Employer Announcement #106

Requesting Retroactive Changes to Employment Data

April 2025

2025 policy for making retroactive changes

Reporting errors happen, and they can be readily corrected within the current calendar year. Once a year reaches its end in December, it is considered officially closed after the year-end reconciliation period from January to February ends, and you receive your employer statement in early March. Any changes to data for that year can only be made by PERS staff after that point.

Effective in 2025, PERS will no longer make changes that employers request for a closed calendar year, called "retroactive changes," without supporting documentation that proves the need for the change.

In addition, PERS cannot make retroactive changes to employment data for any member whose data has been locked by either of the following:

- A data verification.[1]
  For an explanation, go to employer reporting guide 19, *Completing Work List Requests*, section "Employer Data Verification Request."
- A Notice of Entitlement.[2]
  For a definition, go to employer announcement #104, section "About the 240-Day Deadline."

Exception: PERS can change locked data if required to implement a judgment, administrative order, arbitration award, conciliation agreement, or settlement agreement.[3]

Why the new policy is necessary

An internal study of past policies and practices concluded that altering a PERS member's past, closed employment period can have significant impacts on the employee or employer or both.

Changes can complicate employer billing, reduce member benefits, and even result in changing someone's PERS program membership (i.e., change them from a Tier Two member to an OPSRP member). Therefore, PERS will no longer make retroactive changes to a member's records based upon an employer's unsupported statements that are inconsistent with the employer's past reporting.

Of course, if there is a mistake, it can be corrected; however, because of the risk of impacting member benefits without a reasonable basis, PERS now requires supporting documentation or a court order before making changes.

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[1] Under Oregon Revised Statute (ORS) 238.285, "Verification of Retirement Data."

[2] Under ORS 238.450, "Computation of Retirement Allowance or Benefit; Notice of Dispute; Prohibition on Modification of Data."

[3] As specified in ORS 238.285(3), "Verification of Retirement Data"; ORS 238.450(5), "Computation of Retirement Allowance or Benefit; Notice of Dispute; Prohibition on Modification of Data"; or Oregon Administrative Rule (OAR) 459-005-0040(4), "Verification of Retirement Data."

Correcting reporting errors

How to correct a reporting error for the current calendar year

Before the report is processed

The fastest and easiest way to correct an error in a record is to do it before it is processed and posted in the overnight batch run. For instructions, go to employer reporting guide 5, *Creating a Record*, section "Editing a Record."

After the report is processed: Posted report

You cannot "edit" a record once it has been processed and posted through the batch run. The method of correcting the mistake depends on the type of record.

Detail 1 Member Demographics record: To make changes to the following data, which impact the employee's broader profile, you need to submit a Demographic Correction Request (DCR) to ask PERS to make the change. (For instructions, refer to guide 20, *Creating a Demographic Correction Request (DCR)*):

- Job classification code.
  Find definitions in *Job Classification Codes* quick-reference guide.
- Average overtime hours.
  Learn more in employer guide 18, *Reporting or Changing "Average Overtime."*
- Hire date.
  Learn more in employer guide 7, *Reporting a New Employee*.
- Status code.
  Find definitions in *Status Codes* quick-reference guide.
- Position type.
  Learn about changing qualifying to non-qualifying in employer guide 9, *Reporting Wages for a Qualifying Employee*. Learn about changing non-qualifying to active service in guide 10, *Reporting Wages for a Non-Qualifying Employee*.

Detail 2 Wage and Service record: To make changes to a wage and service record for a specific date, you need to submit a Detail 2 "adjustment record" that tells EDX what to change in the original record. A Detail 2 adjustment record can change the reported amount of hours, salary, and/or contributions. For instructions, read employer reporting guide 23, *Submitting an Adjustment Record*.

After the report is processed: Suspended report

If EDX cannot process a record (e.g., during the overnight batch run validation process, it detects a mathematical error or a conflict between status and wage type), EDX will flag the record with an error message. If there are too many error flags in the report, EDX will not post the report, and it will be "suspended" until the flagged errors are reviewed and resolved.

For instructions on correcting an error in a suspended record, follow the instructions in employer guide 6, *Correcting Suspended Records*.

How to correct a reporting error for a closed calendar year

For employees who are active PERS members (i.e., non-retired)

Every fall, PERS encourages employers to perform **year-end reconciliation**. This involves reviewing their reported employee data, identifying any errors, and getting all their reports corrected and posted before the official close of the calendar year in early March of the subsequent year. As of the March 5 statement due date, the previous year is officially closed; PERS applies investment earnings (if any) to wages posted by year end.

If an error is discovered after year-end reconciliation has been completed, and you need to make a change to a member's account for a closed year, you must support the reason for the change. Follow these steps:

1. Submit a DCR requesting the change, as explained in guide 20, *Creating a DCR*. In the Comments box, name the supporting documentation that you will provide.
2. Attach a PDF or PNG image of your supporting documentation to an email sent to your ESC representative with the subject line "ER 0XXXX DCR Supporting Documentation" (0XXXX = your PERS employer number).

   Supporting documentation may include one or more of the following:

   - A copy of the employee's employment contract for the years in question.
   - The job or position description.
   - The job offer.
   - Written, contemporaneous statements and official communications between the employer and the employee regarding the expected number of hours to be worked in the calendar year.

If an error is discovered in data verification

If the reporting error becomes apparent during a data verification review, you can provide the supporting documentation for the requested change to PERS Data Verification Unit by emailing PERS.DataVerification@pers.oregon.gov.

For former employees who are not active PERS members

Making changes to employee data for individuals who are not currently employed varies depending on the member's status, which can be inactive, former (i.e., members who terminated their PERS membership because they went into loss of membership or withdrew their accounts), retired, or deceased. Each status is described below.

Inactive — An inactive member is one who is not currently employed by a PERS-participating employer but is still a PERS member and eligible to retire when they reach retirement age. PERS can make changes to an inactive member's account as long as the account is not locked by a previous data verification.

> **Note**: A nonvested, inactive PERS member can be away from PERS-covered employment for nearly five years and maintain their membership. Once they hit five consecutive years with fewer than 600 hours, they forfeit their pension and enter loss of membership (LOM) status (described below). A vested member is guaranteed retirement benefits from their pension and/or Individual Account Program employee account no matter how long they step away from PERS-covered employment.

Loss of membership (LOM) — This is the status applied to a nonvested member who lost their membership after not working in qualifying PERS-covered employment for five consecutive years. To make changes to an account in LOM status, contact your Employer Service Center (ESC) account representative. Note that PERS cannot change account data after six years from the date that the employee's membership ended.

Withdrawn — A withdrawn member is one who has withdrawn their member accounts and terminated their membership. Whether or not PERS can change their information depends on the date they withdrew their accounts or terminated their membership. PERS cannot make changes to a former member's data unless notified of the error within six years of the effective date of withdrawal or membership termination.

> **Note**: A member who terminates their PERS membership by going into LOM status or withdrawing their member accounts can become a PERS member again in the future by successfully serving a new six-month wait time in a qualifying position. They would only be eligible for the OPSRP Pension Plan.

Retired — Employer changes cannot be made to a retired member's employment data after (1) they receive a Notice of Entitlement (NOE) and (2) the time to dispute the data used to calculate the member's benefit has expired (i.e., 240 days after the member was provided with the NOE).

> **Exception**: PERS can change a retired member's employment data if required to implement a judgment, administrative order, arbitration award, conciliation agreement, or settlement agreement. (See employer announcement #104, section "About the 240-Day Deadline.")

Deceased — If a death benefit has been paid to the member's estate or beneficiaries, PERS cannot make changes to the deceased member's data unless notified of the error within six years of the date when the death benefit was paid.

For former employees who already received their benefit

If your former employee, their beneficiary, and/or their alternate payee has already received a benefit based on your organization's past reporting (i.e., retirement benefit, withdrawal, LOM account payment, or death benefit), you may need to seek a formal review under Oregon Administrative Rule 459-001-0032 to make any changes to the member's account.

To request a review, send an email to pers.edx.support@pers.oregon.gov with the subject line "Employer Appeal."

Examples of requesting a change to a closed year

Example 1 — hire intent

In July 2003, Employee Jane, a Tier One member, was hired into a part-time position as a classroom assistant for 12 hours a week. Her employer reported that Jane's position would normally require 600 or more hours a year and submitted a Detail 1 record with a Qualifying New Hire status code. The school reported her wages and contributions at the end of the year (as was the practice in 2003). In September 2005, Jane was promoted to teacher's assistant for 20 hours a week, requiring 920 hours of service in a year. During this time, Jane had no other employers.

Two years before her retirement in 2025, Jane requests a data verification to ensure her account is accurate and complete. In reviewing her account, PERS discovers that in Jane's first two years, she only actually worked 550 hours/year.

Original hire intent supported

The standard in 2003 to 2005 (i.e., before 2006) only required that the member be employed in a position that *normally required* 600 hours, as originally reported by the employer. Under the new policy for reviewing pre-2006 employment segments (explained in employer announcement #105), it does not matter that Jane did not actually work 600 hours. PERS would support the employer's original hire intent. Jane's account is verified as is.

Employer appeal

The employer decides to appeal PERS' decision. To prove that PERS should change the original hire intent from qualifying to non-qualifying, the employer needs to provide documentation to support the change that their prior reporting was incorrect based on the facts from 2003 to 2005. Supporting documentation can include a copy of Jane's 2003 employment contract, job description, job offer, or documentation that shows the hours or period Jane was meant to work (including the frequency of work).

If the employer were successful in changing Jane's hire intent for the 2003 through 2005 job segment from qualifying to non-qualifying, the following would occur.

1. Jane's hiring employer would be refunded the contributions they paid on Jane's 2003 to 2005 salary associated with the segment that has been changed from qualifying to non-qualifying.
2. Jane's creditable service would be reduced by the months that were credited to her account based on the non-qualifying job segment.
3. Jane's retirement eligibility may be impacted. Depending on how long she has been working, Jane may find that she is no longer eligible to retire at the age she was planning. (Look up normal retirement ages in employer guide 16, *Reporting a Retirement*, section "Retirement Eligibility.")

Example 2 — missing hours

Employer reporter Elijah is conducting year-end reconciliation to achieve his goal of getting his old, suspended records cleaned up and posted. He finds a suspended record for one employee from two years ago with an error message saying the reported member contributions are not correct. He checks the employee's work history and realizes that the previous employer reporter was short eight hours. The contributions were correct, but the salary and hours were not. At this point, because it's a closed year, only PERS can change it.

Elijah submits a DCR requesting to have eight hours added to that work period. He adds that he will email a copy of the employee's schedule for that time period. He then sends an email to pers.edx.support@per.oregon.gov with the subject line "ER 06011 DCR Supporting Documentation" with a PDF of the employee's schedule from two years ago.

A member of the Employer Service Center corrects the record, and it posts. The employee's account is updated, and Elijah meets his reporting goal.

For more information and instructions

Earning and maintaining membership in PERS pension program — employer reporting guide 1, *Overview of PERS*, section "PERS Membership."

Determining hire intent — employer reporting guide 7, *Reporting a New Employee*, section "Earning PERS Benefits."

Changing qualification status from qualifying to nonqualifying — employer reporting guide 9, *Reporting Wages for a Qualifying Employee*, section "Qualification Status Changes."

Changing qualification status from nonqualifying to active service — employer reporting guide 10, *Reporting Wages for a Non-Qualifying Employee*, section "Changing From Non-Qualifying to Qualifying Status."

Completing a Data Verification Work List request — employer reporting guide 19, *Completing Work List Requests*, section "Employer Data Verification Request."