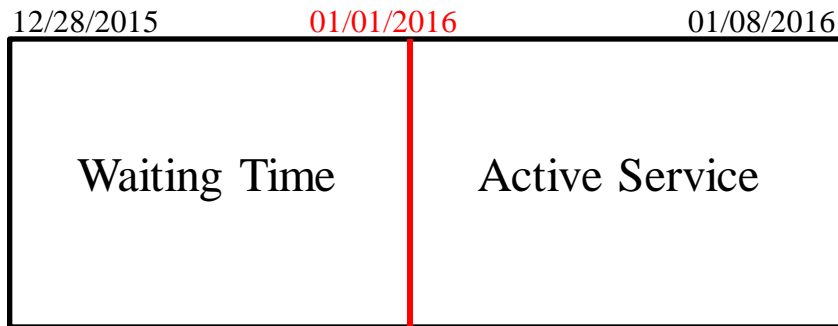
# Contribution Reporting Requirements beginning January 1, 2016

## Example: On or after January 1, 2016: Reporting contributions for the first pay date on or after OPSRP

**membership is established:** An employer's pay period begins December 28, 2015 and ends January 8, 2016, with a January 22, 2016 pay date. A reported individual becomes an OPSRP member January 1, 2016. The individual works 80 hours for the two-week period for a reported salary of \$2000.00

### Reporting by a Local Government employer:

For this pay period WPBED are used on both of the two required DTL2 records. Salary on the 1<sup>st</sup> record is "Subject" and salary on the 2<sup>nd</sup> record is "Non-subject". Contributions are entered on neither record.



12/28/2015      12/31/2015    01/01/2016      01/08/2016

### DTL2 #1:

Pay Date: 01/22/2016

**Work Period Begin Date: 12/28/2015**

**Work Period End Date: 12/31/2015**

Hours Worked: (Regular) 40.00

Reported Wage Code: 01

**Subject Salary, Regular: 1000.00**

**Non-Subject Salary: (blank)**

**Contributions: (blank)**

### DTL2 #2:

Pay Date: 01/22/2016

**Work Period Begin Date: 01/01/2016**

**Work Period End Date: 01/08/2016**

Hours Worked: (Regular) 40.00

Reported Wage Code: 01

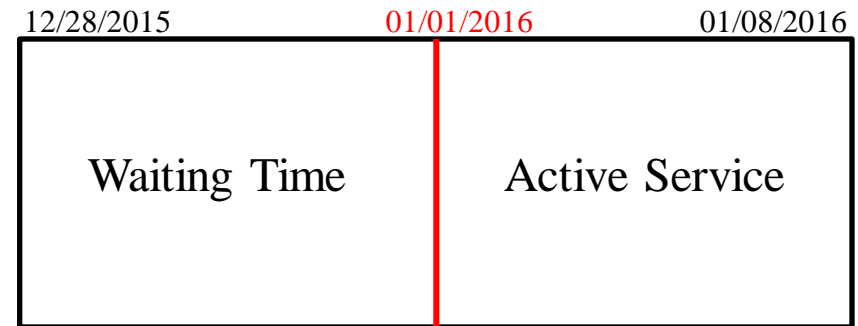
**Subject Salary, Regular: (blank)**

**Non-Subject Salary: 1000.00**

**Contributions: (blank)**

### Reporting by a non-Local Government employer:

Non-local government employers **NEVER** use WPBED. For this pay period, salary is "Non-subject" and no contributions are entered.



### DTL2:

Pay Date: 01/22/2016

Work Period Begin Date: (blank)

Work Period End Date: (blank)

Hours Worked: (Regular) 80.00

Reported Wage Code: 01

**Subject Salary, Regular: (blank)**

**Non-Subject Salary: 2000.00**

**Contributions: (blank)**

# LWOP (Leave Without Pay)

- **A period of time in which the employee remains employed by the employer but is on an authorized unpaid leave of absence.**
  - Full month and “major fraction of a month.”
    - OAR 459-075-0150(1)(b).
    - OAR 459-010-0010(1).
- **No retirement credit accrues during reported periods of LWOP.**
- **Member and employer contributions are not normally reported for periods of LWOP.**
  - If the employee receives any payments that are due contributions during period of LWOP, these payments can be reported using DTL2-08/Contributions/No Service.
- **The employee is not considered terminated during an official period of LWOP.**
- **An official period of LWOP will not be considered an interruption of a “waiting time” period for Tier One/Tier Two members at any point or for OPSRP members on or after 11/23/2007.**
  - For OPSRP members from 8/29/2003 to 11/22/2007 an LWOP of more than 30 consecutive working days is considered a break in the waiting period.
  - A period of leave without pay will extend the waiting time by the length of the LWOP period.
- Statue references: OAR 459-010-0010, 459-075-0010

# LWOP (Leave Without Pay)

- **Periods of LWOP in any calendar month which equal or exceed 11 business days must be reported separately.**
  - **A PERS business day is any day Monday through Friday in which PERS is open for business (OAR 459-070-0001(2), OAR 459-005-0001(14)).**
  - **Example: An individual has periods of LWOP of 4 business days in the first week of a month, 4 business days in the second week and 3 business days in the third week. The total is 11 business days and each period of LWOP which is part of a total of 11 or more PERS business days must be reported separately. (DTL1-07/Leave of Absence followed by DTL1-08/Return from Leave).**
- **Periods of LWOP which DO NOT equal or exceed 11 business days SHOULD NOT be reported.**
- **DLT2 records including wages, **HOURS** and contributions should be submitted for periods of PAID leave of absence (ex: sick leave, vacation or personal leave).**

# USERRA

- **Reemployment rights and benefits for periods of service in the uniformed services.**
  - A federal law granting employees certain rights to re-employment and benefits after completing a period of duty in the United States uniformed services.
  - Compliance is a federal requirement
  - Active, Reserve, National Guard
- **Heros Earnings Assistance and Relief Tax Act (HEART) update, 2008**
  - “Differential wage payments” treated as compensation for all purposes.
  - “Differential wage payments”:
    - Made by an employer to an employee on active duty for a period of more than 30 consecutive days.
    - All or a portion of the wages the individual would have received from the employer if the individual were not performing service in the uniformed services
    - Total differential wage payments and USERRA-subject wages can never exceed total wages the individual would have earned during the period of uniformed service.
    - HEART Act provisions apply to differential payments made after December 31, 2008.

# USERRA qualification

- **Employers must determine USERRA qualification for any periods of uniformed service performed by their employees, based upon USERRA requirements.**
  - Resources for determination:
    - PERS Employer Announcement #33 on the PERS employer website,  
[www.oregon.gov/pers/emp/index.shtml](http://www.oregon.gov/pers/emp/index.shtml)
    - Title 38, US Code Chapter 43, II, 4316 and 4318.
    - Additional information at Department of Labor website:  
[www.dol.gov/vets/#userra](http://www.dol.gov/vets/#userra)

# USERRA

- **USERRA is a re-employment law**
  - **The first requirement is qualification for re-employment**
  - **The employer is responsible for determining re-employment qualification.**
  - **The individual must qualify for re-employment in order to receive retirement benefits for any periods of uniformed service. To qualify for re-employment:**
    1. The individual must have left a PERS or OPSRP qualifying position.
    2. The employee must have given notice that he or she was leaving to perform military service.
    3. The employee's cumulative period(s) of military service must not have exceeded five years (some exceptions are possible).
    4. The employee must be released from service under honorable or general conditions.
    5. The employee must have reported back to work, or re-applied **for re-employment with the SAME employer**, (also called the “post service” employer) within time constraints provided by law. (The state of Oregon is considered a single employer)
  - Once a member is re-employed under USERRA, he/she is entitled to the applicable retirement benefits provided under Oregon Administrative Rules (OAR) 459-011-0100 and 459-011-0110 ( Tier One/Tier Two), 459-075-0100 (OPSRP Pension) and 459-080-0100 (IAP)

# The USERRA process

- Steps in the USERRA process:
  1. The employee's military leave begins.
    - Submit a DTL1-05 (On military leave).
  2. The employee's military leave ends.
    - Submit a DTL1-08 (Return from Leave).
  3. The employer determines USERRA service period qualification.
    - **PERS has no role in the determination.**
    - **If the service period is qualified, complete the USERRA Certification form...**

# USERRA

- **The USERRA Certification form:**

- Found on the PERS employer website under “Employer Forms”, “Paper Reporting-Personnel” or through this link:

<https://www.oregon.gov/PERS/MEM/docs/form/451emw.pdf>

- Attention to Sections B, C & D

- Sections B and C: Employer Certification & Qualifying time period.

## Section B: Employer certification

I hereby certify that the employee listed above has met all of the qualifications for reemployment under the Uniformed Services Employment and Reemployment Rights Act (USERRA) 38U.S.C.4301-4333.

_____ Employer number	_____ Employer name		
_____ Certifying person's name	_____ Title		
_____ Signature	_____ Phone	_____ Ext.	_____ Date

## Section C: Qualifying time period

Last date of employment or paid leave prior to USERRA-qualifying time: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.  
(month) (day) (year)

Time period that qualifies under USERRA: from \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ to \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.  
(month) (day) (year) (month) (day) (year)

First date of employment or paid leave following USERRA-qualifying time: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.  
(month) (day) (year)



# USERRA Certification form, Section D:

USERRA states the amount of salary an employee would have earned includes the salary the employee was making at the time of his or her departure plus any cost-of-living increases, raises, etc., the employee would have received if he/she had not left for military service. This would include any increases that would have been awarded due to longevity of employment or seniority of position.

The amount of salary would also include the average overtime the employee would have worked and earned. For guidance and/or answers to questions about calculating salary for this purpose, refer to the U.S. Department of Labor's website at [www.dol.gov/vets/#userra](http://www.dol.gov/vets/#userra).

Enter the amount of salary the employee would have earned for each month the employee qualified under USERRA.

Example:

Year	January	February	March	April	May	June	July	August	September	October	November	December
			\$1,539.65	\$3,079.30	\$3,079.30							

**Note:** If the amount of salary cannot be reasonably determined, the salary shall be the employee's average rate of pay calculated for a period not exceeding the 12 months immediately preceding the period of qualifying military service.

## Section D: Salary that would have been earned during each month of USERRA qualifying time

Year	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.

**Note:** if the amount of salary cannot be reasonably determined, the salary shall be the employee's average rate of pay calculated For a period not exceeding 12 months immediate preceding the period of qualifying military service.

# USERRA

- **USERRA salary contributions on “differential payments” (if any) plus contributions on USERRA-subject salary, cannot exceed total contributions the employee would have made if the employee had not been called to active service.**
- **USERRA contributions for Tier One/Tier Two members:**
  - **EPPT (Employer Paid Pre-Tax):**
    - **The employer is responsible for submitting both employer and member IAP “make up” contributions, which will be invoiced through EDX.**
    - **Service credit will be granted when the “make up” contributions are paid.**
  - **MPPT (Member Paid Pre-Tax) or MPAT (Member Paid After Tax):**
    - **The employee may “make up” any or all IAP member account contributions they would have made if they had remained employed.**
    - **Starting at re-employment, the employee has up to three times the length of service to submit the “make up” contributions, not to exceed five years.**
    - **Contributions can be made only if the member remains employed with the “post service” employer. Contributions will not be accepted if the member terminates employment with the “post service” employer.**
    - **PERS will calculate contributions on any qualifying service time and inform the member of those contributions. Upon receipt of the member’s contribution payment, the member’s IAP account will be updated and the employer will be invoiced for employer contributions due.**
    - **Service credit for the qualifying military service period will be granted ONLY if the “make up” contributions are made by the member.**

# USERRA

- **USERRA salary contributions on “differential payments” (if any) plus contributions on USERRA-subject salary, cannot exceed total contribution the employee would have made if the employee had not been called to active service.**
- **USERRA contributions for OPSRP members:**
  - **EPPT (Employer Paid Pre-Tax):**
    - **The employer is responsible for submitting member IAP “make up” contributions, which will be invoiced through EDX.**
    - **The employer will be invoiced for OPSRP Pension Program employer contributions and retirement credit will be automatically granted.**
  - **MPPT (Member Paid Pre-Tax) or MPAT (Member Paid After Tax):**
    - **The employee may “make up” any or all IAP member account contributions they would have made if they had remained employed.**
    - **Starting at re-employment, the employee has up to three times the length of service to submit the “make up” contributions, not to exceed five years.**
    - **Contributions can be made only if the member remains employed with the “post service” employer. Contributions will not be accepted if the member terminates employment with the “post service” employer.**
    - **PERS will calculate contributions on any qualifying service time and inform the member of those contributions. Upon receipt of the member’s contribution payment, the member’s IAP account will be updated.**
    - **OPSRP Pension Plan employees who qualify for reemployment are entitled to service credit to the OPSRP Pension plan for their qualifying military service without making member contributions. Employers will be responsible for submitting the employer contributions to the pension fund.**

# USERRA

- Remaining steps in the USERRA process:
  4. The employer submits the completed USERRA Certification form to PERS.
  5. PERS creates an active USERRA position in EDX.
  6. The employer reports DTL2-11 (USERRA Qualifying Wages) for each reporting period in the USERRA-qualified service period.
  7. As the records post, invoices for contributions are generated.
    - EPPT, MPAT or MPPT.
    - Employer Pension program contributions.
  8. The process is complete.

# USERRA

- Remember:
  - The employer determines USERRA qualification for their employees' periods of uniformed service.
  - EACH period of uniformed service must be reported, and evaluated, separately.
    - DTL1-05 (On Military Leave)
      - **IF** the employer decides to make “differential wage payments”:
        - Submit DTL2-08(Contributions/No Service) for each reporting period during the member's absence for military service
    - DTL1-08 (Return from Leave)
    - USERRA qualification determination and process completion.
  - **PLEASE NOTE: Contact your ESC Account Representative BEFORE removing any posted USERRA contributions.**
    - **USERRA negative adjustments made by employers remove contributions only from the adjustment date forward.**
    - **Example:**
      - 2004 pay date USERRA contributions are posted in 2005.
      - In 2008, those same contributions are reversed.
      - In 2012, those same contributions are again posted.
    - **The Results:**
      - The 2004 USERRA initial posting will receive earnings from 2005 forward.
      - The 2004 USERRA contributions reversed in 2008 will have **earnings reversed from 2008 forward.**  
**The earnings from 2004 through 2007 are not reversed.**
      - **The 2004 USERRA contributions reposted in 2012 now get earnings from 2012 forward.**

# Specific Reporting Events.

- **Termination, rehire and waiting time**: An employer can change position hire intent by terminating the employee and rehiring the employee into another position with different hire intent.
- **Waiting time will continue unbroken if the individual is terminated and rehired with the same employer with a break of less than 30 working days (a working day is any day the employer is open for business. This will be assumed to be any day PERS is open for business, Monday - Friday, unless the employer communicates a different date).** If the break is greater than 30 working days, the waiting time will start over, with another full six calendar months to be completed. A period of reported Leave w/o Pay (LWOP) will not restart the waiting time period for Tier One/Tier Two members at any point or for OPSRP members on or after 11/23/2007, just extend the waiting time by the duration of the LWOP period.
- **The 30 working day break DOES NOT apply to summer break for education employers IF the employer-employee relationship continues throughout summer break.** If the employer-employee relationship continues the waiting time also continues. If an education employer terminates an individual who is still in their waiting time when a school year ends and 30 consecutive working days elapse before the individual is hired for the fall term, the waiting time starts over at the fall term hire date. This will affect an employee's OPSRP Contribution Start Date (CSD) and service credit.

# Specific Reporting Events.

- **Changing member account contribution methods:** Contributions to member IAP accounts are 6% of total subject salary, no more and no less. Contributions are made by **ONE of three methods:**  
MPAT – Member Paid After Tax (This is the default method if no other is selected).  
MPPT – Member Paid Pre Tax. The required PERS employee contribution is deemed to be “**picked up**” for purposes of IRC Section 414(h)(2) and **submitted** by the employer.  
EPPT – Employer Paid Pre Tax. The required PERS employee contribution is deemed to be “**picked up**” for purposes of IRC Section 414(h)(2) and **is assumed and paid** for purposes of ORS 238A.335(2)(b).
- **An account contribution method could apply to one position (such as an organization CEO), a group of employees in “similarly situated positions” (same type of job, i.e. patrol officer, fire fighter, 911 dispatcher, etc.), collective bargaining unit members or employees in a specific department of the employer’s organization.**
- A contribution method change for some or all employees can be adopted by collective bargaining agreement, official policy, ordinance, resolution or included in a personnel manual. The official document adopting a contribution method change for some or all employees must clearly state what employee groups or specific employee positions are affected by a specific contribution method. A collective bargaining agreement would not affect management personnel, who would need their own “group” for this purpose.
- **A contribution method for member accounts enacted by collective bargaining agreement, official policy, ordinance, resolution or personnel manual entry is prospective for those affected by the method specified in the official document defining the contribution method and those affected. Retroactive changes to an adopted contribution method are not allowed. The effective date will be the later of the date specified in the document, or the date notification is received by PERS.** After approval, the employer begins reporting contributions for qualified employees by the method applying to the employee. These steps must be repeated if a contribution method changes for some or all employees.
- PERS has a sample contribution type “template” available through ESC Account Team Representatives. Statute requires specific notification language when changing contribution type. Certain documents such as collective bargaining agreements do not contain all the necessary language for a valid notification. This language can be added to the PERS notification letter accompanying the document. PERS has a sample contribution type change “template” available through ESC Account Team Representatives that can be used for this purpose.

# Specific Reporting Events.

- **Determination of “employee” status:** OAR 459-010-0030(2): “Under common-law rules, every individual who performs labor or services subject to the direction and control of an employer, both as to what must be done and how it must be done, is an employee.” No distinction is made between classes of employees, such as managers and line workers who may be temporary, part-time, or full-time.
- A 20-factor test outlined in IRS Ruling 87-41 is used to determine the level of control and exerted over an individual in performance of tasks and whether that span of control defines an individual as an employee.
- OAR 459-010-0032(2) confers “independent contractor” status if “...the employing entity has the right to control or direct only the result of the labor or service and NOT the means and method accomplishing the labor or services.”
- **PERS may review contracts between an individual and a PERS employer to confirm “independent contractor” or “employee” status. An independent contractor would not be reported through EDX, could not establish OSPRSP membership and would not be subject to retiree annual work hour limits. Employers should consult legal counsel or the IRS if there are questions concerning an employee’s status.**
- **An individual provided by an employment contractor could be considered an employee depending on the outcome of the IRS 20-factor test.**



# Specific Reporting Events

- **Some examples of individuals not considered employees:**
- **Tier One/Tier Two: “Employee” does not include:**
  - Independent contractors.
  - Those provided sheltered employment or made-work by a public employer (Oregon Industries for the Blind excluded).
  - Those employed and paid from federal funds under a federal program intended primarily to alleviate unemployment.
- **OPSRP: “Eligible employee” does not include:**
  - Persons engaged as independent contractors.
  - Noncitizen working under a training or educational visa.
  - Those provided sheltered employment or made-work by a public employer (Oregon Industries for the Blind excluded).
  - Persons categorized by a participating public employer as student employees.
  - Any inmate of a state institution.
  - Employees of foreign trade offices of the Oregon Business Development Department who live and perform services in foreign countries under provisions of ORS 285A.075(1)(g).
  - Employees actively participating in an alternative retirement program established under ORS 353.250 or an option retirement plan under ORS 341.551.
  - Public university employees listed in ORS 352.002 who are actively participating in an optional retirement plan offered under ORS 243.800.
  - Any person who is retired under ORS 238A.100-238A.250 or ORS 238 and receive retirement benefits while employed as a retiree.
  - Judges (“A person...who is elected or appointed to the office of judge on or after January 1, 1984...” (ORS 238.505)). Judges participate in the PERS retirement plan, not OPSRP.

# Specific Reporting Events

- **“On-call” status.**
  - **Satisfies salary definitions:**
    - Tier One/Tier Two: “...the remuneration paid **an employee** in cash out of the funds of a public employer in return for services to the employer...”
    - OPSRP: “...the remuneration paid to **an active member** in return for services to the participating public employer...”
  - **Contributions are due for “on-call” hours accrued by those in “active service” positions.**
  - **“On-call” hours are considered compensated hours which count towards retiree annual work hour limits.**
  - **Suggested determination of “on-call” hours and salary for PERS reporting.**
    - The employer determines compensated hours for periods of “on-call” service.
      - Example: An employer pays an employee \$100.00 for 12 hours of “on-call” service. The employee’s pay is \$20.00 per hour. Thus,  $\$100 / \$20 = 5$  hours to be reported.
  - **The employer determines hourly salary rate for the employee.**
    - The regular hourly rate for those paid by the hour.
    - Pay period salary divided by pay period hours to produce an hourly rate for salaried employees.
  - **Resulting hours and subject salary (and contributions, if due) are reported as part of the total wages and hours for the pay period.**

# Specific Reporting Events

- **Police & Fire (P&F) Units.**
- The P&F Unit program is open **only to Tier One/Tier Two P&F (Job Class 2) employees.**
  - **No other job class may participate in the P&F Units program.**
  - **OPSRP P&F (Job Class 2) employees CANNOT participate in the P&F Unit program.**
- **The member initiates participation in the program.**
  - The member completes the “Notice of Unit Election” form, returning the form to employer payroll personnel.
    - The form link: <https://www.oregon.gov/PERS/MEM/docs/form/093ew.pdf>
  - The employer completes the form and returns it to PERS.
  - PERS will calculate the amount of an after-tax deduction required to purchase the number of units specified by the member.
    - Member may purchase up to 8 units.
  - **The after-tax deduction CANNOT BE CHANGED after calculation.**
    - If the member is still employed in a P&F position 60 days prior to retirement, the member may make a lump-sum payment to make up the difference between the member’s current P&F Unit account balance and the amount necessary to purchase the number of units requested by the member.
    - If the member is still employed in a P&F position 60 days prior to retirement, the member may make a lump-sum payment of the full amount required to buy the member’s chosen number of Units.
- **If you are a “local government” employer:**
  - Making the first report of unit contributions for a Tier One/Tier Two P&F (Job Class 2) employee and
  - Reporting for a pay period crossing monthly boundaries which requires two DTL2 records to report all employees in that pay period, then
  - **For the first Unit contribution report only, put ALL unit contributions in one of the two records; don’t split the first report of unit contributions.**
  - For the 2<sup>nd</sup> and following reports, you can split the contributions.

# Specific Reporting Events

- **Designation of Beneficiary forms.**
  - **Immediately return to PERS any completed Designation of Beneficiary forms received from employees**
  - Employers are reminded to **immediately return to PERS any completed Designation of Beneficiary forms received from employees.**
  - Although employees may give an employer completed Designation of Beneficiary forms to submit to PERS, it still remains **the member's responsibility** to make sure a change of beneficiary designation is received by PERS. **A change of beneficiary designation is not considered effective until the form is received and accepted by PERS.**
  - Tier One/Tier Two members should complete both an IAP Pre-Retirement Designation of Beneficiary Packet **and** a Tier One/Tier Two Pre-Retirement Designation of Beneficiary form
  - OPSRP members should complete an IAP Pre-Retirement Designation of Beneficiary Packet.
  - The Tier One/Tier Two PERS member account of a Tier One/Tier Two member who has no PERS Pre-Retirement Designation of Beneficiary recorded with PERS will be distributed as required by statute. The IAP account for both OPSRP and Tier One/Tier Two member who have no IAP Pre-Retirement Designation of Beneficiary recorded with PERS will be distributed as required by statute.
  - There is no pre-retirement designation form for an OPSRP Pension benefit. **An OPSRP Pension pre-retirement benefit would be paid: 1) Only if the OPSRP member is vested in their Pension account prior to retirement, and 2) Only to a spouse or person constitutionally required to be treated as a spouse.**

# As the end of a PERS career approaches:

- **The member:**
  - Begin retirement education.
    - Register for member retirement education presentations.
    - Request benefit estimates.
    - **Choose a retirement date.**
      - **PERS members retire only on the first of any month.**
        - Qualified for PERS retirement by age or total service time.
        - Financially able to retire.
  - **Within 90 days of the chose retirement date:**
    - Register for a Retirement Application Assistance (RAAS) session.
    - Submit all PERS retirement forms.
  - **Resign all PERS-covered employment prior to the chose retirement date.**
    - Resignation must be **effective no later than the last day of the month prior to the PERS retirement date.**
- **PERS employers:**
  - Submit DTL1-02/Termination record after member submits resignation.
    - Resignation must be **effective no later than the last day of the month prior to the PERS retirement date.**
    - Example: For a July 1<sup>st</sup> PERS retirement, resignation from all PERS-covered employment must be effective no later than June 30<sup>th</sup>.
- **PERS staff:**
  - Begins member account review at the member's retirement date.

# Member termination and retirement: DTL1-02/Termination record

**02-Termination marks the end of the employer-employee relationship, effective on the Status Date. Last Day Service must be entered on a termination record. Last Day Service is the last date the individual worked or was on paid leave. Last Day Service can be the same as the termination date or before the termination date, but Last Day Service can never be after the termination date.**

- **Unused Sick Leave hours** are reported only with DTL1-02/Termination records. Any lump-sum payout of unused sick leave is considered non-subject salary for Tier One/Tier Two and OPSRP members, and should be reported as non-subject salary. **Unused sick leave hours paid out cannot also be reported as unused sick leave on DTL1-02 records.**
- For PERS reporting sick leave accumulates at the lowest accrual rate of any employee entitled to sick leave, with a maximum of 8 hours/month. Employers may allow a greater accumulation amount per month, but a maximum of 8 hours/month can be accrued for PERS reporting (i.e., sick leave is “capped” at that 8 hour/month maximum). **Sick leave use rate occurs at the employer specified rate**, possibly greater than 8 hours/month.
- **Transferred sick leave** is an employee’s unused sick leave transferred to you from another employer. A group of employers may agree to allow accumulated sick leave to move between those employers with an individual who changes employment within that group of employers.
- **Reinstated sick leave** would be hours retained by an employer when an employee departs employment and credited to that employee upon re-employment.
- **SB 454, the “sick time” legislation passed in the 2015 legislative session, DOES NOT affect the PERS sick leave program.**

Employer Responsibility:		Hours
A	Accrued sick leave before capping (Capping is required if sick leave accrual is other than eight hour per month)	144
B	Accumulated sick leave (after capping when required)	96
C	Add transferred in and reinstated unused sick leave	100
D	Total sick leave at termination (Capped accumulated, transferred in and reinstated sick leave)	196
E	Less <b>actual</b> sick leave used (Do not use pro-rated or converted sick leave in this calculation)	60
The result is <b>Gross Unused Sick Leave Hours*</b> ((B+C=D)-E=Gross Unused SL)		136

Report to PERS:		Hours
1	<b>Gross Unused Sick Leave Hours*</b> (To be reported on the request for Unused Sick Leave)	136
2	Less sick leave transferred in and reinstated sick leave (To be reported on the request for Unused Sick Leave under <b>Transferred Unused Sick Leave Hours*</b> )	100
3	<b>NET Unused Sick Leave Hours*</b> (1-2=Net Unused SL) (To be reported on the DTL1-02/Termination)	36

\* see definitions for more information

Detail 1 - Member Demographics:

SSN:

Status Code: 00 - No Change in Status

Status Date: (MM/DD/YYYY)

Last Day Service (MM/DD/YYYY)

Old SSN:

First Name:

Last Name:

Middle Name:

Name Change Indicator: N

Address - 1:

Address - 2:

Address - 3:

City:

State: NONE

Zip - 1:

Zip - 2:

Province:

Country Code: USA

Postal Code:

Date Of Birth: (MM/DD/YYYY)

Gender:

PERS Job Class Code:

Average Overtime Hours

Unused Sick Leave Hours

Contract No. of Months: 00

Employer Site Distribution Code

Non PERS Data Memo

Save

Cancel

# Final DTL2 Wage and Service

**When reporting wages, hours and contributions ONLY  
“local government” employers use Work Period  
Begin/End Dates.**

To avoid suspension of the employee’s final DTL2 record the Work Period End Date should be on or before the “Last Day Service” date on the DTL-1/02 Termination record. The pay date for that final record must be within 31 days of the employee’s termination date.

**Non- “local government” employers, such as schools,  
NEVER use Work Period Begin/End Date fields on  
DTL2 records.**

Non-local government employers need only be sure that the pay date for the employee’s final DTL2 record is within 31 days of the employee’s termination date.

Detail 2 - Wage and Service:

SSN:	<input type="text"/>
First Name:	<input type="text"/>
Last Name:	<input type="text"/>
Pay Date: (MM/DD/YYYY)	<input type="text"/>
Work Period Begin Date: (MM/DD/YYYY)	<input type="text"/>
Work Period End Date: (MM/DD/YYYY)	<input type="text"/>
Hours Worked: (Regular)	<input type="text"/>
Hours Worked: (Overtime)	<input type="text"/>
Reported Wage Code:	<input type="text"/>
Subject Salary, Regular	<input type="text"/>
Subject Salary, Overtime	<input type="text"/>
Non-Subject Salary	<input type="text"/>
Lump-sum Payoff	<input type="text"/>
Lump-sum Vacation Payoff	<input type="text"/>
Gross Salary	<input type="text"/>
Member Paid After-Tax Contribution (MPAT)	<input type="text"/>
Member Paid Pre-Tax Contribution (MPPT)	<input type="text"/>
Unit Contribution	<input type="text"/>
Employer Paid Pre-Tax Contribution (EPPT)	<input type="text"/>
Optional Employer IAP Percentage	<input type="text"/>
Optional Employer IAP Contribution	<input type="text"/>
PERS Job Class Code	<input type="text"/>
Average Overtime Hours	<input type="text"/>
Employer Site Distribution Code	<input type="text"/>
Non PERS Data Memo	<input type="text"/>

# Work List requests you may receive.

Please complete Work List requests as quickly as possible; benefit calculation and payment depend on form completion.

There are a number of “Work Item Types” which may appear on the Work List: “**Service Retiree**” or “**Disability Retiree**”, “**Salary Breakdown**”, “**Employment Confirmation**”, “**Termination Request**”, “**Unused Sick Leave**” and “**Demographic Correction Request**” and “**Employer Data Verification Request**”. Please note: an “**Employer Data Verification Request**” must be completed within 30 days after the request receipt by an employer. If required, a one-time extension of that 30 day period must be requested within 21 days after request receipt.

There are three “Status” types:

“New”-a new request for employer attention.

“Pending”-the employer has begun work on the form, but has not completed the form and will complete it later.

“Returned”-the form was submitted to PERS, but was found to have errors and was returned for correction

## Work List

Below is a list of employees for which PERS is requesting information. The Work Item Type indicates the type of information that is required. Please complete and return each Work Item. Click on the SSN to enter salary information.

[Create Demographic Correction Request \(DCR\)](#)

[Learn more about working with Work List](#)

Click on the leftmost column to get the detail of the clicked record.

SSN	PERS ID	Last Name	First Name	Plan	Year	Request Date	Work Item Type	Status
112233445	778899	SMITH	JOE	PERS-Tier 2		12/22/2015	Employer Data Verification Request	New
112233445	778899	SMITH	JOE	PERS-Tier 2		12/22/2015	Unused Sick Leave	New



# Salary Breakdown (SBD) form completion.

- Salary Breakdown (SBD) forms are the only method used to provide salary information for years prior to January 1, 2004. Salary and hours are to be reported for each month the member worked and was paid a salary. **Hours are reported for the month in which they were worked, and salary is reported for the month in which it was paid.**
- Please review existing hire/term dates before submitting the SBD to make sure incorrect information is not entered on the form.**
- Information for “non-qualifying” years should not be entered. The date on the SBD is the hire date for a qualifying position.**
- SBD forms cover calendar years, and ALL wages and hours paid in any calendar year should be entered on the SBD covering that calendar year.**
- Example:** An employer receives an SBD request from PERS for a part-time employee for years 1996 and 1997. The employer pays on the 1<sup>st</sup> of the month for hours worked in the previous month (ex: hours worked for the month of July 1996 were paid in the August 1, 1996 paycheck). However, the SBD data validations **require both hours and salary entries if either is entered**. Since hours are reported for the month worked and salary is reported for the month paid, we must use a “place holder” value to satisfy SBD validation requirements. The “place holder” value is 0.01 which will not impact salary, contributions and hours.

Salary Breakdown for Year 1996

Job Class:  School Employee

Contract No. of Months: 12

Multiple Employment Segments: ☐

\*Start Date: 7/6/1996

Default Contribution Type: ☒ EPPT ☐ MPPT ☐ MPAT

Term Date: 10/31/1997

Month	Hours	Salary	Contribution Type	Contribution
January		\$	EPPT	\$ 0.00
February		\$	EPPT	\$ 0.00
March		\$	EPPT	\$ 0.00
April		\$	EPPT	\$ 0.00
May		\$	EPPT	\$ 0.00
June		\$	EPPT	\$ 0.00
July	53.33	\$ 0.01	EPPT	\$ 0.00
August	53.33	\$ 900.00	EPPT	\$ 54.00
September	53.33	\$ 900.00	EPPT	\$ 54.00
October	53.33	\$ 900.00	EPPT	\$ 54.00
November	53.33	\$ 900.00	EPPT	\$ 54.00
December	53.33	\$ 900.00	EPPT	\$ 54.00
TOTAL	319.98	\$12600.01		\$756.00

Salary Breakdown for Year 1997

Job Class:  School Employee

Contract No. of Months: 12

Multiple Employment Segments: ☐

\*Start Date: 7/6/1996

Default Contribution Type: ☒ EPPT ☐ MPPT ☐ MPAT

Term Date: 10/31/1997

Month	Hours	Salary	Contribution Type	Contribution
January	53.33	\$ 900.00	EPPT	\$ 54.00
February	53.33	\$ 900.00	EPPT	\$ 54.00
March	53.33	\$ 900.00	EPPT	\$ 54.00
April	53.33	\$ 900.00	EPPT	\$ 54.00
May	53.33	\$ 900.00	EPPT	\$ 54.00
June	53.33	\$ 900.00	EPPT	\$ 54.00
July	53.33	\$ 900.00	EPPT	\$ 54.00
August	53.33	\$ 900.00	EPPT	\$ 54.00
September	53.33	\$ 900.00	EPPT	\$ 54.00
October	53.33	\$ 900.00	EPPT	\$ 54.00
November	0.01	\$ 900.00	EPPT	\$ 54.00
December		\$	EPPT	\$ 0.00
TOTAL	533.31	\$9900.00		\$594.00

Salary Certification for year: 2000  
 Reported Annual Salary: \$ 39,429.87  
 Member's Plan: PERS -Tier 1

\*Tier 1: Report salary in month paid. Include Lump Sum vacation payments.  
 \*Tier 2: Do not include Lump Sum vacation payments.  
 \*Tier 2: If your organization is a city, county or political subdivision, report salary when earned, not when paid.

Month	Subject Salary	EPPT	Subject Salary + EPPT
January	\$ 3,285.82	\$ 197.15	\$ 3,482.97
February	\$ 3,285.82	\$ 197.15	\$ 3,482.97
March	\$ 3,285.82	\$ 197.15	\$ 3,482.97
April	\$ 3,285.82	\$ 197.15	\$ 3,482.97
May	\$ 3,285.82	\$ 197.15	\$ 3,482.97
June	\$ 3,285.82	\$ 197.15	\$ 3,482.97
July	\$ 3,285.82	\$ 197.15	\$ 3,482.97
August	\$ 3,285.82	\$ 197.15	\$ 3,482.97
September	\$ 3,285.82	\$ 197.15	\$ 3,482.97
October	\$ 3,285.82	\$ 197.15	\$ 3,482.97
November	\$ 3,285.82	\$ 197.15	\$ 3,482.97
December	\$ 3,285.82	\$ 197.15	\$ 3,482.97
TOTAL	\$ 39,429.84	\$ 2,365.80	\$ 41,795.64

By clicking the Calculate button below, you will calculate the totals based on the form entries above. This will not save the Salary Certification until you click the Save button below.

Comments:

☐ Save work in progress  
☒ I certify the above to be correct to the best of my knowledge

If the “Work Item Type” for an Individual is “**Disability Retiree**” or “**Service Retiree**”, the **Salary Certification Form** will appear when you click on the SSN.

Fill out the monthly salary for each month of the indicated year. If contributions for this person were made by the EPPT method, then enter 6% of subject salary in the EPPT column for each month. **DO NOT enter member-paid contributions**; EPPT contributions are entered because they are used in benefit calculations, but member-paid contributions are not used in those calculations.

Click “Calculate” after subject salary and any EPPT contributions are entered and totals in the TOTAL row and “Subject Salary + EPPT” column will appear.

Make any necessary comments. If the form is ready to submit, click the “I certify...” button and “Save” buttons to submit the form to PERS, and the form will disappear from the Work List. If the form isn’t complete, click “Save work in progress” and “Save” buttons and the form will remain on the work list in “Pending” status for future completion.

This form does “triple duty”. If the Work Item Type was “**Employment Confirmation Request**”, “**Termination Request**”, or “**Unused Sick Leave Request**”, the body of this form will appear. Depending on the Work Item Type, the form title will be “**Termination Request**”, “**Unused Sick Leave Request**”, or “**Employment Confirmation**”. The “**Employment Confirmation**” will be based on age and retirement eligibility.

The “**Termination Request**” form completion replaces the DTL1-02/Termination record; **there is NO NEED TO DO BOTH unless specifically requested by PERS staff.**

The Confirm, Last Day Service, Term End Date and Unused Sick Leave fields are mandatory. The Confirm box must be checked, and confirms that all employment dates are correct. If your organization does not participate in the PERS Sick Leave program, then “0” must be entered in the Unused Sick Leave Field; the field cannot be blank. Don’t use the “Date of Death” field unless you are reporting a member’s death.

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Working with :

Termination Request

Employment Details For: J B 3001

Job Segment	Confirm	Hire Intent	Start Date	Last Day Service	Term / End Date	Unused Sick Leave	Job Class	Position Type	Plan	Average OT Hours	Contract No. of Months
1	<input checked="" type="checkbox"/>	0	01/01/2005				General Service Police and Fire	Active Service Active Service	QPSRP08 QPSRP08	0 2000	

Date of Death

Click “Save” when the form is completed. The form will be transmitted to PERS and will drop off the Work Items list.

Save

Cancel

Tell Me More



Questions?