Employer Announcement #74
Reporting Member Retirement and Re-employment as a PERS Retiree

Correctly reporting a member's retirement, and any re-employment part-time as a PERS retiree, will reduce time spent correcting and resubmitting records and reduce delays in generating member retirement benefits.

Here is the order for submitting records for a member's retirement, and records for any part-time re-employment as a PERS retiree:

1) The member informs their employer of upcoming retirement (Note: If PERS is requesting a termination from you, as the employer, but the member has not notified you of their intent to retire, please contact PERS so we can directly contact the member to verify their intentions).

2) The employer submits a DTL1-02/Termination record. The termination date marks the end of the "employer-employee" relationship, the end of active member employment with the employer. Members retire with PERS only on the first of any month, so the DTL1-02/Termination date should be no later than day before the member's 1st-of-the-month retirement date with PERS. The "Last Day Service" date is the last day the member worked or was on paid leave, and can be the same as, or before, the DTL1-02/Termination date, but never later than the termination date. The DTL1-02/Termination record can be submitted as soon as member informs the employer of upcoming retirement, but the report date must be later than the member's termination status date (ex: A member informs you of their July 1, 2012 retirement on Monday, June 18. You can submit the DTL1-02/Termination record, with a 6/30/2012 termination status date, on June 18 using a Demographics & Adjustment Report IF the Demographics & Adjustment Report date is AFTER the termination status date; in this case, 07/01/2012).

If the employer is a "local government" employer and uses Work Period Begin/End Dates when reporting wage and service data, the Work Period End Date for the member's final DTL2 record must be the same as the "Last Day Service" on the DTL1-02/Termination record.

Example: An active member has chosen a July 1st retirement date. The termination status date should be no later than June 30th, and the "Last Day Service" should be on, or before, June 30th. If the termination date is July 1st or beyond, the member cannot retire July 1st and must change their retirement date to August 1st. If the employer is a "local government" employer, the Work Period End date on the last DTL2 record for the retiring member can be no later than the DTL1-02/Termination record "Last Day Service" on or before June 30th.

If an employer participates in the PERS sick leave program, accumulated unused sick leave hours for an employee are reported when the member terminates employment. A non-participating employer would enter "0." The hours are entered in the "Unused Sick Leave Hours" field on the DTL1-02/Termination record. The hours to be entered are:

    A) Accumulated sick leave hours: _____ hours

    B) Less sick leave transferred in from another employer: _____ hours

C) Less sick leave reinstated: _____ hours

D) Less sick leave reported on previous separations: _____ hours

E) NET unused sick leave hours reported (A – B – C – D): _____ hours

Note: Unused sick leave may build throughout a member's employment, but for PERS purposes, unused sick leave accumulation cannot exceed 8 hours per month worked.

3) After the member's retirement, the employer elects to bring the retiree back to work immediately, part-time as a retiree.

4) The member is now a retiree, a definite change in status from active membership. Even though the retiree may return to the same job on a part time basis, the employer must submit a DTL1-11/-12 re-hiring the member as a retiree. The hire date as a retiree can be on, or after, the member's 1st-of-the-month retirement date, but never before the member's retirement date. Also, the DTL1-11/-12 re-hire should not be on the same report as the member's final wages or DTL1-02/termination record. BE VERY CAREFUL if you're hiring an OPSRP retiree. Hiring an OPSRP retiree into a position with "qualifying" hire intent will cancel the OPSRP retiree's retirement and the retiree will again become an active member, effective with the date of hire. Hiring an OPSRP retiree into a position with "non-qualifying" hire intent allows the OPSRP retiree to work a maximum of 599 hours per calendar year and still remain an OPSRP retiree.

If the OPSRP retiree has not received their first benefit check prior to rehire as a retiree, the benefit calculation process for this member will stop. If you have any doubt if the retiree is a Tier One/Tier Two or OPSRP member, or whether an OPSRP retiree has received their first benefit check before you submit DTL1-11/-12 or DTL2-07/retiree wage records, check with your ESC account representative for the OK to submit retiree records.

Example: A member with a July 1st retirement date is rehired part-time as a retiree, returning immediately after retirement. The DTL1 status code 11 (Tier One/Tier Two or OPSRP retiree in a "non-qualifying" position) or status code 12 (Tier One/Tier Two only, never used for OPSRP retirees) status date can be on, or after, July 1st but no earlier. The wages paid to the retiree should be reported as DTL2-07/Retiree wages, with no contributions. EDX won't be updated with the member's retiree status for a minimum of a month after the member's retirement date, so the DTL1-11/-12 and DTL2-07 records will remain suspended until at least August 1, possibly beyond.

Please contact any of your ESC MACR 2011 team members if you have further questions on reporting active member retirements or re-employment of PERS retirees.

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.