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Reporting changes in employment status caused by COVID-19

[Read a new FAQ](#) about how to correctly report paid leave and employment status during the COVID-19 pandemic public health emergency. This information is not meant to be comprehensive and is subject to change. Contact your [Employer Service Center representative](#) if you have additional questions.

2020 Employer Satisfaction Survey

How can we support you better?

Take the survey here >> https://www.surveymonkey.com/r/PERS_Employer_2020

Please take a few minutes between **May 1 and May 31** to fill out PERS' Employer Satisfaction Survey. Your feedback will help us prioritize our greatest areas for improvement, such as:

- The PERS employer website, including ease of finding and understanding information.
- Employer training sessions and other tools.
- Online resources, such as instructional documents.

Remember — We want to hear from anyone at your agency or school who interacts with PERS. Feel free to forward the [survey link](#) to any coworker who works with PERS, including:

- Payroll specialists or EDX reporters who submit member data.
- HR, benefits, or internal communications specialists who help your employees understand PERS.
- Budget officers, finance officials, or other accounting roles.
- Agency heads, executives, or administrators.

Remember partial-year salary limits when submitting final wages

Senate Bill 1049 (SB 1049) sets new [limits on the subject salary](#) that PERS uses to calculate an employee's PERS benefits for years 2020 and beyond. Employees who earn more than the limit (including the partial-year salary limits) must have their subject salary adjusted before their account is closed. Adjusting their subject salary after closing their

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Stay up to date!

COVID-19

- [PERS Updates on novel coronavirus \(COVID-19\)](#)

Senate Bill 1049

- [Information for PERS Employers](#)
- [Information for Members](#)
- [SB 1049 GovDelivery emails signup](#)

Employer Rate Relief Programs

- [Employer Rate Relief Programs webpage](#)

Other topics

- [Choose what GovDelivery emails you'd like to receive](#)

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account is a complicated process that may involve the employee paying back some of their benefits.

Remember that an employee who is working for **less than 12 months** in a calendar year could be impacted by the **partial year** limit, which, for 2020, is an average of \$16,250 a month (see the exact limits below). Note that for Tier One/Tier Two members, eligible lump-sum payments **are included** in these amounts.

What you need to do

When an employee with a high salary or anticipated large lump-sum payout notifies you that they plan to retire or leave, please carefully review their reported subject salary. Any subject salary over the partial-year limits will need to be reported as non-subject salary. If you need assistance, please contact your [PERS employer representative](#).

Partial-year salary limits

Note that these limits do not impact an employee's actual salary; they only affect the amount of their subject salary that PERS uses to calculate their IAP contributions and formula-based pension calculations.

Months of "active membership"	1 month	2 months	3 months	4 months	5 months	6 months
Months worked ÷ 12	0.083333	0.166667	0.250000	0.333333	0.416667	0.500000
2020 partial-year limit	\$16,249.94	\$32,500.07	\$48,750.00	\$64,999.94	\$81,250.07	\$97,500.00

Months of "active membership"	7 months	8 months	9 months	10 months	11 months	Full year
Months worked ÷ 12	0.583333	0.666667	0.750000	0.833333	0.916667	1.000000
2020 partial-year limit	\$113,749.94	\$130,000.07	\$146,250.00	\$162,499.94	\$178,750.07	\$195,000.00*

See the [Partial Year Salary Limits: Information for Employer Reporters](#) webpage for full information.

**The limit is indexed annually to the Consumer Price Index (CPI; All Urban Consumers, West Region).*

For your employees: To help your employees understand how salary limits may affect them, direct them to the PERS member [SB 1049 Changes: Salary Limit](#) webpage. The page includes illustrative examples to help members understand how they may or may not be affected by the changes in SB 1049. Note that the limit affects a small number of PERS members and that the general examples may not reflect each member's unique situation.

Guidelines for helping retirees work without impacting their Social Security and PERS retirement benefits

Please share this information with any retiree you have hired to work after retirement. PERS does not have information on whether your employees are receiving Social Security benefits.

Social Security limitations

The Social Security Administration limits the amount of money a retiree collecting Social Security (SS) benefits can earn through work and still receive their full SS benefit, if they have not reached full retirement age (FRA). If they earn too much, their SS may be reduced.

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The specific income limit depends on whether a retiree has reached FRA, not how long they've been collecting Social Security. Once a person reaches FRA, there is no income limit.

- [Social Security full retirement age calculator](#).
- [Social Security income limits](#).

There is a special rule that applies to people who retire midyear and have already earned more than their yearly earnings limit. To learn more, go to the Social Security [Special Earnings Limit Rule](#) webpage.

PERS limitations

The SS annual income limit combines with a statutory provision under Oregon law. This combination can limit the number of hours a PERS retiree who is receiving SS benefits can work while receiving PERS benefits. Under SB 1049, most PERS retirees may work unlimited hours; however, **if they are receiving SS, they may need to limit their hours to stay within the income allowed under the SS income limits.**

It is each member's responsibility to ensure they work under the [SS income limits](#).

Reminder: PERS early retirees who have not had a six-month break in service may not work unlimited hours:

- Tier One/Tier Two early retirees without a six-month break in service have a PERS limit of working up to 1,039.99 hours in a calendar year.
- OPSRP early retirees without a six-month break in service may only work up to 599.99 hours in a calendar year.

For more information, see the [Social Security](#) webpage and the [PERS Work After Retirement](#) webpage for members.

FAQs about 2019 Member Annual Statements

Calendar year 2019 Member Annual Statements are arriving in members' mailboxes later this month. In case your employees come to you with questions about their statements, here are answers to our most frequently asked questions.

Q: Why does PERS not send Member Annual Statements until May?

A: PERS cannot finalize 2019 statements until after the PERS Board adopts [annual earnings crediting](#), which occurred at the March 30, 2020, meeting. This sets the rates for earnings credited to member accounts as of December 31, 2019.

PERS also works with you — our employers — to ensure that member IAP contributions are accurate and complete before allocating earnings on a year-end balance basis. This protects members from being adversely affected by posting delays or corrections.

Q: Where can I point my employees to for more information about Member Annual Statements?

A: On our [Member Annual Statement FAQs](#) webpage, your employees can find statement-specific questions and answers plus a few interactive examples. The interactive examples allow a member to hover over specific sections of example statements to see how to interpret each section.

Most nonretired members will receive a Member Annual Statement that provides information about the two parts of their retirement: their **pension** and their **Individual Account Program (IAP)**.

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However, because of differences in Tier One, Tier Two, and OPSRP, including what account(s) certain members have, the type of information included on each statement varies.

Q: What do I do if my employee says there is something wrong on their Member Annual Statement?

A: If they notice incorrect demographic information on their statement, like their name, address, or birthdate, they should point this out to their HR or benefits department (whichever reports information to PERS). If they have questions about their PERS accounts or retirement benefits, have them [call](#) or [email](#) PERS Member Services.

Q: Why didn't my employee get a Member Annual Statement?

A: Statements are mailed out in groups, so some arrive sooner than others. If an employee does not receive their statement by June 1, 2020, they should contact PERS Member Services at PERS.Member.Services@pers.state.or.us.

Q: How can my employees tell from their statement how much of a pension benefit they might get when they retire?

A: To get an estimate at any time, members can use the benefit estimator tool available in their [Online Member Services](#) (OMS) account.

When members are within 24 months of retirement, they can ask PERS for a written pension benefit estimate. Members can find estimate request forms for [Tier One/Tier Two](#) and [OPSRP](#) online.

Q: I have Tier One/Tier Two employees who want to know what "Your Tier Balance" means on their statements. Is that all they have saved up for the pension portion of their retirement?

A: Not exactly. This figure does **not** indicate how much money they will receive when they retire. The "Tier balance" is the value of member contributions (before 2004) plus investment returns in the member's individual account. Remember that contributions into Tier One/Tier Two member accounts stopped in 2004.

Since 2004, the 6% that used to be contributed to Tier One/Tier Two member accounts (whether paid by the member or employer) began going into each member's IAP. The IAP is a separate pot of money that members receive when they retire that is in addition to their monthly pension.

It is important to make sure all PERS employees understand how their pension will be calculated. For most PERS members, PERS calculates a Tier One or Tier Two monthly pension mainly based on years of service, final average salary, and if they are General Service or Police & Fire.

If your employees are confused by this number or have concerns about it, they can contact PERS [Member Services](#).

Q: How can I help my employees understand what's changing this year with their IAP?

A: Instruct your employees to read the insert included with their Member Annual Statement for information about two upcoming changes to the IAP brought about by SB 1049.

1. Starting July 1, 2020, a portion of **currently employed** members' 6% IAP contributions (whether paid by the member or employer) will be redirected to a new Employee Pension Stability Account (EPSA) to help pay for member pensions.

PERS recently created animated videos to explain this year's SB 1049-related changes as well as the parts that comprise PERS retirement benefits (pension and IAP). You can forward the following links to your employees:

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- [Currently employed Tier One/Tier Two members](#) (hired before August 29, 2003)
 - [Currently employed OPSRP members](#) (hired after August 28, 2003)
2. In September 2020, your employees will, for the first time, have the option to elect an [IAP Target-Date Fund](#) that better reflects their personal risk tolerance and retirement savings goals, rather than the age-based default. More details and information on how members can change their target-date fund for calendar year 2021 will be added to the PERS website in August 2020.

EDX tip of the month

Reporting terminations

When an employee leaves or is let go, report the termination of employment to PERS within 31 calendar days.

Instructions

1. In EDX, create a demographic (DTL1) record.
2. Select status code: 02 - Terminated.
3. Enter the status date: the day when the employer/employee relationship ended.
4. Enter the last day service: the last day the person worked for you. It can be earlier than or the same as their termination date, but cannot be after their termination date.
5. Enter any unused sick-leave hours; type 0 if employee does not participate in the sick leave program.
6. Click Save.

Note about termination date

Local government employers only: When reporting a termination, you cannot enter a termination date that falls within a work period for which the employee has already been paid. Their last day has to be in a work period that has not been posted yet.

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The screenshot shows the 'Detail 1 - Member Demographics' form in the EDX system. A red box highlights the 'Status Code' dropdown (set to '02 - Terminated'), 'Status Date' (06/30/2017), and 'Last Day Service' (06/15/2017) fields. A red arrow points from the 'Last Day Service' field to a callout box that explains the 'Last Day Service' and 'Unused Sick Leave Hours' fields. Another red arrow points from the 'Status Code' field to a callout box explaining the 'Status Code' and 'Status Date' fields. The 'Unused Sick Leave Hours' field is also highlighted with a red box and set to '0'. The form includes fields for SSN, First Name (Frank), Last Name (Stein), Address (12345 SMITH ROAD), City (PORTLAND), State (OREGON), Zip (97123), and Country Code (USA). There are 'Save' and 'Cancel' buttons at the bottom.

Status Code: What's happening with this individual, with you the employer?

Status Date: What's the effective date of the status?

Last Day Service: Last physical date the employee was on the job.

The "Last Day Service" and "Unused Sick Leave Hours" fields are filled in only when reporting a termination.

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If you enter a status date or last service date that is earlier than the last-posted work-period end date, the termination record will not go through and you'll see an error message that says, "The member's reported Last Day Service must be less than or equal to the Termination and/or Deceased date." To fix this error:

1. Note the last-posted work-period end date on the employee's final wage record.
2. Ensure that you enter a status date that falls on or after the last-posted work-period end date.
3. Ensure that you enter a last day of service that falls on or after the last-posted work-period end date.

If you need to make a correction to the last-posted work-period end date, contact your [employer representative](#) for help making an adjustment to the posted wage record.