PERS Employer Outreach, Communication and Education

Welcome!

EDX Reporting Topics – Eligibility

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Eligibility and Program Membership

- "Eligibility" refers to eligibility for program membership:
  - Ch. 238 Tier One/Tier Two.
  - OPRSP Pension Program.
  - Individual Account Program (IAP).
- Eligibility Evaluation.
  - Calendar year basis (January 1- December 31):
    - **For all employees except Tier One/Tier Two Community College Academic employees.**
  - "School year" basis:
    - **ONLY Tier One/Tier Two Community College Academic employees.**
      - "School year" statute definition: July 1st of one year to June 30th the next.

Eligibility and Program Membership

- An employee establishes membership in any PERS program by meeting the following **four** requirements:
  - Starts in a "qualifying" position, **and**
  - Serves a six-month wait time, **and**
    - Serves six months in **qualifying positions with the same employer**.
    - No break **greater than 30 consecutive working days.**
    - Special rules exist for leaves taken during the wait time.
  - Be employed with the same employer on the **last calendar day** of the wait time.
  - Be employed with the same employer on the **first calendar day** of the month following the wait time.
- **All four requirements must be done to establish membership in any program.**
  - **If any of the four requirements are not completed the wait time starts over:**
    - **At the start of the next qualifying position, or**
    - **After returning from an interruption greater than 30 consecutive working days.**

What makes a position "qualifying"?

- For any calendar year with 600 hours or more total service with one or more PERS employers, **every position** in that year **qualifies automatically.**
- For any calendar year with **less than** 600 hours total service, positions with full year employment (January 1- December 31) **do not qualify.**
- For any calendar year with less than 600 hours total service **and** "partial year" employment positions, the **employer's stated "hire intent"** for the position **determines qualification.**
  - **However, a position in a partial year of separation is qualifying regardless of hire intent if the position continues from an immediately preceding calendar year in which the employee performed at least 600 hours of service (for any PERS-covered employers).**
  - **Partial year: Less than full year employment in the position.**

“Hire Intent”

- The employer’s **<u>expectation</u>** of hours to be worked by any employee in a specific position in any calendar year.
  - “**Would any employee in this position normally be expected to work 600 or more hours in any calendar year while working for me, the employer?**”
  - **If “yes” the position “hire intent” is “qualifying”.**
    - DTL1 status code is 01.
    - DTL2 wage code is 01.
      - Wage codes 04, 05, 08 are used in periods of “qualifying” service for specific reporting requirements.
  - **If “no” the position “hire intent” is “non-qualifying”.**
    - DTL1 status code is 15.
    - DLT2 wage code is 02.

“Hire Intent”

- 1) States the employer’s <u>expectation</u> of present and future hours of service per calendar year by anyone in that position.
  - **Hire intent for an employment segment will not change unless the employer makes a change by terminating and rehiring into a segment with different hire intent, or submits a DCR asking PERS staff to make a change.**
- 2) Sets the “position type” for at least the year of hire.
  - Position type can change each calendar year based on total service time that year.
    - **600 hours total service in any calendar year would change position type for each employment segment to “qualifying” for that year only.**

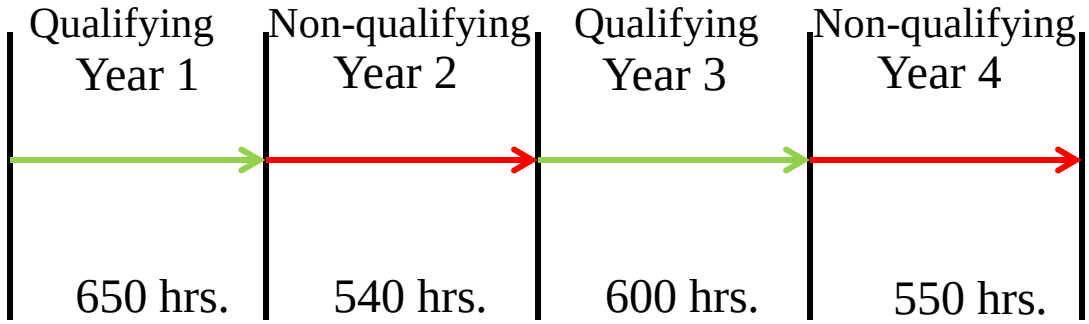
“Hire Intent”

Example:

A**) Hire Intent**:

Non-qualifying →

B) **Position Type**:



Employment segment hire intent will not change unless the employer makes a change (termination and rehire) or asks PERS staff to make a change.

Position Type can change each calendar year based on total service time in that year.

“Partial Year”

- **Employer’s stated “hire intent” determines qualification of “partial year” employment segments in calendar years of less than 600 hours total service**
- “Partial year” employment means:
  - **Partial year of 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
  - **Partial year of separation**: Employment that begins on January 1 and ends before the last working day of that year
    - **600 hours or more of service in the previous year makes the separation year segment “qualifying” regardless of hire intent**
  - **Short segment:** a period in the calendar year during which the employee is hired after the first working day of the year and separated from employment before the last working day of the same calendar year with the same employer

Who should be reported?

- **Report:**
  - All employees.
    - Full-time.
    - Part-time.
    - Qualifying or non-qualifying job segments.
    - Retirees return to work as retirees.
- **Don't Report:**
  - Inmates of state institutions.
  - Individuals in this country on specific type of education or training visas
  - Student employees, <u>designated as such by employers.</u>
  - Independent contractors.
- **Statute reference:**
  - ORS 238.005(8) and ORS 238A.005(4)

Example #1:

Bill is a new hire with no PERS history. He is hired by multiple employers from 2010 through 2013. He is hired into a job with "qualifying" hire intent by Employer "A" on 9/26/2010 through 6/25/2011; by Employer "B" in a job with "non-qualifying" hire intent 10/1/2010 through 11/26/2010; by Employer "C" in a "non-qualifying" hire intent job 10/10/2010 through 6/26/2012, and again on 10/1/2012 continuing into 2013; by Employer "D" in a "non-qualifying" hire intent job 3/31/2011 continuing into 2013; by Employer "E" in a "non-qualifying" hire intent job 10/02/2010 continuing into 2013; and by Employer "F" in a "non-qualifying" hire intent job 9/27/2010 through 6/30/2011.
Will Bill establish OPSRP membership? If so, what is his OPSRP Program/IAP membership date (aka Contribution Start Date (CSD))?

4/1/2011 Membership start date.

```
ER:          2010              2011              2012              2013

A: Q         9/26----------6/25
B: NQ        10/1--11/26
C: NQ        10/10-------------------------------6/26  10/1---------->
D: NQ                  3/31-------------------------------------------->
E: NQ        10/2-------------------------------------------------------->
F: NQ        9/27----------6/30
           172 hours     768 hours.        683 hours
```

1) **Are there "qualifying" positions? Yes.** The first 2010 job segment has "qualifying" employer hire intent and is "qualifying" by "partial year" rules. Total service time for 2011 and 2012 is over 600 hours each year, so "position type" for each job segment in those two years changes to "qualifying" for those two years only.
2) **Is a "wait time" required? Yes.** Bill is a new hire with no PERS employment history and must serve a wait time.
3) **Does the individual remain employed with the "wait time" employer on the last calendar day of the "wait time"? Yes.**
4) **Does the individual remain employed with the "wait time" employer on the first calendar day of the month following the "wait time" (the program membership date)? Yes.**

All four membership requirements are completed and Bill establishes OPSRP membership effective 4/1/2011. Contributions are due for all employment in qualifying positions after the 4/1/2011 membership date for 2011 and 2012.

Example #2:

Bill established OPSRP membership in 2010 and worked continuously in an “active service” position with Employer X through the end of 2011. Bill decides to return to school beginning 1/1/2012 to complete his B.A. degree. He continues to work for Employer X but goes from full-time to part-time employment to allow a full class load and only works 520 hours during the full calendar year. The job with Employer X will not be “qualifying” in 2012 unless he works another 80 hours in a PERS-covered position. When Bill registers for school at State University, he finds an internship in his field of study. The university is a PERS-covered employer but the job is only available as a “student position.” Bill applies for and is hired into the “student position” by State University on 7/15/2012. He works through10/20/2012 and has 100 hours of service during that time period. Does Bill’s employment with State University count towards the 600 hours required for a “qualifying” position?

2012

Position with Employer X : |----------|

520 hours.

State University internship: 7/15---------10/20

~~100 hours.~~

620 hours

1) **Are there “qualifying” positions? No**. Although Bill works 620 hours in 2012, **100 hours are worked in a “student” position.** ORS 238A.005(4)(d) states that student employees are not eligible to become OPSRP program members, so the hours worked as a student employee do not count for 2012 eligibility and must be eliminated. **This leaves a full-year employment segment of less than 600 hours, so that full-year employment segment with Employer X is non-qualifying. Bill has no qualifying service for 2012.**
2) **Is a “wait time” required?** Not applicable in this instance.
3) **Does the individual remain employed with the “wait time” employer on the last calendar day of the “wait time”?** Not applicable in this instance.
4) **Does the individual remain employed with the “wait time” employer on the first calendar day of the month following the “wait time” (the program membership date)?** Not applicable in this instance.

Because Bill is not employed in a “qualifying” position in 2012, he receives no contributions or service credit for employment during that year.

Questions?