

Subject: PERS: March 2011 employer monthly update.

Dear PERS employer,

In this update:

- 1) MACR processing tip for March 2011.
- 2) Reminder: Please don't use obsolete PERS forms.
- 3) The importance of prompt posting of terminations.

- 1) MACR processing tip for March 2011.

The second phase of 2010 reconciliation closes Friday, 4 March 2010.

It's important that Employers make every effort to have final 2010 records and reports posted prior to the March 5, 2011 statement and to pay the March 5, 2011 statement in full. Earnings on calendar year 2010 contributions invoiced on the March 5, 2011 statement will be provided by PERS investment earnings for 2010. Earnings on calendar year 2010 contributions invoiced after the March 5, 2010 statement will be considered "prior year" earnings and will be provided by employers.

Member annual statements for 2010 will be sent late spring 2011 to the member's home address recorded in EDX as of March 17, 2011. Please submit any known DTL1 records correcting home addresses no later than that March 2011 date.

Please consult your Employer account representative if you have questions about problem resolution for remaining calendar year 2010 records and reports.

- 2) Reminder: Please don't use obsolete PERS forms.

We ask again that employers destroy all outdated, obsolete user and employer forms, especially designation of beneficiary forms. Submission of designation of beneficiary forms is the member's responsibility, but if employers elect to take on that responsibility, we ask that completed designation of beneficiary forms be submitted to PERS as soon as the member returns them to the employer. PERS designation of beneficiary forms are considered effective only when stamped as received by PERS; delay in submitting completed designation of beneficiary forms could greatly affect a member's choice of PERS beneficiaries.

Employer forms and member designation of beneficiary forms can be found through the "Employer Forms" link in the site navigation area of the PERS employer website, www.oregon.gov/pers/emp/index.shtml

- 3) The importance of prompt posting of terminations.

Late posting of terminations remains an ongoing problem and will increase when members begin requesting Retirement Data Verifications on July 1, 2011.

Delayed posting of a termination of an infrequently employed older member could require the member to begin retirement benefits as soon as the DLT1-02/Termination record is posted or subject the member to a substantial IRS penalty. Under U.S. Treasury required minimum distribution (RMD) regulations, a member must begin receiving at least a minimum amount of retirement benefits no later than April 1 of the calendar year following the later of:

- 1) the calendar year in which the member turns 70 ½ or
- 2) the calendar year in which the member separates from employment.

These regulations may also affect the structure and amount of the retirement benefit paid to the member under certain options. PERS cannot begin benefit payments until we receive the notice of termination, and failure to begin retirement benefits by the applicable RMD deadline may result in a substantial penalty to the member.

A resource for employers is the inactive employment report, which allows employers to track members who have very infrequent active employment and should be terminated. These reports are available through the “Inactive Employment Report” link in the site navigation area of employer EDX home pages. It lists all members who have not been terminated but have no account activity with the last 90 days.

Prompt submission of DTL1-02/Termination records can prevent more work for both employers and PERS staff when identifying and reviewing questionable creditable service or retirement credit for periods of sporadically reported wages and hours.

Please contact your ESC account representative if you have additional questions on this subject.

Best regards,

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