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2019 year-end reconciliation phase 1 closes December 31, 2019

There are two phases to year-end reconciliation. The first phase focuses on correcting and posting suspended records for calendar year 2019. The second phase is PERS' final push to get records posted before the official close of the calendar year.

The first phase of 2019 year-end reconciliation will conclude on December 31, 2019. We ask that employers make every effort to correct and post remaining suspended records and reports for calendar year 2019. The Year-to-Date Wage and Contribution Summary screen and the eligibility reports in EDX are good tools to answer questions about wages, hours, and contributions reported and posted in 2019. Contact your ESC Account Representative if you have questions about correcting remaining suspended records or reports for 2019.

The second phase of 2019 year-end reconciliation will begin January 2, 2020. Although 2019 year-end reconciliation will officially close February 28, 2020, employers are encouraged to continue correcting and posting records for the 2019 calendar year through the first March 2020 statement date, which will be March 5, 2020. Contributions invoiced through March 5, 2020, and paid when due, will be credited with earnings from the PERS trust for calendar year 2019. If contributions are not paid when due, earnings for 2019 will be invoiced to the employer.

Employer Incentive Fund: Waitlist only

Due to overwhelming interest, the first round of the [Employer Incentive Fund \(EIF\)](#) is now waitlist only.

All eligible funds for the first EIF application cycle have been allocated to employers. By law, applications were approved in the order they were received.

Per [OAR 459-009-0092\(11\)](#), other employer applications are placed on a waiting list.

- If an approved employer notifies PERS they are unable to submit their lump-sum payment, PERS will contact the first employer on the waitlist and notify them of the match available. The employer on the waitlist will have the option to accept or decline the match. If the employer declines, PERS will move down the waitlist to the next employer.
- As of midday on Tuesday, December 3, there were 31 waitlisted applications. Any new applications made by employers via SurveyMonkey will also be added to the waitlist.

PERS anticipates at least one additional EIF application cycle in 2021 from revenue identified in Senate Bill 1529 (2018). We expect additional money will also become available in the future through a new revenue stream from Oregon Lottery Scoreboard sports betting. PERS does not

yet have a timeline for when these funds will become available, or how much to expect from sports betting revenues.

Need help? Want more information?

If you are a PERS-participating employer with any comments, questions, or concerns, please email Side.Account.Legislation@pers.state.or.us.

[Share this link](#) with your colleagues to stay informed about Employer Rate Relief Programs.

SB 1049 Update: Work After Retirement reporting requirements

Effective **January 1, 2020**, the Work After Retirement section of Senate Bill 1049 allows most retirees to work unlimited hours for a PERS participating employer, in calendar years 2020-2024, while continuing to receive their retirement benefits. Another new change from the bill also requires employers to pay employer contributions on service retirees' salary during that period. Adjustments to current processes and changes to the PERS EDX reporting system are necessary to be able to report and invoice for reported retiree wages after January 1, 2020.

Long-Term Plan

PERS' plan for employers to report hours worked for service retirees on or after January 1, 2020, will be to use **two new wage codes**. These codes will have set validations to only post with pay dates of January 1, 2020, and later. Employers will be able to continue to use the existing 07 wage code to report disability retirees, as well as any retroactive reporting of retiree hours and salary prior to January 1, 2020.

Short-Term Plan

While PERS works to change backend technology, and set up the long-term process, PERS requests that employers hiring PERS retirees continue to report using the 07 wage code as you normally would through the PERS EDX system for all retirees after January 1, 2020, until the new wages codes are developed.

However, be aware that there will be a new validation in place on the 07 wage code to suspend any service retiree 07 wage code, regardless of pay date. Suspending the 07 wage code will allow PERS staff and employers to track which retiree(s) are being reported. This plan will meet PERS' short-term needs until technology solutions can be implemented. We appreciate your flexibility with these extra steps while we seek to align system functionality with the requirements of SB 1049.

With employers' approval, PERS staff will provide assistance to correct suspended reports as needed. PERS staff will also assist employers in updating suspended retiree records to the new wage code once it is available. We will keep employers informed of progress through

this newsletter and GovDelivery updates. Please contact your PERS account representative if assistance is needed.

Due to PERS' timeline of making required technology changes for records to post for service retirees, **invoicing employer contributions on retirees' salary will be delayed**. Employers can choose to push/credit money to PERS, creating a potential credit on their account, or set aside estimated employer contributions for retiree wages. Again, we appreciate your flexibility as we work to implement SB 1049. PERS is here to assist you through this process.

Reminder for members: If you have PERS retirees (or retiring members interested in returning to work) with questions about SB 1049 and Work After Retirement, please direct them to [PERS' SB 1049: Work After Retirement](#) webpage for more information. It is important to note that PERS is not involved in the hiring decisions between retirees and employers. Whether a member is hired by a PERS-participating employer as a PERS retiree or not, and any other limitations the employer may have, is between the member and the employer. The SB 1049 changes, from a PERS perspective, simply impact whether a PERS retiree can work unlimited (or limited) hours and still receive their pension benefit.

SB 1049 Update: Salary Limit May Impact Some of Your Staff

Beginning **January 1, 2020**, Senate Bill 1049 creates a new \$195,000 limitation on subject salary (the limit will be indexed annually to the Consumer Price Index) used for PERS benefit calculations and contributions. If you employ any members that make \$195,000 or more, your staff may be impacted by this limitation.

The new salary limit will impact what PERS considers "subject salary" paid after January 1, 2020, **but does not impact salary paid before that date**.

PERS subject salary is used to determine member Individual Account Program (IAP) contributions, employer contributions to fund the pension program, and the Final Average Salary used in calculating retirement benefits under formula methods. **The limit does not impact the actual salary, wages, or payouts you provide to your staff.**

PERS' [SB 1049: Salary Limit webpage](#) includes illustrative examples to help members understand how they **may or may not be** impacted by the changes in SB 1049.

Do note that these general examples may not reflect your staff's specific situations.


If you have additional questions regarding SB 1049, please reach out to your [PERS Employer Representative](#). If you receive questions from your staff who may be impacted by SB 1049, please direct them to the PERS' [SB 1049: Salary Limit webpage](#) for more information.

Quickly return to PERS any completed Designation of Beneficiary forms received from employees

It is a member's responsibility to make sure PERS receives a Designation of Beneficiary form when a member changes a beneficiary. However, since members sometimes turn in these forms to their employer, we need your help to ensure speedy processing.

If you receive any PERS Designation of Beneficiary forms, please send them immediately to PERS, so that there is no delay in updating this critical information.

A valid change of beneficiary designation is not considered effective until PERS accepts the form.

OREGON PERS <small>PUBLIC EMPLOYEES RETIREMENT SYSTEM</small>	11410 SW 68th Parkway, Tigard OR 97223 Mailing Address – PO Box 23700, Tigard OR 97281-3700 Toll free – 888-320-7377 Fax – 503-598-0561 Website – https://oregon.gov/pers	 12208		
IAP Pre-Retirement Beneficiary Designation: Married Applicant				
Section A: Member information				
First name	MI	Last name	PERS ID (optional)	
Mailing address (street or PO box)			Social Security number (SSN)*	
City	State	ZIP code	Country	Date of birth (mm/dd/yyyy)
Home phone number	Work phone number	Cell phone number	Email (optional)	
Section B: Beneficiary designation (select only one)				
<input type="checkbox"/> SPOUSAL DESIGNATION – I acknowledge my beneficiary is my spouse. A married applicant's account must be paid to the spouse unless the spouse consents to another beneficiary. Notarized spousal consent is required to designate a beneficiary other than the spouse. Spouse's name (required): _____ (Go to Section E and complete.)				

Tier One/Tier Two members should complete **both** of the following:

- [IAP Pre-Retirement Designation of Beneficiary Packet](#); and
- [Tier One/Tier Two Pre-Retirement Beneficiary Designation](#) form.

OPSRP members should complete:

- [IAP Pre-Retirement Designation of Beneficiary Packet](#).

If a Tier One/Tier Two member does not have a valid Tier One/Tier Two Pre-Retirement Beneficiary Designation recorded with PERS, benefits will be distributed as required by statute.

IAP benefits for all members who have no valid IAP Pre-Retirement Designation of Beneficiary recorded with PERS will be distributed as required by statute.

There is no pre-retirement beneficiary form for an OPSRP pension benefit. An OPSRP pension pre-retirement benefit would be paid:

- 1) only if the OPSRP member is vested in his/her pension account prior to retirement, **and**
- 2) only to a spouse or person constitutionally required to be treated as a spouse.

PERS regularly updates these forms, so please be sure you are using the latest version. Both updated employee forms and employer forms are available on the PERS website.