



## **October 2015 PERS Employer Monthly Update.**

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### **1) 2015 Reconciliation Phase 1 begins October 1<sup>st</sup>.**

Phase 1 of the 2015 Annual Reconciliation begins October 1, 2015 and ends December 31, 2015. During this first phase employers are asked to focus on clearing suspended records and reports for calendar year 2015. 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 2015. 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 2015 or a prior year. Contact your ESC Account Team about changing the position type from “non-qualifying” to “active service” for employees on pace 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 2015. 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: PERS retirees returning to work.**

#### **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 hr. limit in any calendar year. The 1040 hour limitation for retirees returning to PERS employment is commonly referred to as the “1040 hour rule.” (PLEASE NOTE: The 1040 hour rule does not apply to OPSRP retirees).**

**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 does not receive a reduced service retirement allowance as set forth in ORS 238.280(1), (2) and (3). (PLEASE NOTE: These exemptions are not available to OPSRP retirees).**

**Age/Service time requirements for Tier One/Tier Two retirement with an unreduced service benefit (“normal” benefit recipient):**

Classification	Age		PERS Service Time
	Tier One	Tier Two	
General Service	58	60	Any age with 30 years of service
Police and Fire	55	55	Age 50 with 25 years of service

**Age/Service time requirements for Tier One/Tier Two retirement with a reduced service benefit (“early” retiree):**

Classification	Age		PERS Service Time
	Tier One	Tier Two	
General Service	55 - 57	55 - 59	Less than 30 years of service
Police and Fire*	50 - 54	50 - 54	Less than 25 years of service

**\*An inactive police officer or firefighter (P & F) Tier One or Tier Two member who attains the age of 50, may retire with a reduced benefit as long as their last covered position was a qualifying P & F position.**

**Tier One/Tier Two “early” Retirees may qualify for a limited number of exempt positions listed in ORS 238.082(4) and Section 3, chapter 774, Oregon Laws 2007:**

<b>This exception applies to a Tier One/Tier Two “early” retiree* who is employed:</b>	<b>Effective Date of the Exception:</b>	<b>Date the exception expires:</b>
As an administrator or teacher by a school district or educational service district that has its administrative office located in a county of 35,000 or less population.  This exception was amended in 2007. The amended exception is in two parts: 1) As an administrator or teacher by a school district or community college district located in a county of 35,000 or less population; or 2) As an administrator or teacher by an education service district and the retired member’s primary work duties are performed in a county of 35,000 or less population.	1-1-04 – 7/15/07  7/16/07  7/16/07	N/A
By a school district or education service district as a speech-language pathologist or speech-language pathologist assistant.	7-16-07	1-2-16
Is on state active duty with the National Guard and has reached “normal” retirement age. (ORS 399.075(8)) (available to early retiree only if the retiree has reached normal retirement age).	6-11-03	N/A
By the Legislative Assembly or the Oregon State Police for service during a	7-16-07	N/A

legislative session. (ORS 238.092(2)).		
As a teacher of career and technical education (Licensed by the Teacher Standards and Practices Commission to instruct any career and technical education course or program in any career and technical education field).	6-18-15	6-30-18

**(\*) An “early” retirement benefit is actuarially reduced because the member starts receiving benefits before normal retirement age.** Unless the member has 30 years’ service credit, Chapter 238 Tier One general service members retiring between ages 55 and 57 and Chapter 238 Tier Two general service members retiring between ages 55 and 59 are considered “early” retirees. Chapter 238 Tier One/Tier Two Police & Fire members retiring between ages 50 and 54 without 25 years’ service credit are considered “early” retirees. **Only a limited number of 1040 exceptions are available to “early” retirees, and an “early” retiree must wait six full months after retirement before he/she can be employed in a position under any 1040 exception that is available to early retirees. 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 and listed here can also be found:

- 1) In the “Working After Retirement: 1040-Hour Exceptions in Table Format” document available through the “General Information” link of the PERS employer web page, or
- 2) Through this link:

[http://www.oregon.gov/pers/docs/general\\_information/1040\\_exceptions\\_table.pdf](http://www.oregon.gov/pers/docs/general_information/1040_exceptions_table.pdf)

(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 immediately upon hire. 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. The OAR amendment adopted at the July 31, 2015 Board meeting clarifies PERS administration for OPSRP retirees who return to work for a PERS employer after retirement, and explains how PERS restarts the clock if an OPSRP retiree returns to work in a non-qualifying position in the same year in which they retire. PLEASE NOTE: None of the 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 are open to OPSRP retirees.**

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) Fall 2015 Employer Outreach registration is now available.**

Registration for the Fall 2015 Employer Outreach presentation is now available. This presentation will review a wide variety of reporting topics, including a review of salary and hours, reporting leave without pay (LWOP) and changes in contribution reporting requirements for employees establishing OPSRP membership on or after January 1, 2016. This presentation will become the Employer EDX Advanced Topics presentation, to be offered monthly beginning no later than January 2016.

Fall 2015 Outreach presentations will be done exclusively through iLinc, the PERS distance presentation platform. Registration is online, with dates and times available through this link: [https://www.oregon.gov/pers/EMP/Pages/section/er\\_presentations/index.aspx](https://www.oregon.gov/pers/EMP/Pages/section/er_presentations/index.aspx) or by starting at the PERS employer web page, [www.oregon.gov/pers/emp/pages/index.aspx](http://www.oregon.gov/pers/emp/pages/index.aspx) then clicking these links: "Employer Training and Education Opportunities" > "Outreach Presentation Schedule and Registration".

We're looking forward to your attendance at a Fall 2015 Outreach presentation!

### **4) Employer Announcement #95: 2015 Legislation Affecting PERS Employers.**

Employer Announcement # 95 includes a short description and the effect of 2015 legislation affecting PERS employers. The announcement can be found through this link: [https://www.oregon.gov/pers/EMP/docs/er\\_announcement/2015/er\\_announcement\\_95.pdf](https://www.oregon.gov/pers/EMP/docs/er_announcement/2015/er_announcement_95.pdf) or by starting at the PERS employer web page, [www.oregon.gov/pers/emp/pages/index.aspx](http://www.oregon.gov/pers/emp/pages/index.aspx) then clicking the "Employer Announcements" link.

### **5) Employer EDX Training availability.**

Employer EDX Training is offered the 2<sup>nd</sup> Friday of each month concurrently at the Tigard Headquarters Computer Lab and through the Internet via iLinc, the PERS distance presentation platform. You may wish to attend EDX training if you've recently begun PERS reporting duties for your employer.

Seating is limited but still available for the October, November and December 2015 training dates. Employer EDX Training registration is exclusively online, done through this link: [https://www.oregon.gov/pers/EMP/Pages/section/er\\_training/schedule.aspx](https://www.oregon.gov/pers/EMP/Pages/section/er_training/schedule.aspx) or by starting at the PERS employer web page, [www.oregon.gov/pers/emp/pages/index.aspx](http://www.oregon.gov/pers/emp/pages/index.aspx) then clicking links in this order: "Employer Training and Education Opportunities" > "EDX Class Schedule and Registration".

Best regards,