OREGON PERS

Reporting Wages for a **Non-Qualifying Employee**

Employer Reporting Guide

This guide explains how to report wages and hours for an individual employee in a non-qualifying position.

Employer Service Center

Contents

March 2024

Overview

To earn PERS benefits, an employee must work 600 hours or more in a calendar year. That makes the position “qualifying.” A position that requires fewer than 600 hours is called “non-qualifying.”

Even though non-qualifying positions don’t earn benefits, employers still report these employees’ hours and wages to PERS. This is important because if they reach 600 hours in a year, they will earn PERS benefits for that calendar year.

Hiring an employee into a non-qualifying position

When you hire a new employee, you designate their position as qualifying or non-qualifying based on whether the job will require more or fewer than 600 hours/calendar year. On the new-hire record for an employee who will work fewer than 600 hours/year, choose status code 15 – Non-Qualifying Hire.

Reporting wages for non-qualifying position

When completing a wage record for a non-qualifying position, use wage code 02 – Regular/Non-Qualifying. Enter their wages in the Subject Salary (Regular) field. No contributions are due, so you will not be charged pension contributions for this position. Also, do not include Individual Account Program (IAP) contributions on the wage record.

If non-qualifying position becomes qualifying

If an employee in a non-qualifying position ends up working 600 or more hours in a calendar year, submit a Demographic Correct Request (DCR) and ask PERS staff to change the employee’s position type to “active service” effective back to the hire date or beginning of the calendar year — whichever is later.

However, if the requirements of the job change and the job will now require 600 or more hours per year, do not submit a DCR. Instead, terminate the employee by submitting a Detail 1 with a termination status code. Then rehire them by submitting a Detail 1 record with a status code of 01 – Qualifying New Hire. Status date is the first day with the new responsibilities/required hours. Terminating the employee does not negatively affect their PERS account; it merely creates a new job segment in their work history.

Examples of positions that may be non-qualifying

- Substitute teachers.
- Paid volunteer fire fighters.
- Seasonal workers (e.g., wildland firefighters).
- Sports coaches.
- Employees hired to help with school performances.
- Afterschool care employees.

Partial year

A “partial year” is a calendar year when the employee does not work the entire year because they were hired or terminated partway through the year. To determine an employee’s qualification status for a partial year, read employer reporting quick reference “Determining Qualification for a Partial Year.”

Hiring an employee into a non-qualifying position

To hire a new employee into a position that will require fewer than 600 hours/year, follow the instructions in employer reporting guide 7, *Reporting a New Employee*. On the Detail 1 Member Demographics record, choose a status code of 15 – Non-Qualifying Hire.

If you are hiring a PERS retiree, use status code 11 – Retiree New Hire with Hr Limit. Learn more in employer reporting guide 8, *Hiring a PERS Retiree*.

Reporting wages for a non-qualifying employee

Reporting hours and wages for non-local government employer

Report wages using wage code 02 – Regular/Non-Qualifying. In this example, Jane Doe worked 32 hours in April and earned $400. This is how you would fill in her Detail 2 record.

Detail 2 record

SSN: Auto filled.

First Name: Auto filled.

Last Name: Auto filled.

Pay Date: Required field. The date actual payment was made. Must be in the format MM/DD/YYYY.

Work Period Begin Date: Used by local government employers only.

Work Period End Date: Used by local government employers only.

Hours Worked (Regular): Enter hours worked.

Hours Worked (Overtime): 0.

Reported Wage Code: Required field. 02 – Regular/Non-Qualifying.

Subject Salary, Regular: Enter earned salary.

Subject Salary, Overtime: 0.

Non-Subject Salary: Use for payments that are non-subject salary. To see what payments are non-subject salary, check the Payment Categories chart.

DETAIL 2 - WAGE AND SERVICE

SSN	*********
First Name	Jane
Last Name	Doe
Pay Date	05/01/2024 (MM/DD/YYYY)
Work Period Begin Date	(MM/DD/YYYY)
Work Period End Date	(MM/DD/YYYY)
Hours Worked (Regular)	32
Hours Worked (Overtime)	0
Reported Wage Code	02 - Regular/Non-Qualifying
Subject Salary (Regular)	400.00
Subject Salary (Overtime)	
Non-Subject Salary	

Continued

Lump-sum Payoff: For reporting a lump sum payment.

Lump-sum Vacation Payoff: For reporting vacation payoff.

Gross Salary: Gross salary equals the sum of subject salary, non-subject salary, lump-sum payoff, and lump-sum vacation payoff.

Member Paid After-Tax Contribution (MPAT): IAP contribution. Not used for non-qualifying.

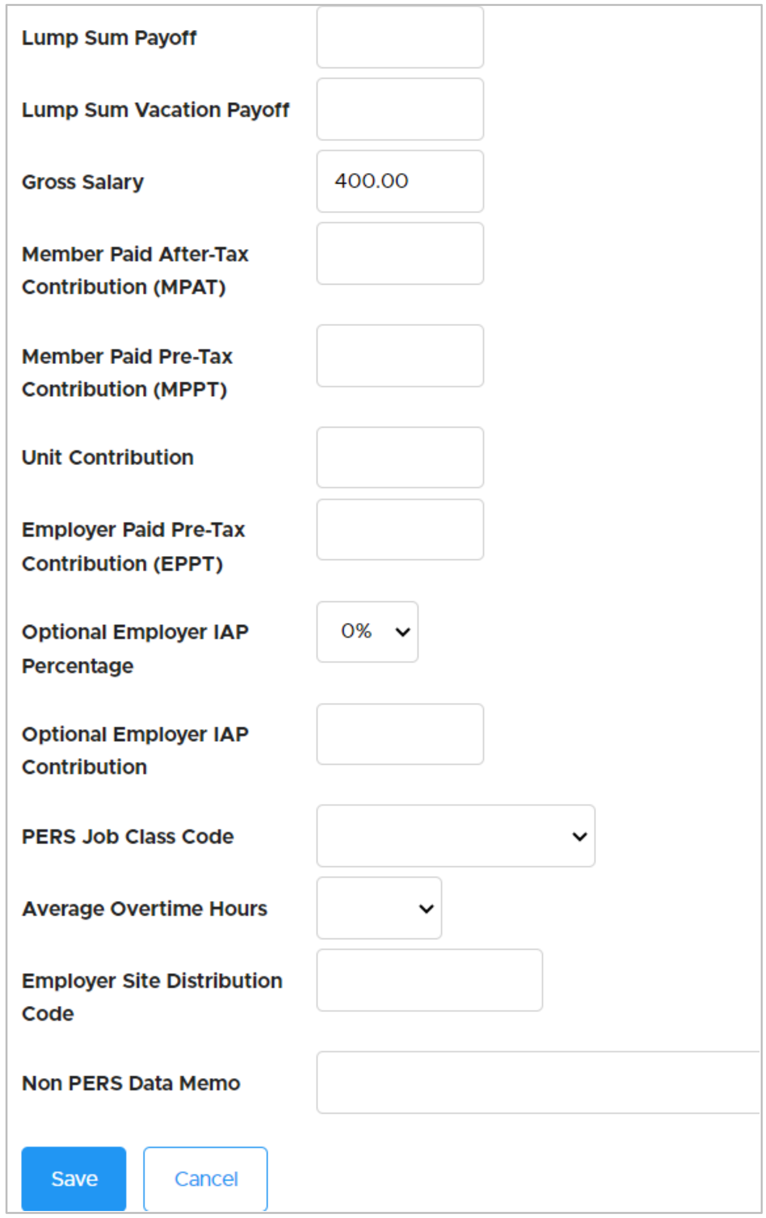
Member Paid Pre-Tax Contribution (MPPT): IAP contribution. Not used for non-qualifying.

Unit Contribution: Only for Tier One and Tier Two police and firefighters.

Employer Paid Pre-Tax Contribution (EPPT): IAP contribution. Not used for non-qualifying.

Optional Employer IAP Percentage: Only used for organizations who participate in optional IAP contributions. Contact your ESC rep with questions.

PERS Job Class Code: Choose the code for this job position. Most jobs fall into the General Service, Police and Fire, or School Employee job class. For a full list, see employer quick-reference guide "EDX Job Class Codes."



Average Overtime Hours: For instructions on choosing a number for this field, read employer reporting guide 18, *Reporting or Changing "Average Overtime."*

Employer Site Distribution Code: Leave blank.

Non PERS Data Memo: Leave blank.

Reporting hours and wages for local government employer

When reporting wages for an employee of a local government, you must include work period dates, and report the hours worked and wages earned during that work period. To learn why local governments use work periods, read "Why Do Only Local-Government Employers List Work-Period Dates?"

In this example, Jane worked 80 hours and earned $3,600 in a two-week work period.

SSN and name: Auto filled.

Pay date: Date on their paycheck.

Work Period Begin Date: First day of the two-week work period.

Work Period End Date: Last day of the two-week work period.

Hours Worked (Regular): Includes regular hours plus any paid leave, including vacation or sick leave, an employee used in that reporting period.

Hours Worked (Overtime): 0.

Reported Wage Code: 02 – Regular/Non-Qualifying.

Subject Salary (Regular): Enter regular wages.

Subject Salary (Overtime): 0.

Non-Subject Salary: Use for payments that are non-subject salary. To see what payments are non-subject salary, check the Payment Categories chart.

Gross Salary: Total salary for that pay period.

Continued

DETAIL 2 - WAGE AND SERVICE

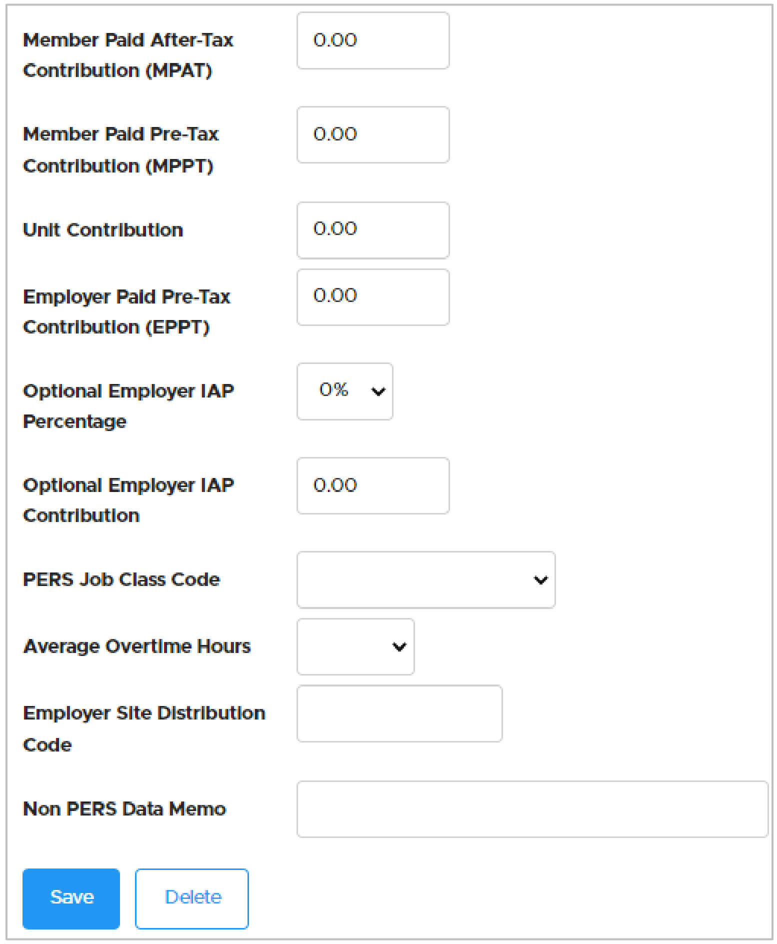
SSN	*********
First Name	JANE
Last Name	DOE
Pay Date	12/20/2023 (MM/DD/YYYY)
Work Period Begin Date	12/01/2023 (MM/DD/YYYY)
Work Period End Date	12/15/2023 (MM/DD/YYYY)
Hours Worked (Regular)	80
Hours Worked (Overtime)	
Reported Wage Code	02 - Regular/Non-Qualifying
Subject Salary (Regular)	3600.00
Subject Salary (Overtime)	
Non-Subject Salary	
Lump Sum Payoff	
Lump Sum Vacation Payoff	
Gross Salary	3600.00

Leave the **MPAT**, **MPPT**, and **EPPT** fields blank. Non-qualifying employees do not contribute to the IAP.

Leave the **remaining fields** blank. You already reported job class and average overtime hours when you hired the employee. If this information needs to change, submit a DCR and request the change.

The final two fields don’t need to be filled out.

Click **Save**.



Submitting the report to PERS

To submit your report to PERS, you need to “release” it.

Releasing a report lets EDX know the report is ready for evaluation in the nightly batch validation process. When PERS runs the overnight validation process, the released report’s error-free records post to the individual employee accounts and create an invoice on the employer statement.

Release a report as explained below **only** if you are certain that you do not want to add any more records to the report. If you release a report, you can still *un-release* it before the nightly batch process.

1. Navigate to the **Work on Wage and Contribution Reports** screen.
2. Select the report you want to release for EDX batch validation by clicking on the Release link.

UNPOSTED REGULAR REPORTS

Status	Date Submitted	Report Date	Delete	Edit	Release / Un-Release	Reject/Edit Report	View Details	View Totals
Suspended	06/30/2023	06/30/2023	delete	edit	n/a	View Report	View Details	View Totals
Suspended	05/31/2023	05/31/2023	delete	edit	n/a	View Report	View Details	View Totals
Added	07/21/2023	07/31/2023	delete	edit	Release	View Report	View Details	View Totals

Note: Suspended reports show a Release/Un-Release status of “n/a.” To correct and resubmit a suspended report, click edit in the Edit column for that report. On the next screen, select a suspended record. Correct any errors in the record (identified by an error message at the top of the report) and click **Save**. If you correct any suspended records in a report, the report will run through the validation process again. If all the errors are corrected, the report will post.

3. After you click release, a Confirmation screen appears. Select Click here to return to the Work on Wage and Contribution Reports screen.

CONFIRMATION

Information

The report has been released for tonight's processing.

Click here to go to the previous page.

Changing from non-qualifying to qualifying status

If an employee in a non-qualifying position works up to or over 600 hours in a calendar year, they become eligible to earn PERS benefits for that year. Their position type in the PERS system needs to change and their wages need to be reported as qualifying.

This section does not apply to working retirees; it only applies to active or prospective PERS members.

How to find out if qualification status has changed

There are three ways you can find out if an employee in a non-qualifying position has reached 600 hours in a year and, thus, qualified for benefits.

Run an Eligibility Report

The Eligibility Report shows you if a non-qualifying employee qualifies for benefits based on combined hours worked for more than one PERS-covered employer. To run the report, choose the Eligibility Reports function in EDX and select:

Members Approaching Qualifying Hours report.

This report lists members who:

- Have 550 or more posted hours with all their employers in the specified year.
- Have two or more non-qualifying wage records posted in the specified year.
- Are not retired in the specified year.

For more information, read employer reporting guide 24, *Running Reports*, "Eligibility Report" section.

Run a Year-to-Date Wage and Contribution Summary Report

The Year-to-Date Wage and Contribution Summary Report shows wage and contribution data for all your employees for a particular year. It enables you to see hours and wages your employee has earned with other employers.

For instructions, read employer reporting guide 24, *Running Reports*, "Year-to-Date Wage and Contribution Summary Report" section.

Receive an error in EDX

If an employee reaches 600 hours without your knowledge and you continue to report wages as non-qualifying, EDX will give you an error message.

S – Employee has 600 or more hours of service reported in the plan year; wage code '02 – Regular/Non-Qualifying' may not be used.

EDX does not warn you if a qualifying employee won't reach 600 hours in the calendar year, however. To find this out, you need to run an Eligibility Report.

When an employee reaches 600 hours working for one employer

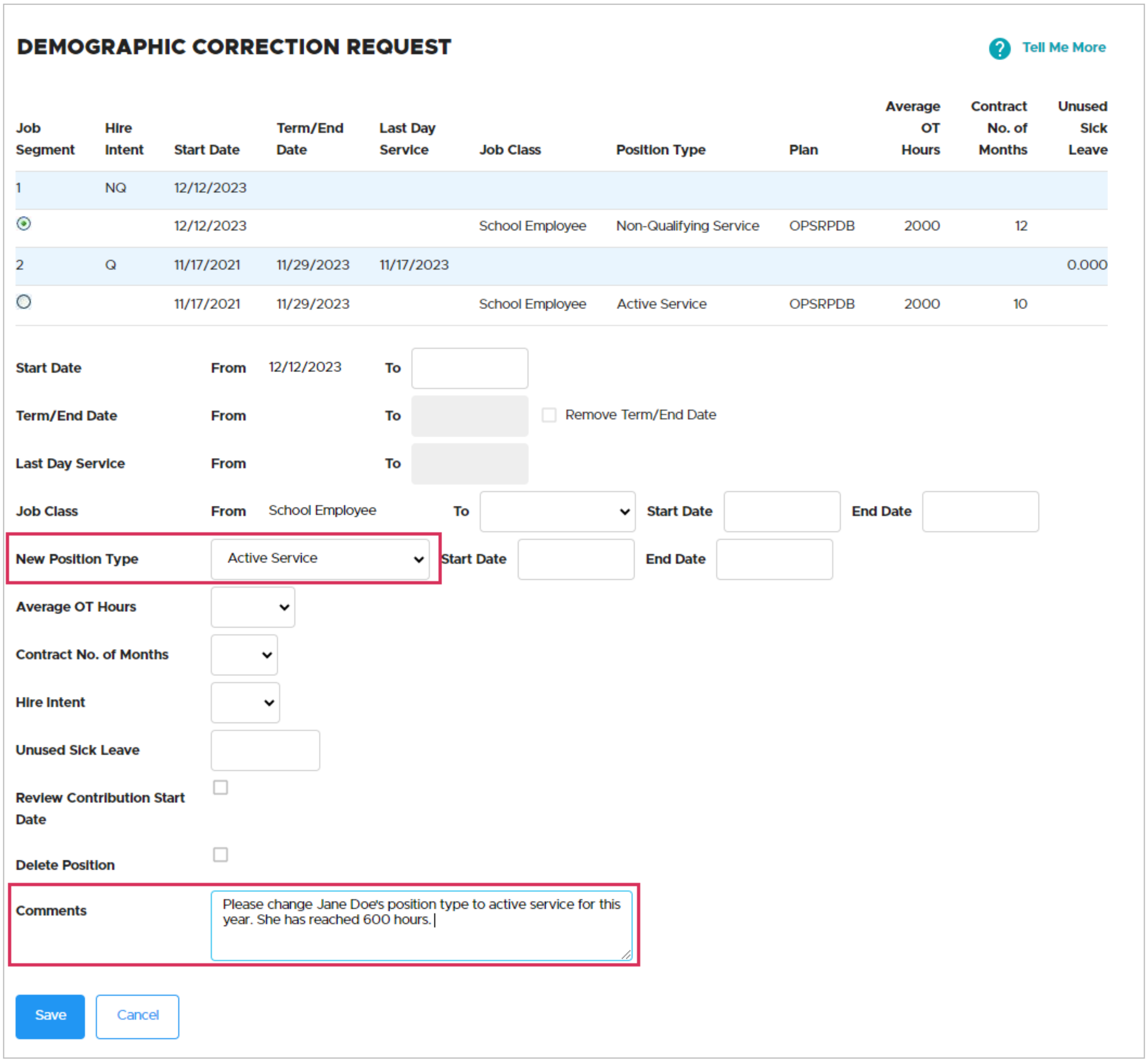
When a non-qualifying employee ends up working more hours than originally planned and reaches 600 hours, their position type for that year needs to be changed to "active service" (aka qualifying). The change is effective back to their hire date or the beginning of the year, whichever is later.

Because the change is retroactive, only PERS make it. Do the following:

1. Submit a DCR requesting to have the employee's position type changed from non-qualifying to active service for that calendar year (see image on the next page).
2. Once the status is changed, begin reporting the employee's wages as 01 – Regular Wages instead of 02 – Regular/Non-Qualifying. Include IAP contributions of 6% of subject salary on the wage record after membership is met (see note about wait time below).

Your organization will be charged for pension contributions on the employee's wages calculated back to the effective date. The charge will appear on your organization's next statement, in addition to charges for the employee's IAP contributions. For more information about charges on your statement, read employer reporting guide 26, *Understanding Your Statement*.

Note about wait time: Employees who are not yet PERS members need to work in a qualifying position for six months with one employer and no breaks greater than 30 working days before they begin earning benefits. When you submit a DCR asking PERS to change your employee's status to active service, we will determine when the employee did or will achieve six months of qualifying work and set their contribution start date.



DEMOGRAPHIC CORRECTION REQUEST

Tell Me More

Job Segment	Hire Intent	Start Date	Term/End Date	Last Day Service	Job Class	Position Type	Plan	Average OT Hours	Contract No. of Months	Unused Sick Leave
1	NQ	12/12/2023								
		12/12/2023			School Employee	Non-Qualifying Service	OPSRPDB	2000	12	
2	Q	11/17/2021	11/29/2023	11/17/2023						0.000
		11/17/2021	11/29/2023		School Employee	Active Service	OPSRPDB	2000	10	

Start Date From 12/12/2023 To

Term/End Date From To Remove Term/End Date

Last Day Service From To

Job Class From School Employee To Start Date End Date

New Position Type Active Service Start Date End Date

Average OT Hours

Contract No. of Months

Hire Intent

Unused Sick Leave

Review Contribution Start Date

Delete Position

Comments: Please change Jane Doe's position type to active service for this year. She has reached 600 hours.

Save Cancel

When an employee reaches 600 hours working for multiple employers

An employee in a non-qualifying position who works more than one part-time job will become qualifying if they work 600 or more hours for all their jobs combined. If this happens, every one of the employee's employers must do the following:

1. Submit a DCR requesting to have the employee's position type changed from non-qualifying to active service (see example of a DCR on the previous page).
2. Once the position type is changed, begin reporting the employee's wages as 01 – Regular Wages instead of 02 – Regular/Non-Qualifying.

All the employee's employers will be charged for pension contributions on the employee's wages calculated back to the effective date. The charge will appear on your organization's next statement, in addition to charges for the employee's IAP contributions.

Note about wait time: Employees who are not yet PERS members need to work in a qualifying position for six months before they begin earning benefits. When you submit a DCR asking PERS to change your employee's position type to active service, we will determine when the employee did or will achieve six months of qualifying work and set their contribution start date.

When a non-qualifying position changes to qualifying going forward

If a non-qualifying employee's job requirements change and the job will now require more than 600 hours/calendar year, you need to terminate the employee and rehire them with a qualifying hire intent. This does not negatively affect the employee's PERS account; it merely creates a new job segment in their work history.

Submit a Detail 1 Member Demographics record that includes the following information:

Status Code: 02 – Terminated.

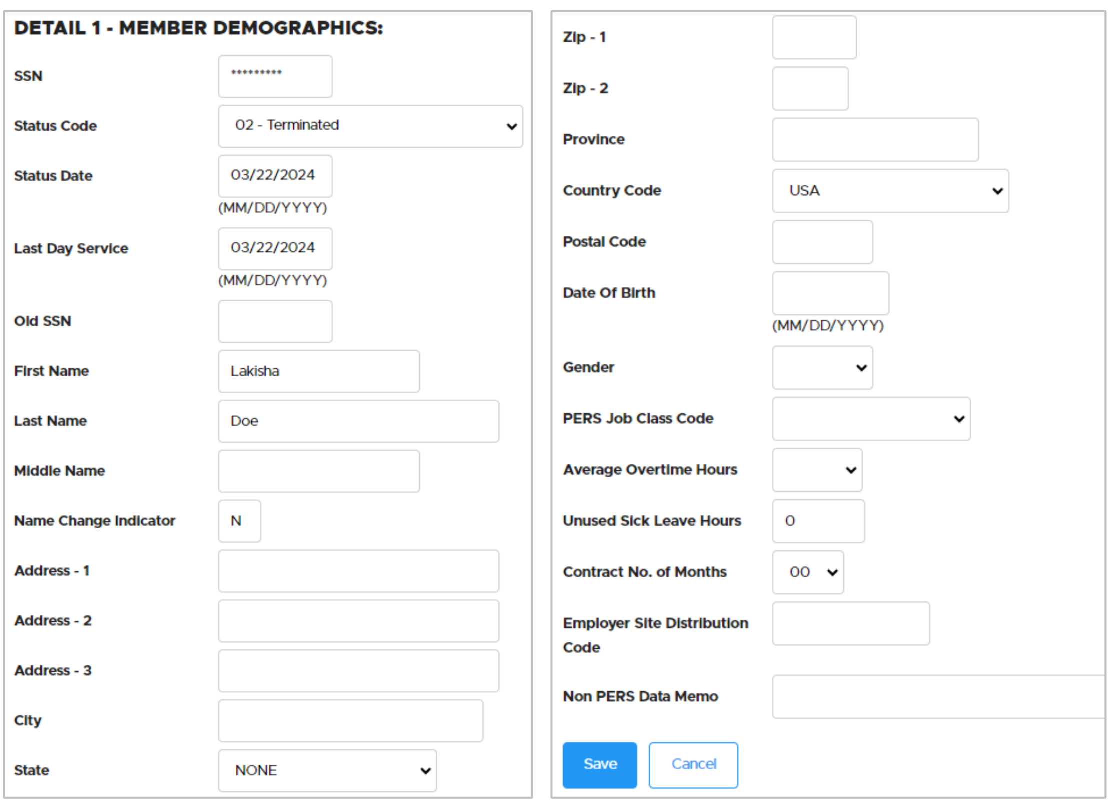
Status Date: The last day in the non-qualifying position.

Last Day Service: The last date the employee worked or was on paid leave before the job requirements changed.

Unused Sick Leave Hours: This is a required field, even though it only affects Tier One and Tier Two members who work for an organization that participates in the Unused Sick Leave Program.

- If your organization does not participate in the Unused Sick Leave program, enter 0.
- For OPSRP members, enter their unused sick leave hours or zero.
- For Tier One and Tier Two members, calculate their unused sick leave as explained in employer reporting guide 17, *Calculating Unused Sick Leave Hours at Termination or Retirement*.

Note about wait time: Employees who are not yet PERS members need to work in a qualifying position for six months before they begin earning benefits. When you submit a DCR asking PERS to change your employee's status to active service, we will determine if the employee already has six months of wait time completed.

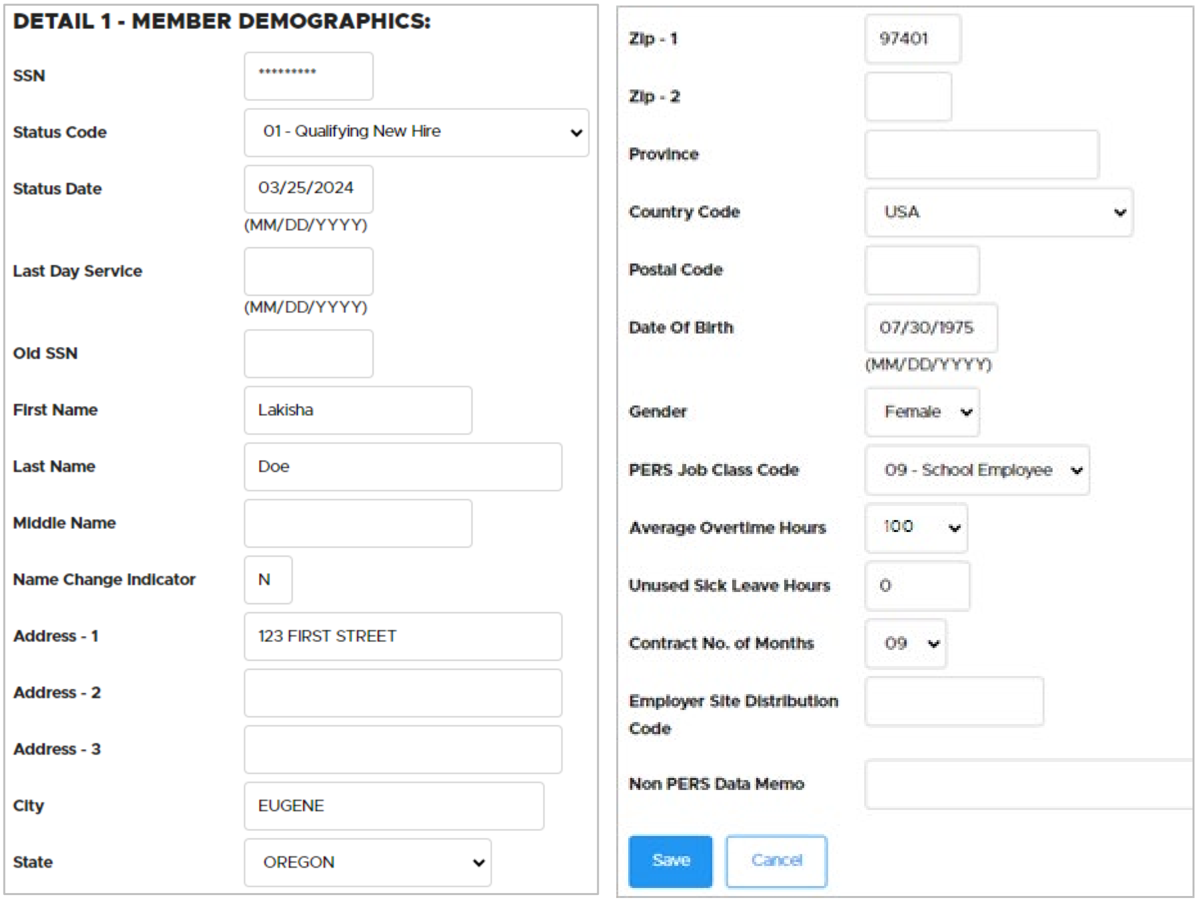


DETAIL 1 - MEMBER DEMOGRAPHICS:

SSN	*********
Status Code	02 - Terminated
Status Date	03/22/2024 (MM/DD/YYYY)
Last Day Service	03/22/2024 (MM/DD/YYYY)
Old SSN	
First Name	Lakisha
Last Name	Doe
Middle Name	
Name Change Indicator	N
Address - 1	
Address - 2	
Address - 3	
City	
State	NONE
Zip - 1	
Zip - 2	
Province	
Country Code	USA
Postal Code	
Date Of Birth	(MM/DD/YYYY)
Gender	
PERS Job Class Code	
Average Overtime Hours	
Unused Sick Leave Hours	0
Contract No. of Months	00
Employer Site Distribution Code	
Non PERS Data Memo	

Save Cancel

When that report posts, submit another Detail 1 record to “hire” the employee into a qualifying position.



DETAIL 1 - MEMBER DEMOGRAPHICS:

SSN	*********
Status Code	01 - Qualifying New Hire
Status Date	03/25/2024 (MM/DD/YYYY)
Last Day Service	(MM/DD/YYYY)
Old SSN	
First Name	Lakisha
Last Name	Doe
Middle Name	
Name Change Indicator	N
Address - 1	123 FIRST STREET
Address - 2	
Address - 3	
City	EUGENE
State	OREGON
Zip - 1	97401
Zip - 2	
Province	
Country Code	USA
Postal Code	
Date Of Birth	07/30/1975 (MM/DD/YYYY)
Gender	Female
PERS Job Class Code	09 - School Employee
Average Overtime Hours	100
Unused Sick Leave Hours	0
Contract No. of Months	09
Employer Site Distribution Code	
Non PERS Data Memo	

Save Cancel

Reporting wages for employees on Work Share program

If a non-qualifying employee is working part time and receiving benefits from the Work Share program, include their Work Share wages when reporting their salary to PERS. Normally, wages paid by a third party are not reported to PERS, but Work Share wages are an exception.

Learn about the Oregon Employment Department's Work Share program.

Reporting a leave without pay

If a part-time employee takes a leave without pay (i.e., during which they receive no pay from the employer) of 11 or more business days in a month, then report that employee as on a leave of absence status to PERS. Submit a Detail 1 record with the appropriate status code for the type of leave they are taking.

Learn more about leave without pay in employer reporting guide 11, *Reporting a Leave*.

Paid Leave Oregon leave

Whether or not you report your employee's Paid Leave Oregon payments to PERS depends on the source of the payments.

If your organization runs its own Paid Leave Oregon program and the payments come directly from the employer, then do report the payments to PERS and do not report your employee as on leave.

If the payments come from a state-run or third party–run program, then do not report the payments and do report your employee as on leave.

For complete instructions, read employer reporting guide 13, *Family Leave*, "Paid Leave Oregon" section.

Detail 2 fields

The following table provides a description of each field on a Detail 2 Wage and Service record.

Field name	Description
SSN	Employee's Social Security number. In cases where a change in SSN is being reported, use this field for the new SSN.
First Name	Employee's first name. Use full legal name. Enter in all caps.
Last Name	Employee's last name. Use full legal name. Enter in all caps.
Pay Date	Date the employer paid the employee. The date typed in the Pay Date field cannot be earlier than the date typed in the Work Period Begin Date field. Must be in the format MM/DD/YYYY.
Work Period Begin Date	Work Period Begin Date and Work Period End Date fields are used by local government employers to allocate wages to the periods in which they were earned. A work period must begin and end in the same month. If a period crosses into next month, you must create two records for that period. The date typed in the Work Period Begin Date field cannot precede the employee's start date for the current job segment.
Work Period End Date	This field must contain a date if the employer reports for a local government organization. The date cannot be later than a date previously reported in the Last Date Worked field.
Hours Worked (Regular)	Total hours the employee worked that are considered regular salary. Use a decimal to report partial hours.
Hours Worked (Overtime)	Total overtime hours an employee worked. Use a decimal to report partial hours.
Reported Wage Code	This code tells EDX how to treat the reported wage and contribution amounts. Typically, this is 01 – Regular Wages. Other codes identify retroactive payments, adjustments, retiree wages, and other special situations. For a complete list, see quick reference guide "Wage Codes."
Subject Salary, Regular	Salary, excluding overtime pay and amounts expressly considered non-subject to PERS contributions, paid to the employee on the given pay date. The Payment Categories chart lists example payment types and identifies their treatment.
Subject Salary, Overtime	Salary, excluding regular pay and amounts expressly considered non-subject to PERS contributions, paid to the employee on the given pay date for overtime hours.

Continued

Field name	Description
Non-Subject Salary	Salary excluded from PERS and OPSRP contributions, such as a check issued for expense reimbursement. The Payment Categories chart lists example payment types and identifies their treatment.
Lump-sum Payoff	Lump-sum payments made to the employee for various reasons such as accrued compensatory time, severance pay for involuntary termination (except retirement severance), or bonuses (except retirement bonus). The Payment Categories chart provides a more complete list of lump-sum payment types and how to report them.
Lump-sum Vacation Payoff	Lump-sum vacation payoff payments are made to the employee for accrued vacation only. No other amounts should be reported in this field. The Payment Categories chart lists example payment types and identifies their treatment.
Gross Salary	Gross salary paid on the given pay date. This field must equal the sum of the values typed in: Subject Salary, Regular, Subject Salary, Overtime, Non-Subject Salary, Lump-sum Payoff, and Lump-sum Vacation Payoff.
Member Paid After-Tax Contribution (MPAT)*	IAP contributions paid by the employee, which, if entered, must equal 6% of total subject salaries. Type the member IAP contribution in this field if it is deducted from the employee's pay on an after-tax basis.
Member Paid Pre-Tax Contribution (MPPT)*	IAP contributions paid by the employee, which, if entered, must equal 6% of total reported subject salaries. Type the member IAP contribution in this field if it is deducted from the employee's pay on a pre-tax basis.
Unit Contribution	Voluntary member contributions made by PERS (i.e., Tier One/Tier Two) police- or firefighter-class employees who submit a unit election under ORS 238.440. Not offered to OPSRP plan members.
Employer Paid Pre-Tax Contribution (EPPT)*	IAP contributions paid by employers, which, if entered, must equal 6% of subject salaries.
Optional Employer IAP Percentage	Oregon Revised Statute (ORS) 238A.340 allows participating employers to contribute an additional 1% to 6% percent of an employee's salary to an employer account within the IAP for some or all its employees. This optional contribution is provided by employer agreement, which may be by policy or collective bargaining. An employer must submit a written agreement or employment policy to PERS before optional matching IAP contributions can be made. The contribution cannot be less than 1% or more than 6% of the total subject salary.

Continued

*Only one type of IAP contribution (i.e., MPAT, MPPT, or EPPT) can be reported per record. If an employee receives more than one type of IAP contribution, you must create two records — one for each type of contribution.

Field name	Description
Optional Employer IAP Contribution	Dollar amount of contributions represented by the percentage selected in the previous field.
PERS Job Class Code	Leave this field blank. You already reported job class when you hired the employee. If this information needs to change, submit a DCR and request the change.
Average Overtime Hours	Leave this field blank. You already reported average overtime when you hired the employee. If this information needs to change, submit a DCR and request the change.
Employer Site Distribution Code	Optional field (up to 15 characters in length) you can use to sort employee information by division or geographic location. For example: For a large employer with employees at five different work sites, use an employer site distribution code of "A" for the employees at site A, "B" for the employees at site B, and so on).
Non PERS Data Memo	Field you can use to make notes about the record.