

Employer Announcement #77

2011 Prior Year Earnings (PYE) Blanket Waiver Ends February 28, 2013

The blanket waiver of Prior Year Earnings (PYE), resulting from records and reports that were suspended by new validations that went into effect with the installation of EDX Release 6.0 on June 29, 2011, will be ending on February 28, 2013.

PERS elected to assume responsibility for making adjustments to member accounts so that 2011 records and reports affected by Release 6.0 could post. The project was extensive and it was PERS' goal to complete these adjustments by the end of calendar year 2012. PERS also elected to waive employer obligations for 2011 prior year earnings which resulted from the posting of 2011 records after March 5, 2012. With a few exceptions, by December 31, 2012, PERS was able to complete the adjustments that allowed 2011 records to post.

The decision to offer a blanket waiver for prior year earnings relating to 2011 member records was made to save employer and PERS staff time. Employers did not have to submit requests following each monthly statement after March 5, 2012, and PERS did not have to provide responses to separate requests following each monthly statement. The blanket waiver applied only to prior year earnings related to 2011 records and reports suspended by EDX Release 6.0. The waiver did not apply to prior year earnings that resulted from other causes, such as delinquent reporting or when past employment was determined to be qualifying following review requested by employers or members.

However, the process of waiving prior year earnings was complicated when PYE invoices included both charges that were subject to waiver and charges that were not subject to waiver. Since the PERS invoice system does not permit the cancelation or waiver of partial invoices, and does not permit a simple "crediting" for PYE that was subject to waiver, it was necessary for PERS to cancel entire invoices if any charges on such invoices were subject to waiver.

In the simple case where an entire PYE invoice was subject to waiver, the invoice was simply canceled and nothing further was required. But where a PYE invoice contained charges that were subject to waiver and charges that were not subject to waiver, the PYE invoice was canceled and PERS is required to issue a replacement invoice that includes only those PYE amounts that were not subject to waiver. Under this replacement invoice process, employers will only be responsible for PYE charges that were not subject to waiver.

Employers can expect completion of the final round of 2011 EDX Release 6.0 crediting and re-invoicing with the March 5, 2013 invoice. The end of 2011 blanket waivers effective February 28, 2013 will require individual employer appeals of any 2011 prior year earnings assessed after February 28, 2013. The process and requirements for employer appeals can be found on the Employer Appeal Rights page.

Please contact your ESC Account Team representative with any questions about crediting and re-invoicing from March 5, 2012 through December 31, 2012.