

Employer Announcement #54

Waiting Time Requirements and Partial Withdrawals

EDX system limitations complicate the waiting time requirement for those who terminated employment, did not completely withdraw from the system, and subsequently returned to PERS-covered employment. Employees could not be active in one program and in a waiting time for another.

Before January 1, 2008, Tier One, Tier Two, and OPSRP members were not required to withdraw from all programs when terminating PERS-covered employment and withdrawing from their respective programs. Many Tier One, Tier Two, and OPSRP Pension Program members who terminated PERS-covered employment chose to withdraw one member account (frequently the Individual Account Program - IAP) but remain in another program in the PERS system (i.e., Tier One, Tier Two, or OPSRP Pension). Members who made these partial rather than total withdrawals retained program membership upon terminating PERS-covered employment.

Different approaches to this problem resulted in varying instructions to employers for reporting the salary of these members in the first months of qualifying re-employment. PERS staff has now finalized the most efficient process to address EDX system limitations in this scenario.

PERS Employer Service Center (ESC) staff are identifying accounts which must be restructured to accommodate EDX waiting time limitations. The majority of these accounts will be second IAP accounts established after qualifying re-employment by members who previously did a partial withdrawal (IAP only).

Accounts will be restructured only after thorough review by ESC staff and consultation with affected employers. In many instances, IAP account contributions will be returned to employers and credits will be made to employer reserve accounts. Invoicing for previously unreported contributions should be minimal.

The account restructuring process involves many functions unavailable to employers. Consequently, employers should:

- 1) Contact their ESC account representative upon discovering they have hired a member who previously executed a partial withdrawal, and
- 2) Attempt no account adjustments independently.

The account identification and restructuring project is scheduled for completion in December 2009. Despite the minimizing effect of "withdraw from one, withdraw from all" statutory provisions effective January 1, 2008, member database screening for partially withdrawn re-hired members will continue past December 2009. This is because more pre-2008 partial withdrawal members may return to work, and the very limited withdrawal provisions of the OPSRP Pension Program may prevent a member from withdrawing from the Pension Program when he/she withdraws the IAP account.

Further information will be forthcoming as this project proceeds. Please direct questions on this subject to: pers-employer.info.services@state.or.us.

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