

Employer Announcement #49

Break-In-Service Removal From EDX

The 2007 Legislature removed "Break-in-Service" (BIS) rules enacted in 2003. BIS rules provided that any Tier One/Tier Two member who had a six full-month "break-in-service" became an Oregon Public Service Retirement Plan (OPSRP) member upon return to PERS-covered employment. Removal of BIS rules affects approximately 12,000 members.

The removal of BIS rules was effective January 1, 2008, retroactive to 2003. In fall 2008, PERS began the BIS project to implement 2007 legislative action. We started by moving those members whose accounts had few or no complications back to Tier One/Tier Two status. Accounts moved between programs have appeared as Transferred Contribution credits or debits on employer statements since fall 2008.

Movement of that initial group has been largely completed, and lists of members who have been moved back to Tier One/Tier Two status are now available to employers upon request through your Employer Service Center (ESC) account representative. This list of completed Plan Transfers contains the transfer date, salary transferred, and Tier information.

Efforts will now be directed to more complex accounts. The next activity will involve movement of accounts with LSP/LSVP payments, which have become subject salary upon members' return to Tier One/Tier Two status. Movement of these accounts is a multi-step procedure that began in March 2009. Employers who have members with LSP/LSVP payments who are being restored to Tier One/Tier Two status will receive a second communication on that subject.

Each of the remaining groups of accounts to be transferred are successively more complex. PERS staff will contact employers if adjustments to a member's account are required to properly effect the Plan Transfer.

Please direct questions on this subject to your ESC account representative, or e-mail: pers-employer.info.services@state.or.us.

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