

Employer Announcement #37

Employer Penalties: General Description

PERS waived employer penalties in 2004 and 2005 due to problems with the EDX reporting system. Although PERS will implement penalties (as spelled out in ORS 238.705) in 2006 for non-electronic remittance, late reporting of wage and contribution information, and late remittances – all penalties are currently waived. Two penalties are waived through April 30, 2006 and one until further notice. The waiver of penalties will allow more time to implement improved EDX functionality, which will include:

- standardized employer statements generated twice a month,
- the ability to download any statement into an Excel (CSV) file, and
- simplified invoice and remittance features.

[Employer Announcement #36](#) covers the new EDX features and functionality.

Types of Penalties

There are three types of employer penalties:

- 1. Late reporting of wage and contribution information.** A wage and contribution report will be considered late if not received by PERS within three business days following the report date. The penalty for late reporting of wage and contribution information is equal to 1 percent of the employer's prior year annual contributions or \$2,000, which ever is less, for each 30 calendar day period, and fraction thereof, that the report is delinquent. **This penalty is waived through April 30, 2006.**
- 2. Late remittances.** A remittance will be considered late if not received by PERS within five business days after the remittance statement date. The penalty for late remittance is 1 percent of the total amount of contributions for the pay period for each 30 calendar day period, and fraction thereof, that any portion of the employer's contribution is delinquent. The penalty will be assessed at the time the entire payment is received; a partial payment will still incur a penalty on the full amount due. **This penalty is waived until further notice.**
- 3. Non-ACH payment.** All payments to PERS must be made electronically, using the ACH (Automated Clearing House) system. Failure to submit remittance electronically will result in a penalty. The penalty will be 1 percent of the payment made. **This penalty is waived through April 30, 2006.**

2004 and 2005 Reports and Remittances

Penalties for late wage and contribution reports and late remittances that are assessed after the EDX upgrade in 2006 will be applicable **ONLY** to wage and contribution reports and remittances with report and payment dates of **January 1, 2006 and later.**

Wage and contribution reports and remittances due on **December 31, 2005 and before** will not be subject to penalties.

Remittance for contributions due in **2004** and **2005**, if made after January 1, 2006, must also be made electronically.

Components of a Penalty

Any assessed penalty will be shown on your Employer Statement. The penalty will be calculated as described above, but will **not be displayed as a single amount**. Instead, any penalty will be displayed as a percentage of contributions required for all benefit programs.

A penalty for a late wage and contribution report or late remittance would be split between:

- OPSRP IAP contributions,
- OPSRP Pension Program contributions,
- PERS Chapter 238 Program contributions,
- RHIA program contributions, and
- RHIPA program contributions.

Waivers

If an employer wants to seek a penalty waiver because, for example, the reports or remittance were late due to PERS functionality or system problems, refer to the process spelled out in OAR 459-070-0100(7) and 0110(6).

If an employer feels that a penalty has been incorrectly or unfairly assessed after the waivers end, the employer may complete and submit the Penalty Waiver Request form located on the PERS Employer website. Send the waiver request to:

PERS (Attn: ART Team)
PO Box 23700
Tigard, OR 97281-3700.

If you have questions, contact the Employer Call Center at 503-603-7788 or toll-free 888-320-7377 or by e-mail: PERS-Employer.info.services@state.or.us.

In compliance with the Americans with Disabilities Act, PERS will provide this document in an alternate format upon request. To request this, contact PERS at 888-320-7377 or TTY 503-603-7766.