

Employer Announcement #86

Employer Online Statements, Invoices, and ACH Requirements

Employer online statements and invoices are scheduled for modification August 2014. The modifications will divide statements and invoices into three major areas:

- IAP – invoices and payments received for IAP member account contributions for the statement period.
- Pension – invoices and payments for Tier One/Tier Two and OPSRP normal cost, Unfunded Actuarial Liability (UAL) and Side Account information.
- Health Insurance Subsidies – RHIA and RHIPA, the health insurance subsidies available to qualified PERS retirees.

The documentation included in this announcement and related to those changes includes:

- 1) Statement and Invoicing Enhancements – ACH Credit Employers.**
- 2) Statement and Invoicing Enhancements – ACH Debit Employers.**
- 3) CCD Entry Detail Record.**
- 4) City of Salem - PERS ACH Payment Template Example.**
- 5) City of Salem – NACHA Format.**
- 6) City of Salem – Upload a NACHA file.**
- 7) FAQ (Frequently Asked Questions)-Upcoming EDX Employer Online Statement Enhancements.**
- 8) 2013-15 Contribution Rates by Program.**
- 9) Draft of revised online employer statement.**

1) Statement and Invoicing Enhancements – ACH Credit Employers:

In August 2014, PERS will be enhancing the Employer Statements as well as the way employer payments are invoiced and allocated. Currently employers submit one payment that is applied to the oldest receivable with limited visibility or control into allocations to IAP, Health Insurance, and the Pension programs. These changes will increase transparency in how contributions are applied, including application to your Unfunded Actuarial Liability (UAL) and side accounts.

Employer Statement Enhancements

Employer Statements will be divided by program with three main areas:

IAP

Health Insurance - which includes: RHIA and, for state agencies and Judiciary, RHIPA

Pension - which includes: OPSRP, PERS Tier One/Tier Two, UAL, and Side Account(s)

In addition, new transactions will be visible on the statement and will now correctly charge or credit employers in these two areas:

UAL rates will be applied to transactions relating to changes in employee positions.

Side accounts will have reversing entries as necessary when the related reversing transaction(s) occur.

Employer Payments

Employer payments of contributions will also be divided by program into the three main areas listed above. This will require individual contribution transactions by program and the specific charge to the employer is based on whether the employer makes PERS payment by ACH Debit or Credit.

As an ACH Credit (Push) Employer you will need to modify the data included in your ACH file to include a designation of the program to which the dollars in each transaction are to be applied. For example, you will be creating an ACH transaction for your IAP statement balance and designate in the file as “IA”.

On the following page are the new ACH Credit instructions and the modifications that you will need to make.

Record Type	Field#	Description	Value
5	6	Standard Entry Class Code	CCD
5	7	Company Entry Description	EMPCONTRIB
6	2	Transaction Code	22
6	3	Receiving DFI	12320670
6	4	Check Digit	7
6	5	DFI Account Number	0000045925
6	6	Amount	\$\$\$\$\$\$\$\$cc
6	7	PERS Employer# (0+4 digits)	0####
6	8	Receiving Company Name	PERS Deposit
6	9	Discretionary Data (2 characters)	IA – for IAP PN – for Pension RA – for RHIA RP – for RHIP

You must include your employer #

PLEASE NOTE:

It is extremely important that **record 6 field 7**, in positions 40-44 contain your 4-digit PERS Employer number, beginning with a zero (for example, 04223 or 02009). Placing your employer number in an addendum record will not satisfy this requirement. If this field is incomplete it may delay crediting of your payment to your statement balance, or cause your payment to be returned. This field allows PERS to identify each employer.

The Discretionary Data **record type 6 field 9**, in positions 77 and 78 is required. Only create records for the types of charges you have. At least three, possibly four, record type 6 records will be created. (one for IAP, one for Pension, one for RHIA and, for state agencies and Judiciary, one for RHIP). Placing this data in an addendum record will not satisfy this requirement. This field directs PERS how to apply the funds you are transmitting.

You also have the option of moving to the ACH Debit process, which includes the following benefits: no modification for you as PERS will do the work to initiate the transaction, and a decrease in banking fees.

If you have any questions or concerns, please contact your Employer Service Center account representative.

2) Statement and Invoicing Enhancements – ACH Debit Employers:

In August 2014, PERS will be enhancing the Employer Statements as well as the way employer payments are invoiced and allocated. Currently employers submit one payment that is applied to the oldest receivable with limited visibility or control into allocations to IAP, Health Insurance, and the Pension programs. These changes will increase transparency in how contributions are applied, including application to your Unfunded Actuarial Liability (UAL) and side accounts.

Employer Statement Enhancements

Employer Statements will be divided by program with three main areas:

IAP

Health Insurance - which includes: RHIA and, for state agencies and Judiciary, RHIP

Pension - which includes: OPSRP, PERS Tier One/Tier Two, UAL, and Side Account(s)

In addition, new transactions will be visible on the statement and will now correctly charge or credit employers in these two areas:

UAL rates will be applied to transactions relating to changes in employee positions.

Side accounts will have reversing entries as necessary when the related reversing transaction(s) occur.

Employer Payments

Employer payments of contributions will also be divided by program into the three main areas listed above.

You are currently utilizing the ACH Debit process so there are no changes that you need to make. You just need to be aware that PERS will be creating three transactions instead of one.

If you have any questions or concerns, please contact your Employer Service Center account representative.

3) CCD Entry Detail Record:

CCD Entry Detail Record

This is an example of an ACH transaction with all the required data elements necessary for a successful ACH transaction. Each data element is color coded to show which field that data element is in. The description of each of the fields has been included at the bottom so you can map the field to the appropriate description, these descriptions are from NACHA.

62212320670745925
IA0323371075531045

000121025001061

PERS DEPOSIT

Field 1

Field 2

Field 3

Field 4

Field 5

Field 6

Field 7

Field 8

Field 9

Field 10

CCD ENTRY DETAIL RECORD

FIELD	1	2	3	4	5	6	7	8	9	10	11
DATA ELEMENT NAME	RECORD TYPE CODE	TRANSACTION CODE	RECEIVING DFI IDENTIFICATION	CHECK DIGIT	DFI ACCOUNT NUMBER	AMOUNT	IDENTIFICATION NUMBER	RECEIVING COMPANY NAME	DISCRETIONARY DATA	ADDENDA RECORD INDICATOR	TRACE NUMBER
Field Inclusion Requirement	M	M	M	M	R	M	O	R	O	M	M
Contents	'6'	Numeric	TTTTAAA	Numeric	Alphanumeric	\$\$\$\$\$\$\$&	Alphanumeric	Alphanumeric	Alphanumeric	Numeric	Numeric
Length	1	2	8	1	17	10	15	22	2	1	15
Position	01-01	02-03	04-11	12-12	13-29	30-39	40-54	55-76	77-78	79-79	80-94

4) City of Salem - PERS ACH Payment Template Example:

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Salem- PERS ACH Payment Template example v1 5-27-14 - Notepad
File Edit Format View Help
1
5200CITY OF SALEMCCD          XXXXXXXXXXXXCCDEMPCONTRIB      YMMDD  1
62212320670745925          $$$$$$$$0xxxxx      PERS DEPOSIT      IA0      1
62212320670745925          $$$$$$$$0xxxxx      PERS DEPOSIT      PNO      1
62212320670745925          $$$$$$$$0xxxxx      PERS DEPOSIT      IA0      1
62212320670745925          $$$$$$$$0xxxxx      PERS DEPOSIT      PNO      1
8200
9
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5) City of Salem – NACHA Format:

NACHA Format

6) City of Salem – Upload a NACHA file:

PERS NACHA requirement

Warning – This is a very casual document! Hopefully it will make some sense. Feel free to ask questions.

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A little background:

We bank with Bank of America and use their CashPro online banking portal. None of the ACH payment templates they had available could put data where PERS needs the 2-digit code (IA, PN, etc). The first couple of calls to B of A's customer support were not fruitful, but I was finally put through to a very knowledgeable and helpful tech. He let me know that CashPro has a way to upload "raw" NACHA files. The first line of support people didn't even seem to be aware of the feature. I suppose that other banks will be a similar story so you may have to press to find out if such a thing is really available to you. Maybe talk some tech ("I need to customize my six record") to convince them to bump you up.

CashPro has a function called Validator in the ACH module. It is a black text link next to "ACH Database List" and "ACH Batch List". I never paid attention to it! To use it, you create your own NACHA file from scratch in the NACHA format and upload it to CashPro. This bypasses the normal template selection. I just used the Windows Notepad program to build the file, but you might be able to use Word or another program. CashPro does a very basic validation to see if it appears to be a valid NACHA file. (Note: I'm not sure exactly what this validation consists of, so just passing this point is not a guarantee that the payment will actually complete as expected.) If it passes this validation, it automatically goes into the ACH Batch List screen (as if you had done Create Batch from the ACH Database List). The rest of the procedure is like a normal ACH payment (release, etc). The documents in CashPro University are helpful. That is available under the Support tab.

Now on to NACHA files...

You will want to be familiar with NACHA files to be comfortable uploading one involving substantial sums of money! I quickly became rather intimately familiar with NACHA files as I went through this process by the seat of my pants. I found this document on the web to be very helpful. <http://www.regaltek.com/docs/NACHA%20Format.pdf> There are others that are similar, just do a web search for "NACHA format" or something similar (which was what the BofA tech recommended). You'll see that the number and type of characters and EXACTLY where you put each pertinent piece of data is absolutely critical. Some mistakes will probably just make the file invalid and nothing will happen. But it is within the realm of possibility to send big bucks in error if the wrong numbers make it into the dollar amount field. You should send at least one prenote to PERS and get a confirmation back that it worked as needed. They were very patient and helpful with me as I made quite a few attempts. I will also attach an Excel

file that I made to map out the NACHA fields somewhat visually. In the text file, there is no indication where the fields start and stop – it is just several lines of successive characters.

A NACHA file is just text, with a number of lines that are 94 characters each. The first line is the File Header, then Batch Header, Entry Detail, optional Entry Detail Addenda (PERS does not need this), Batch Control (like a trailer to match the Batch Header), and File Control (to match the File Header). The Entry Detail contains the dollar amount of each payment transaction, your PERS employer number, and the two-digit code PERS needs, among other things. The document referenced above will tell you all about the function and contents of each line. Note that fill spaces and alignment within each field are critical (e.g. right align the dollar amount, left align the destination account number, fill the rest of the field with either spaces or zeros, etc). The file can contain multiple batches (with matching header/control lines), each of which can contain multiple detail lines. For the PERS payment you only need one file containing one batch, however many detail lines you need, and no addenda.

I'm not sure yet how the bank will charge fees on these – if it will be like a single payment since it is only one file/batch, or if they will charge for each actual transaction that results.

The actual NACHA file you will upload:

See the attached .txt file I have used. With all this said, you'll see a lot of empty space! What's the big deal? It's actually pretty simple to do once you get it figured out. This file works for CashPro – we put in the critical information applicable to the payment, and CashPro fills in the rest such as trace numbers, etc that only the banking system can supply. I would suppose that other systems would be similar. The number of spaces between each data item is critical so arrow over and count them. The first line really is a 1 and 93 spaces.

See the Excel file (#5: City of Salem-NACHA format) for detailed notes on the fields.

I hope some of this is helpful!

More documentation will be added if required. Please contact your ESC Account Team representative for further questions on revised PERS employer statements, invoices and ACH employer ACH requirements.

7) FAQ (Frequently Asked Questions)-Upcoming EDX Employer Online Statement Enhancements.

[FAQ-Upcoming EDX Employer Online Statement Enhancements](#)

8) 2013-15 Contribution Rates by Program.

[2013-15 Contribution Rates by Program](#)

9) Draft of revised online employer statement.

Statement Period: 05/06/2014 - 05/20/2014

Remit To:

Remittance Due Date: 06/09/2014

Oregon Public Employees Retirement System

Employer:

For Assistance Phone the PERS Call Center at 503-603-7788 or 888-320-7377

IAP	
Beginning Balance:	\$ 1,919.40

Deposits			
Date	Description	Deposit Amount	
		<hr/>	
	Total		(\$ 0.00)

There are no IAP deposit found for the given period.

Invoices:	Description	Invoice Amount	
		<hr/>	
	Total		\$ 0.00

Ending Balance	\$ 1,919.40
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Pension	
Beginning Balance:	\$ 2,669.96

Deposits			
Date	Description	Deposit Amount	
05/12/2014	Contributions	\$ 4,841.52	
		<hr/>	
	Total		(\$ 4,841.52)

Invoices:	Description	Invoice Amount	
765832	Social Security	\$ 15.00	
		<hr/>	
	Total		\$ 15.00

Pension UAL and Side Accounts	\$ 0.00
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Ending Balance	(\$ 2,156.56)
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RHIA/RHIPA	
Beginning Balance:	\$ 252.16

Deposits			
Date	Description	Deposit Amount	
		<hr/>	
	Total		(\$ 0.00)

Invoices:	Description	Invoice Amount	
		<hr/>	
	Total		\$ 0.00

RHIA/RHIPA UAL	\$ 0.00
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Ending Balance	\$ 252.16
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Invoice Details	
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Invoices:	Description
765832	Social Security