PERS Employer Outreach, Communication & Education

Welcome!

Employer Outreach Presentation

Spring 2014

V3 March 11, 2014

Agenda

- Solving problems:
  - Systematic approach to resolving PERS processing problems.
    - Suggested steps in the approach.
  - Applying the systematic approach.
    - Suspended records: resolve and prevent.
    - Hire intent: what is it?
- Review of Web Administrator capabilities.
- Upcoming Statement and Invoice Enhancements.
- Reporting Retirees.

Solving problems

- Systematic approach to resolving PERS processing problems.
  1. Define the problem.
     1. Objective statement of what occurred.
     2. The consequences of not resolving the problem.
     3. Who is involved in the problem.
     4. Time line to fix the problem.

Solving problems

2. Define the steps in the problem process.
    1. What steps are really necessary.
    2. Where do the steps break down.
3. Gather all the facts.
    1. What really happened, step by step.
4. Define and implement a fix.
    1. Keep only the necessary steps.
    2. Add new steps, if required.

Solving problems

5. Make sure the fix stays in place.
    1. Make sure everyone involved is trained on any updated or new procedures and processes.
    2. Periodically review the process to make sure there’s no deviation.
6. Review what you did.
    1. Lessons learned.

Applying the systematic approach

- Suspended records: resolve and prevent.
  - The most frequent suspension error for 2013:
    - “S-The SSN entered is not found to have a record of open employment with this employer”
  - Define the problem.
    - A DTL1 or DTL2 record failed to post upon submission.
    - The consequences of not resolving the problem.
      - For a DTL1 failure, no further records will post until the error is resolved.
      - For a DTL2 failure, no contributions will be calculated or invoiced until the error is resolved.

Applying the systematic approach

- Suspended records: resolve and prevent.
  - Who is involved in the problem:
    - Employer payroll specialists.
    - PERS ESC Account Team representative.
  - The timeline to fix the problem:
    - As soon as possible. No records will post until the error is resolved.

Applying the systematic approach

- Suspended records: resolve and prevent.
  - Define the steps in the problem process.
    - What steps are necessary:
      - A DTL1 record is submitted when an individual’s status with the employer changes.
      - After hire, a DTL2 record reporting wages, hours and contributions is submitted with each Regular report.
    - Where did the steps break down:
      - Records suspended upon submission.

Applying the systematic approach

- Suspended records: resolve and prevent.
  - Gather all the facts:
    - Work with your ESC Account Team representative to identify the most probable causes of this failure:
      - A DTL2 record was submitted but no DTL1 record for this employee had previously posted (the DTL1 record may be suspended or in "valid" status).
      - The employee was terminated and a subsequent DTL1 new hire record with the same employer overlaps the prior employment segment.
      - The individual has retired and EDX does not yet reflect the member's retired status.
      - The Social security number on the record is incorrect.

Applying the systematic approach

- Suspended records: resolve and prevent.
  - Define and implement a fix.
    - Working with your ESC Account Team representative, define the steps for fix alternatives, keeping or adding only necessary steps:
      - Submit a DTL1 record if none was previously submitted, or
      - Delete an un-posted DTL1 record and re-submit in a Demographics and Adjustment report.
      - Correct the hire date in any un-posted DTL1 record and re-save the record.
      - If a posted termination date is incorrect, submit a DCR requesting a change by your ESC Account Team rep.

Applying the systematic approach

- Suspended records: resolve and prevent.
  - Define and implement a fix.
    - If the individual is retired and is returning to work part-time as a retiree, make sure the DTL1 status code and date are correct. DTL1-11 or -12 and DTL2-07 records should post when EDX is updated to reflect the member's retired status; leave these records "as is".
    - Edit and correct the Social Security number on the record. If the number is correct and the record has no other errors, make sure your ESC Account Team rep. is aware of this situation.
    - For DTL2 suspended records, verify the DTL2 pay date is after the employment start date or within 31 days of a termination date.

Applying the systematic approach

- Suspended records: resolve and prevent.
  - Make sure the fix stays in place.
    - Review and update your reporting procedures to reflect this fix.
    - Make sure all staff are aware of updated procedures.
  - Review what you did.
    - What underlying causes were identified during this procedure?
      - Was the sequence in which records were submitted a factor?
      - What actions need to be taken to make sure sequence is not an ongoing problem?

Applying the systematic approach

- Hire intent: What is it?
  - Define the problem.
    - Objective statement of what occurred.
      - The purpose of “hire intent” is not clearly defined.
      - The relationship between “hire intent”, “position type”, “active service” and “non-qualifying service” is not clear.
    - The consequences of not resolving the problem.
      - Hire intent can affect qualifying (active) service. Retirement credit and account contributions accrue only during periods of qualifying (active) service.
      - Incorrect “hire intent” can affect member’s retirement data and cause unexpected employer invoices.

Applying the systematic approach

- Hire intent: What is it?
  - Define the problem.
    - Who is involved in the problem:
      - Employer personnel involved in “hire intent” determination.
      - PERS ESC Account Team representative.
    - Time line to fix the problem:
      - Corrections to hire intent status should be made as soon as possible to avoid invoicing for account contributions, account earnings and retirement credit.

Applying the systematic approach

- Hire intent: What is it?
  - Define the steps in the problem process.
    - What steps are really necessary.
      - Job “hire intent” states the expectation of employment hours in any calendar year by anyone in a specific job with the employer.
        - Would anyone in this job normally be expected to work 600 hours, or more, in any calendar year?
    - Where do the steps break down.
      - What data should be used for “hire intent” determination?
        - Data base query, HR policy, “a feel for the job”?
      - A job may have variable duration.
        - Example: Adjunct professors or substitute teachers.

Applying the systematic approach

- Hire intent: What is it?
  - Gather all the facts.
    - **600 hours total service with one or more PERS employers in any calendar year makes every job segment in that year qualifying automatically**.

However,

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  -
    - **In calendar years of less than 600 hours total service:**
      - **Full-year employment segments (January 1-December 31) will not qualify.**
      - **Employer's stated "hire intent" determines qualification of partial year employment segments.**

Applying the systematic approach

- Hire intent: What is it?
  - Gather all the facts.
    - **Hire Intent**
      - **States the expectation of employment hours in any calendar year by anyone in a specific job with the employer.**
      - **DTL1 status codes express job "hire intent."**
        - **01-New Hire (active service) or 15-Non-qualifying Hire**
      - **<u>Hire intent is changed by employers</u>.**
        - Terminate and re-hire with a different status code.
        - Submit a DCR requesting PERS staff change a job segment hire intent, **<u>which will change hire intent for the entire job segment history.</u>**
    - **Position Type**
      - **<u>May change each calendar year</u> as a result of 600 hours or more of total service time with all PERS employers in that single calendar year.**

Applying the systematic approach

- Hire intent: What is it?
  - Define and implement a fix.
    - Examine and refine, if necessary, determination of hire intent.
      - Keep the existing method of employment projection if it works.
      - Ensure procedures outline the difference between "position type" and "hire intent" and how each may change.
        - Position type may change each calendar year due to total service time in that year, but...
        - Hire Intent will not change unless changed by the employer.

Applying the systematic approach

- Hire intent: What is it?
  - Make sure the fix stays in place.
    - Ensure all personnel are trained on current "hire intent" procedures.
    - All "hire intent" determinations should be done by the same procedure.
    - Confirm employment hours through EDX.
      - Year-to-Date Wage and Contribution Summary
      - Eligibility Reports.
  - Review what you did.
    - Lessons learned.

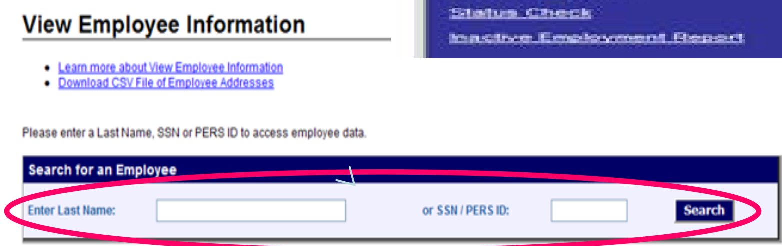
Correcting posted DTL1 records

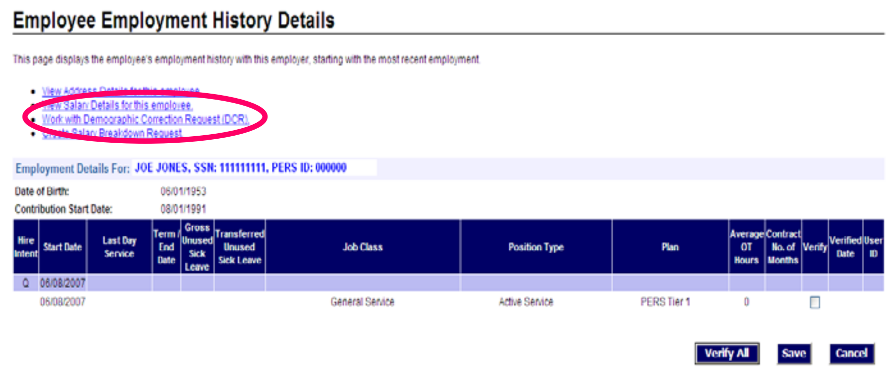
Demographic Correction Request (DCR)

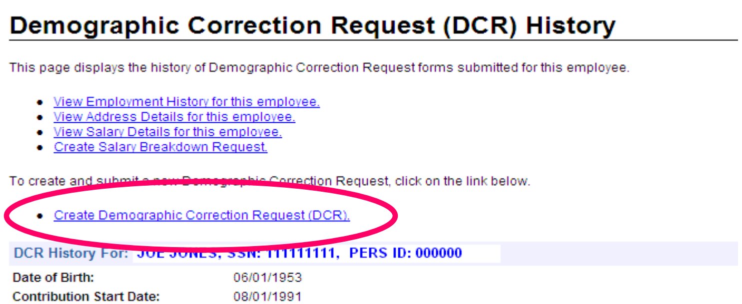
Employers are able to change member name, address and, if necessary, member Social Security number. Employers cannot change posted employment history. Changes in posted employment history must be made by Employer Service Center (ESC) account representatives, and are requested through the online Demographic Correction Request (DCR).

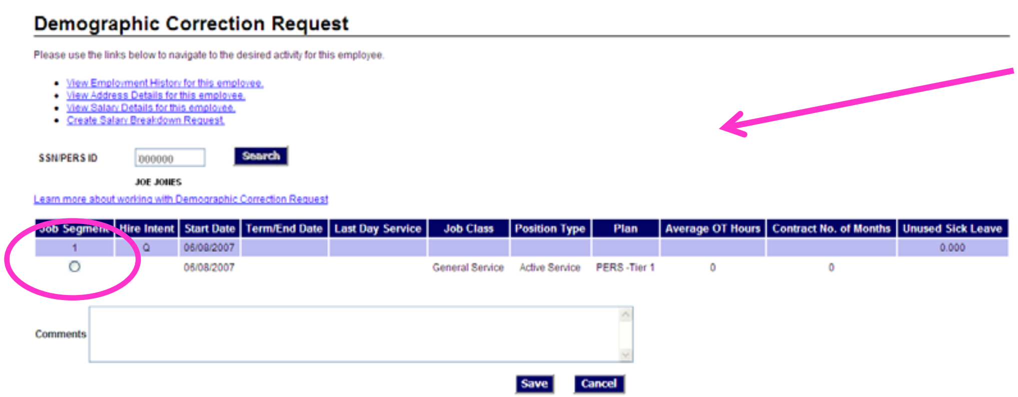
The are two paths to the DCR format:

1) **Through the "View Employee Info" link in the Site Nav. area of any EDX page**, or
2) Through the "Work List" link in the Site Nav. area of any EDX page.



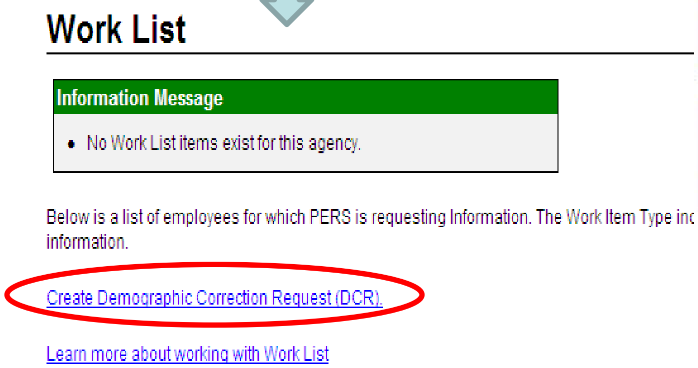






Click the **radio button** for the position history to be changed and the DCR change format appears (slide 26).

Correcting posted DTL1 records



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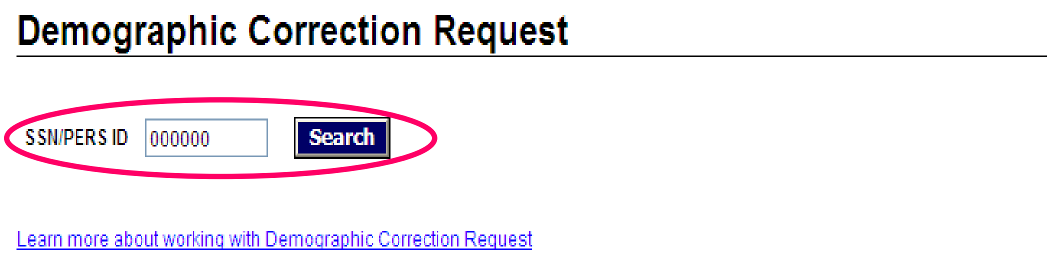
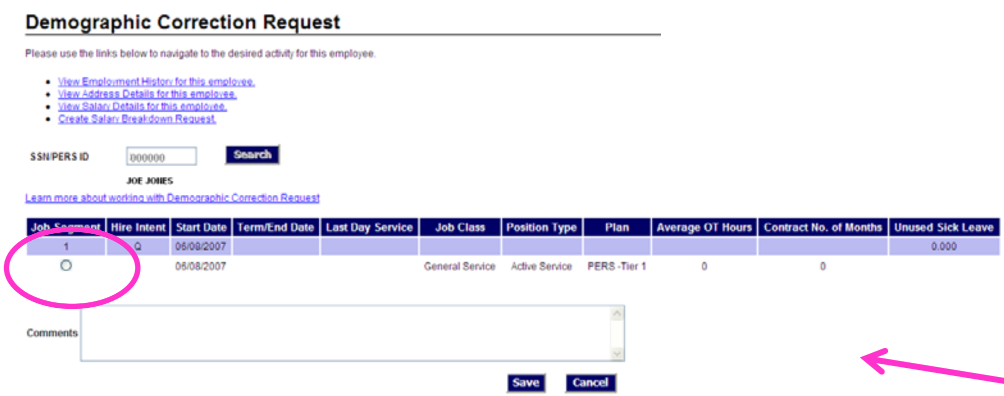




Click the radio button for the position history to be changed and the DCR change format appears (slide 26).

Job Segment	Hire Intent	Start Date	Term/End Date	Last Day Service	Job Class	Position Type	Plan	Average OT Hours	No. of Months	Sick Leave
1	Q	09/04/2007								0.000
		09/04/2007			School Employee	Active Service	PERS - Tier 1	2000	10	

1. Click the Position History to be changed.

Start Date From 09/04/2007 To

Term/End Date From To Remove Term/End Date

Last Day Service From To

Job Class From School Employee To

Start Date End Date

New Position Type

Start Date End Date

Average OT Hours

Contract No. of Months

Hire intent

Unused Sick Leave

Review Contribution Start Date

Delete Position

2. Enter changes.

Position type could change each calendar year due to total service time in that calendar year, but...

Hire Intent for a job segment will not change unless you, as the employer, change it by terminating and rehiring into a job segment with different hire intent, or ask PERS to change hire intent for the job segment by specifying the new 'Hire intent'.

So, changing Position Type for any given year *WILL NOT change* Hire Intent.

3. Add comments. If you've requested a Contribution Start Date (CSD) or Position Type change and contributions are affected please confirm the contribution type (MPPT, MPAT or EPPT) in effect for the time frame affected by the change.

4. Click "Save" (not pictured) when you've complete the DCR form. This will route the form to your ESC Account Team representative, who will make the requested changes or arrange to have them made. When the requested changes are complete, the DCR workflow will be closed and the employer will receive an e-mail notification that change processing is complete.

Comments

When submitting records...

- Correct sequence can prevent errors:
  - Correct sequence, each record in separate reports:
    - Don’t submit a member’s termination record until all their wage and service records are reported.
    - Post member terminations for a member before posting any active service rehire or retiree rehire records for that member.
    - Post beginning leave of absence records before posting any wage records.
      - If you need to enter a leave retroactively:
        - Back out DTL2 records with pay dates after the leave start date.
        - Post leave of absence begin, then end.
        - Re-post DTL2 records.
    - Avoid system issues by submitting any negative adjustments for a record, letting them post, then submit any positive adjustments for that record.

When submitting records...

- The type of service determines the DTL2 wage code used:
  - Active service wage codes: 01, 04, 05 or 08.
  - Non-qualifying service wage codes: 02.
  - The only retiree wage code: 07

Web Administrator capabilities.

<u>Becoming the organization Web Administrator</u>

Each PERS employer must have an EDX Web Administrator and there is only one Web Administrator for each employer. The Web Administrator is chosen by the employer, but must be activated by PERS. Recognition and activation of the organization Web Administrator is done by completing the “Web Administrator Agreement” form found through the “Employer Forms” link on the PERS employer web page, www.oregon.gov/pers/emp/pages/index.aspx

The form must be signed by the designated Web Administrator and countersigned by an individual of greater authority in the organization, usually an executive responsible for organization decisions, then FAXed or sent to the employer’s ESC account team representative.

Upon receipt of the form, PERS will create a unique organization Web Administrator ID and a temporary password.

Web Administrator capabilities.

Web Administrators control the Web Accounts and Contacts information for their organizations, and **have two links in the Site Navigation area that appear in no other account type for the employer: A) Work with Contacts, and B) Admin Web Accounts**

Web Administrator capabilities.

Web Administrator authority: Admin Web Accounts .

Organization Web Administrators have exclusive control over the organization Employer Reporting accounts and maintain that control through the "Admin Web Accounts" link in the Site Navigation area. Employer Reporting accounts are held by those individuals who perform Payroll Specialist functions, such as report generation, submission, and resolution of problems which cause records and reports to suspend. Although those in Payroll Specialist roles create their own Employer Reporting accounts, the Web Administrator can:

A) Activate Employer Reporting accounts.

B) Inactivate Employer Reporting accounts.

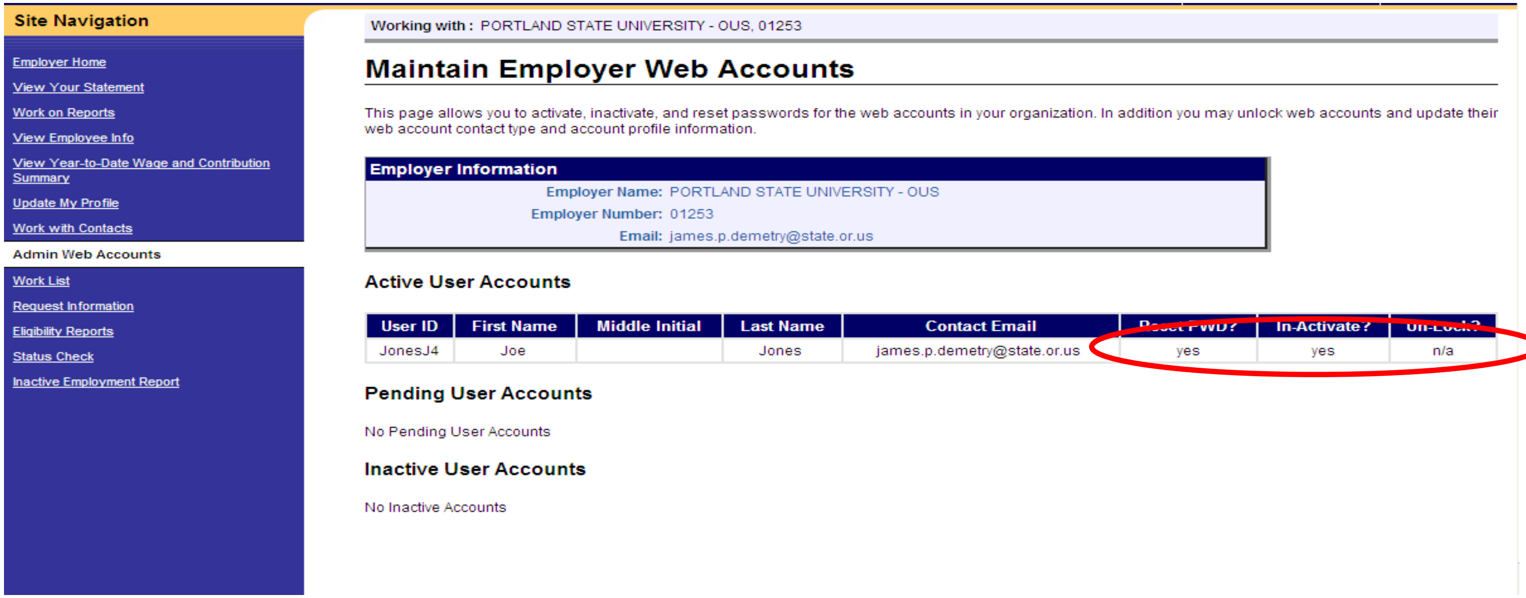
C) Reset Employer Reporting account passwords.

D) Change Employer Reporting account profiles, either adding or deleting employers which can be accessed by the account holder.

E) Unlock Employer Reporting accounts, if the account holder has locked the account by three repetitive attempts to logon using an incorrect password.

Only the web administrator and those holding Employer Reporting accounts can access and modify information through EDX.

Web Administrators may perform both Web Administrator and Payroll Specialist functions if necessary, although PERS recommends Payroll Specialist activities be done exclusively by those in a Payroll Specialist role in the organization.



Web Administrator capabilities.

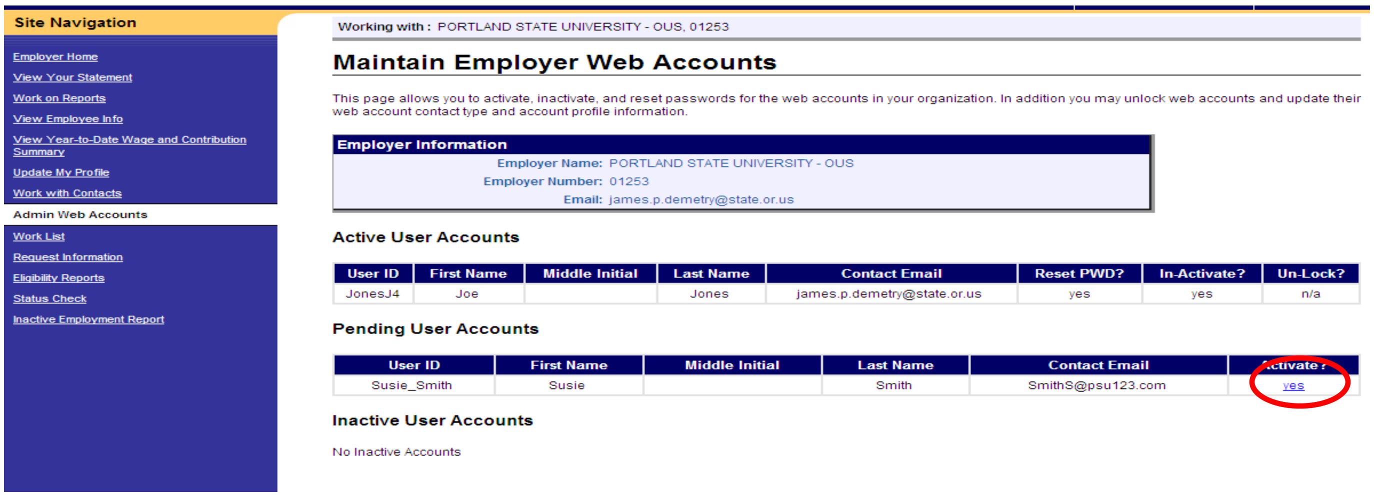
The operational status of Employer Reporting accounts controlled by the web administrator can be:

Active- the Employer Reporting account is ready to begin work.

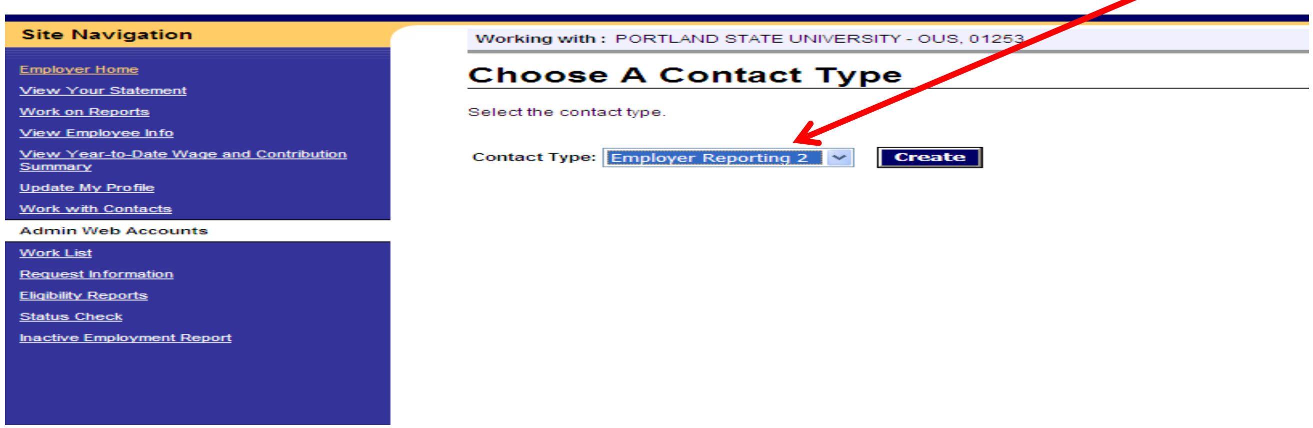
Pending- the Payroll Specialist has created an Employer Reporting account, which now must be activated by the Web Administrator.

Inactive- the Web Administrator has inactivated the Employer Reporting account. The account cannot be used until re-activated by the Web Administrator.

Locked- the Payroll Specialist has tried three times in succession to logon with an incorrect password, and the Employer Reporting account has become "locked". The account must be "unlocked" by the Web Administrator in order to be available for use.



The web administrator will choose the Employer Reporting position number when activating the pending user account. Up to 15 Employer Reporting positions are available for use by each employer.



Web Administrator capabilities.

<u>Web Administrator authority: Work with Contacts.</u>

The “Employer Contacts” page functions as an address book for the employer’s personnel. Information on this page is used by PERS to contact the employer’s staff, if required.

Web Administrators have exclusive control over the organization “Employer Contacts” page. In addition to the Web Administrator and Employer Reporting position holders, other contact entries on this page are:

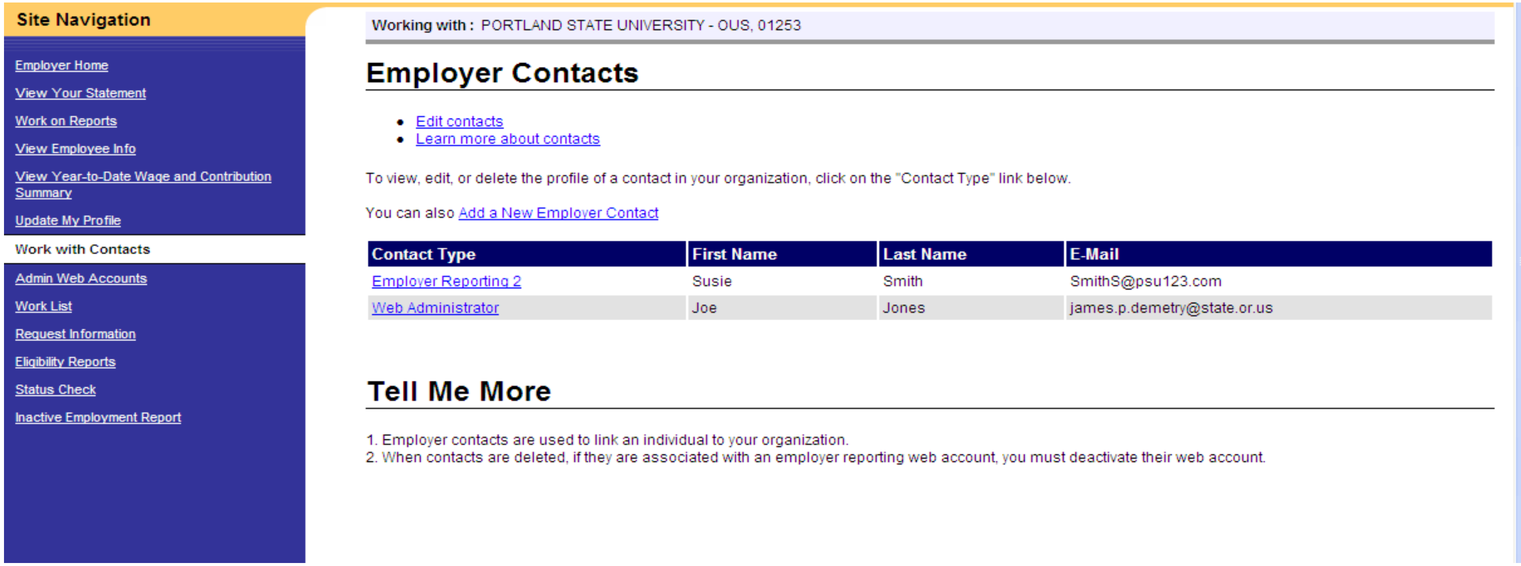
A) **Payroll:** Normally a central individual in the employer’s payroll section.

B) **Personnel:** Normally a central individual in the employer’s Human Resources department.

C) **Reporting Official:** Normally an individual responsible for organization financial and/or executive decisions.

D) **Other:** A “catch-all” category for listing contact information for other individuals in the organization.

<u>Only the web administrator and those holding Employer Reporting accounts can access and modify information through EDX.</u>



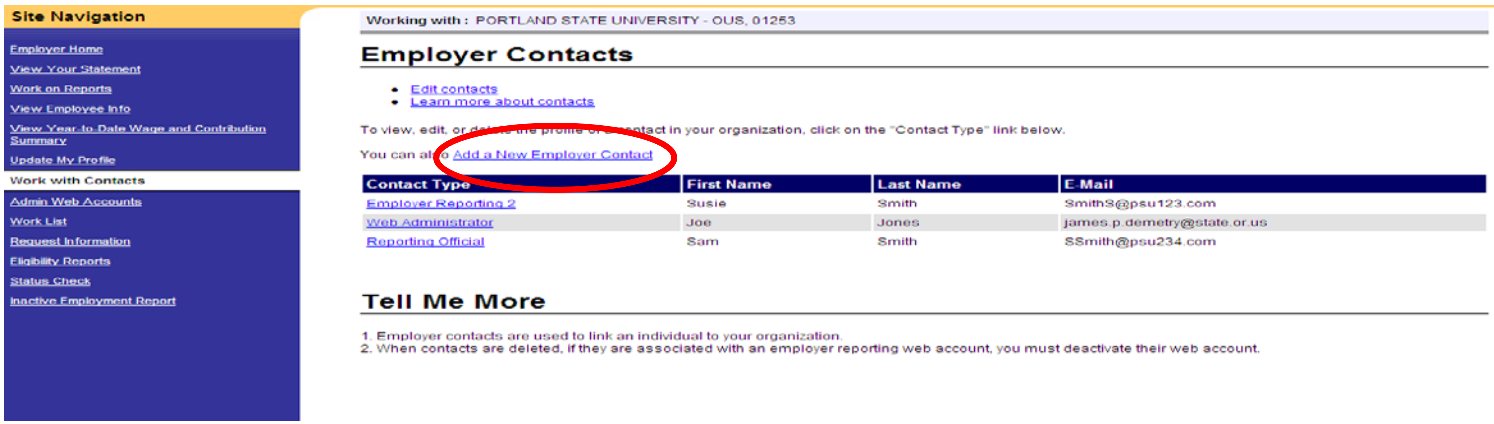
Web Administrator capabilities.

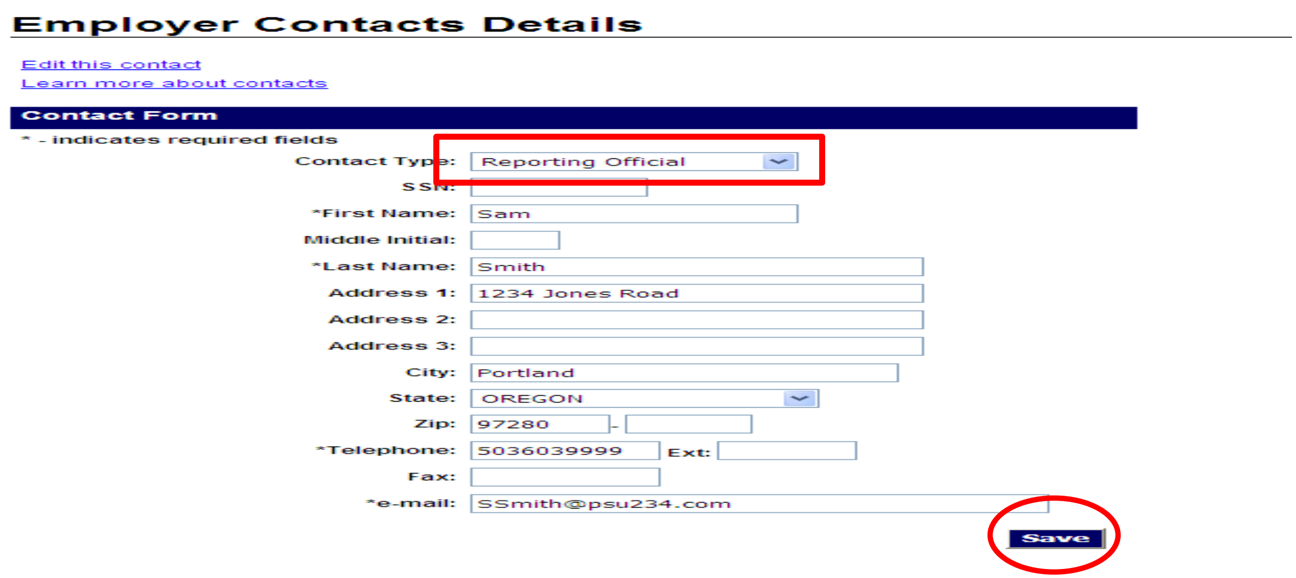
Adding a new employer contacts begins by:

1) **Clicking the "Add a New Employer Contact"** which brings up the "Employer Contacts Details" page.

2) **The Contact Type is selected** from the drop-down menu and includes Payroll, Personnel, Reporting Official and fifteen numbered Employer Reporting positions.

3) **The starred (*) items are required.** After entry of all items, clicking the "Save" button adds the new contact to the employer's contact list.



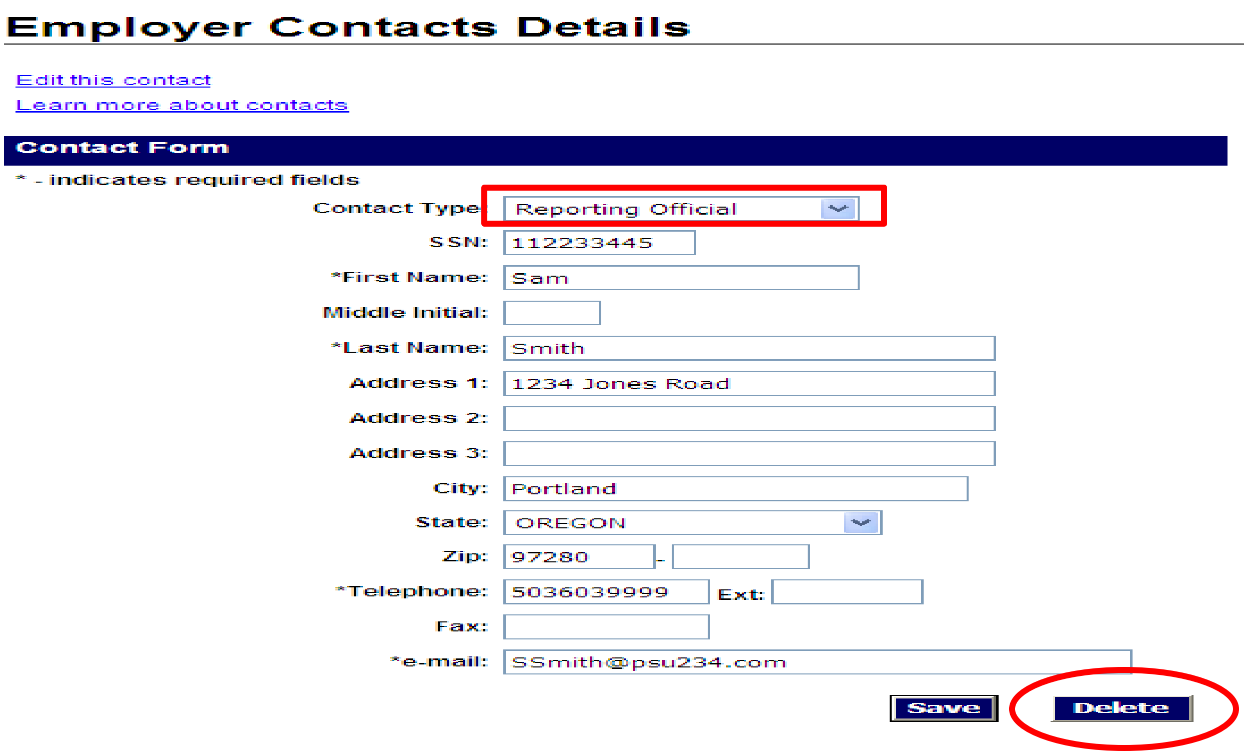


Web Administrator capabilities.

Updating contact information, or deleting a contact:

1) Click on the contact type link under the “Contact Type” heading.
2) The “Employer Contacts Details” page appears with the current contact information.
3) You can update the contact information by changing any information that is not “greyed out” then clicking “Save” or...
4) You can delete the contact by clicking “Delete”.
5) Reply to the confirmation screen that appears and your action will be complete.

You <u>will not</u> be able to delete contact information for contact types created through the “Admin Web Accounts” function; you can only inactivate those contacts.



Upcoming Statement and Invoice Enhancements

- Why the enhancements are being made:
  - Employer payments are credited to the oldest receivables (outstanding invoices) first and allocation of payments between plans is not clear.
  - Enhancements will be effective approximately June 2014.
- What the enhancements will do:
  - Statements will be divided by plan with three main areas:
    - IAP.
    - Health insurance subsidies: RHIA & RHIPA.
    - Pension (OPRSP, Tier One/Tier Two, UAL and Side Accounts).

Upcoming Statement and Invoice Enhancements

- What employers must do:
  - Employers making payments by **ACH Debit (pull) will need to do nothing.**
  - Employers making payments by **ACH Credit (push**) **will need to update bank ACH information:**
    - **Record Type 6, Field 9 (Discretionary Data) must be updated for the types of charges the employer has:**
      - **IA- for IAP**
      - **PN- for Pension**
      - **RA- for RHIA**
      - **RP- for RHIPA**
    - <u>**A Type 6 record will be created for each type of charge.**</u>

Reporting Retirees Returning to Work

- **Ch.238 Tier1/Tier2 retirees have an annual work hour limit while working for PERS employers**
  - **Ch.238 Tier1/Tier2 retirees work hours may not total 1040 hrs./calendar year (1039.99 hours/calendar year is OK) unless the position is "exempt" from the work hour limit.**
    - **Ch.238 Tier1/Tier2 retirees working in "exempt" positions have no work hour limit**

- **What are the consequences of a Ch. 238 Tier 1/Tier 2 retiree exceeding the work hour limit?**
  - **A Tier1/Tier2 retiree, retired <u>more than 6 months</u>, becomes an active member on the first of the month after the month the work limit is exceeded**
  - **A Tier1/Tier2 retiree, retired <u>less than 6 months</u>, becomes an active member effective back to hire date as a retiree**
    - Benefits paid after becoming an active member must be repaid
    - The employee must terminate employment and retire again to restart benefits
    - Employee contributions to the member's IAP begin from the date active membership is reestablished (earnings may be included for prior years)
    - Employer contributions begin from the date active membership is reestablished

- **ORS 238.078, 238.082, OAR 459-017-0060**

Reporting Retirees Returning to Work

- **OPSRP retirees have NO statutory work hour limits. An OPSRP retiree may not return to a qualifying position and continue to receive benefits.**

- **What are the consequences of an OPSRP retiree returning to a qualifying position?**
  - **If an OPSRP retiree is hired into an active service ("qualifying") position, retirement is CANCELLED and active membership is reestablished effective at date of hire**
  - **If an OPSRP retiree is hired into a "non-qualifying" position, the member remains a retiree provided total work hours are 599 or less per calendar year, but 600 hours service in any calendar year will re-establish active membership effective *back to* the later of the first of that year or the hire date**
  - **If active membership is re-established:**
    - Retirement benefit payments stop on the date active membership is reestablished (the later of the first of the year or the hire date) and benefits paid after that date must be repaid
    - Employee contributions to the member's IAP are due from the date active membership is reestablished. (earnings may be included for prior years)
    - Employer contributions are due from the date active membership is reestablished.

- **ORS 238A.245, OAR459-075-0300**

Reporting Retirees Returning to Work

- **Who is responsible for observing the retiree annual work hour limit?**
  - **Retirees are responsible for tracking their work hours to avoid exceeding work hour limits, and are responsible for the consequences of exceeding work hour limits**
  - **Employers will be responsible for remitting IAP contributions and possible prior year earnings as well as employer contributions back to the date a member resumed active membership**
- Employers are ***strongly*** encouraged to help members monitor work hours to avoid the significant, adverse consequences faced by employees and employers when work hour limits are violated

Reporting Retirees Returning to Work

- Reporting sequence for retirees returning to work as retirees:
  - **Submit a member's active service records and retirement records in different reports.**
  - 1) Prior to the member's retirement make sure all active service wages have been reported, and posted, then submit the DTL1-02/Terminated record.
    - **Please DON'T terminate the active member until all active wages have been posted**
    - **Submit the DTL1-02/Terminated record in a separate report.**
  - 2) When all active wages have posted and the DTL1-02/Terminated record has posted, submit the DTL1 retiree hire record:
    - 11: Retiree New Hire With Hour Limit.
    - 12: Retiree New Hire Without Hour Limit.
    - 13: New Hire-Retiree Return to Service.
  - 3) When the DTL1 retiree new hire record has posted, begin reporting retiree wages for each pay period worked:
    - DLT2-07/Retired/No Contributions.
    - **Please DON'T include DTL2-07 and DTL2-01 records in the same report**
    - <u>**Wage Code 07 records can be entered only in Regular reports, not on Demographic & Adjustment reports.**</u>
    - Negative adjustments to reported retiree wages are done using DTL2-14/Negative Adjustment/No Contribution records.

Reporting Retirees Returning to Work

- **Status Code 11: Retiree New Hire With Hour Limit**
  - **Use this code to report:**
  - **An OPSRP retiree <u>hired into a "non-qualifying" position</u>**
      - **Remains a retiree while total work hours are 599 or less per calendar year**
      - **<u>600 hours service in any calendar year will re-establish active membership</u>**
      - **<u>You may submit DTL1-11 and DTL2-07 records immediately upon hiring an OPSRP retiree into a "non-qualifying " position</u>**
        - **<u>If the records suspend, WAIT 90 days OR until you're sure the OPSRP retiree has received their 1st benefit payment, then re-save the records</u>**
        - **<u>If the records still suspend, *do nothing else* and contact your ESC account team representative</u>**
        - **<u>DO NOT use DTL1 status code 15 to report OPSRP retirees unless directed to do so by PERS staff</u>**
  - **A Ch.238 Tier1/Tier2 retiree with an annual work limit**
    - **<u>The work limit may not total 1040 hrs/calendar year</u>**
      - Up to 1039.99 hours/ calendar year is OK
      - This work hour limit applies to all benefit payment options (lump sum, monthly payment or combination)
      - Any **compensated time paid in a calendar year** counts toward the annual limit for that calendar year
        - **For Tier1/Tier2 retirees, retiree paid leave (sick leave, vacation, etc.) counts in the calendar year <u>taken</u>**
        - **For OPSRP retirees in "non-qualifying" positions, retiree paid leave DOES NOT count towards the 599 hour/calendar limit**
        - **Retiree comp time counts in the calendar <u>earned</u>**
      - Ch.238 Tier1/Tier2 retirees **working concurrently in positions subject to the limit and positions exempt from the limit (ORS 238.082, OAR 459-017-0060, retroactive to the later of January 1, 2004 or the operative date of the exception):**
        - **Have a calendar year work hour limit**
        - **Only hours worked in positions subject to the limit count towards the calendar year work hour limit. Hours worked in exempt positions do not.**

Reporting Retirees Returning to Work

- **Status Code 12: Retiree New Hire Without Hour Limit**
  - **Use this code to report ONLY Tier 1/Tier2 retirees:**
    - **Employed in positions "exempt" from the 1040/hr. work limit**.
      - Exempt positions are listed in ORS 238.082, OAR 459-017-0060, and in "Working after Retirement Exceptions in table format" found through the "General Information" link on the employer website
    - Exempt positions are available to Ch.238 Tier1/Tier 2 retirees:
      - Receiving a "Normal" (unreduced) benefit by retiring at:
        - 30 years creditable service regardless of age, or
        - Tier 1, age 58 or older, or
        - Tier 2, age 60 or older, or
        - Tier1/Tier2 Police & Fire, age 55 or older, or age 50-54 with 25 years creditable service
      - Some exceptions are available to "early" (reduced) benefit recipients who retired:
        - Tier 1, age 55 to 57, w/o 30 years
        - Tier 2, age 55 to 59, w/o 30 years
        - Tier1/Tier2 Police & Fire, age 50-54, w/o 25 years
        - **Early retirees who do not wait 6 full months after retirement before returning to an exempt position are <u>not eligible for the exempt</u> position and become subject to the 1040 hr. work limit**
    - **Who have reached Social Security full retirement age (65-67 depending on birthdate):**
      - Retiree has no work limit effective the first month after reaching birthdate for Social Security full retirement age
      - Applies even if the Tier1/Tier2 retiree **is not taking a Social Security benefit at that birthdate**

Reporting Retirees Returning to Work

- **Status Code 13: New Hire-Retiree Return to Active Service**
  - **Use this code to report :**
    - **Ch.238 Tier1/Tier2 retirees who**:
      - Are hired as an active member (into a position with “qualifying” (active service) hire intent)
      - Meet or exceed 1040 hours in a retiree position(s) that is not exempt from the statutory 1040 hr. limitation
    - **OPSRP Pension program retirees who**:
      - Are hired as an active member (into a position with “qualifying” (active service) hire intent)
      - Meet or exceed 600 hours in a position(s)
  - **Reporting Status Code 13 begins the re-employment process**
    - “Reversing” retirement status to inactive member status allows the member to be re-hired into active status
    - “Reversing” retirement status may take 2-12 months depending on any problems encountered in the reversal

Questions?

E-mail questions to: pers-employer.info.services@state.or.us