

Subject: PERS: Employer Monthly Update for February 2014.

Dear PERS employer:

In this update:

- 1) **2013 Annual Reconciliation continues; the importance of March 5, 2014.**
- 2) **4th and final in a series, PERS disability basics.**
- 3) **Reminder: Use of Work Period Begin/End Dates.**

1) 2013 Annual Reconciliation continues; the importance of March 5, 2014.

We're now midway through the second phase of 2013 Annual Reconciliation, and we ask that employers continue efforts to resolve remaining 2013 eligibility issues and post related records and reports. 2013 Annual Reconciliation will conclude Wednesday, March 5, 2014.

Employers should make every effort to have final 2013 records and reports posted prior to the March 5, 2014 statement, and should pay the March 5 statement in full. **Earnings on calendar year 2013 contributions invoiced on the March 5 statement will be provided by PERS investment earnings for 2013. Earnings on calendar year 2013 contributions invoiced after the March 5, 2014 statement will be considered "prior year" earnings, provided by employers.**

Please consult your ESC Account Team if you have questions about remaining calendar year 2013 records and reports.

2) 4th and final in a series, PERS disability basics.

In this final segment of the Disability FAQ series, we'll look at disability retirees' options for returning to work while receiving a PERS disability benefit.

Q1) What happens if a disability recipient is medically cleared to return to work?

A1) Tier One/Tier Two or OPSRP disability recipients medically cleared to return to work should notify PERS when they begin work. Tier One/Tier Two and OPSRP disability benefits will stop at that time and any disability benefits paid after the return-to-work date must be repaid. OPSRP Pension accounts will be reinstated to the amount in the account when the OPSRP member's disability first became effective.

Q2) Is a PERS disability recipient able to return to work for any period of time as a PERS disability recipient?

A2) Tier One or Tier Two disability recipients may return to work on a limited basis while receiving a PERS disability. **OPSRP disability benefit recipients MAY NOT return to work while receiving a PERS disability benefit.**

Tier One or Tier Two disability recipients must report to PERS any income received while working and receiving a disability benefit. That reported income will be used in an “offset” calculation which will reduce the PERS disability benefit such that total income from work and a PERS disability benefit will not exceed the salary received by the recipient in their last active PERS position just prior beginning a PERS disability benefit.

Tier One or Tier Two disability recipients may return to work for non-PERS employers for unlimited hours but must report that income to PERS for the purposes of the “offset” calculation.

Tier One or Tier Two disability recipients may return to work for a PERS employer(s) for a maximum of 599 hours/calendar year service, and must report that income to PERS for purposes of the “offset” calculation. **The work limit for Tier One/Tier Two disability recipients is 599 hours per calendar year, NOT the 1040 hour limit available to Tier One or Tier Two service retirees.**

Tier One or Tier Two disability recipients may attempt a return to work on a 90 day “trial” basis. The disability will not be cancelled, but the individual’s disability benefit payments will stop during the 90 day trial. If the individual is unable to complete the trial return to work, the benefit payments will be reinstated. If the individual is able to continue work beyond the trial period, the disability benefit will be terminated and the individual will be considered an active member from the beginning of the 90 day trial period. Employers should submit a DTL1 new hire record and use the beginning of the successful 90 trial period as the status date. Wages, hours and contributions should be reported on DTL2-5/Positive Adjustment records for all periods from the beginning of the successful 90 day trial period.

3) Reminder: Use of Work Period Begin/End Dates.

Local government employers need to report wages with Work Period Begin and End Dates for their Ch.238 Tier 2 and OPSRP employees. The DTL2 Work Period Begin Date and Work Period End Date fields are used by local government employers to **specify the period worked for a reported pay date.** **Although not required, local government employers may also report Tier 1 employees with work period dates, to make reporting uniform and less time-consuming.**

An employer can determine status as a local government employer in two ways: 1) A PERS employer number in the 2000-2879 range, and 2) Review Oregon Revised Statutes (ORS) 174.116, which is a list of organizations defined as local government employers. Statute reference is the recommended method of verifying local government status.

Any employer can change a member’s job class through a DTL2 record, but the change may not be retroactive and may require submission of two DTL2 records for a member for the pay period in which the member’s job class changes. Work Period Begin Date and Work Period End Date fields would be used on each of the two records to correctly identify when in the pay period the job class change was effective.

Please remember:

1) ONLY local government employers should use Work Period Begin/End Dates when reporting wages, hours and contributions.

2) Non-local government employers should NEVER use Work Period Begin/End Dates when reporting wages, hours and contributions.

3) ANY employer can change job class using a DTL2 record.

A) If the job class change is effective during a pay period, two DTL2 records would be reported for an individual whose job class changes in a given pay period.

The first DTL2 record would include wage, hour and contribution information for the current job class and **use the pay period begin date as the Work Period Begin Date and the day before the effective job class change as the Work Period End Date. Do not enter Job Class or Average Overtime Hours information on this DTL2 record.**

The second DTL2 record would include wage, hour and contribution information for the new job class and **use the job class change effective date as the Work Period Begin Date and the pay period end date as the Work Period End Date. Enter the new Job Class and fill in the Average Overtime Hours information on this DTL2 record.**

B) If the job class change is effective at the start of a pay period, one DTL2 record would be reported for the pay period, with Job Class and Average Overtime Hours information entered on that record. The Work Period Begin Date would be the first day of the pay period, and the Work Period End Date would be the last day of the pay period.

C) Job class changes made with DTL2 records may be prospective only. If a job class change is required for a past time period and salary has already posted for this time period, complete a Demographic Correction Request (DCR) to notify PERS of the job class corrections needed.

4) After a Job Class change via DTL2 record is complete:

A) Non-local government employers would NEVER enter Work Period Begin Date, Work Period End Date, Job Class or Average Overtime Hours information on future DTL2 records for the individual, unless job class or average overtime code changes again.

B) Local government employers would continue use of Work Period Begin Date and Work Period End Date fields on DTL2 records reporting wages, hours and

contributions for their employees, but would NEVER enter Job Class or Average Overtime Hours information on those DTL2 records.

C) NO employer would enter job class information, including Job Class and Average Overtime Hours code, on ANY DTL2 record UNLESS the job class is actually being changed with that DTL2 record.

Contact your ESC Account Team representative if you have further questions on this subject.

Best regards,