



Employer Announcement #97
Member and Employer Account Contribution Requirements effective
January 1, 2016.

House Bill 3495 was introduced and passed during the 2015 legislative session. The bill changes when member and employer contributions are first due for new employees who establish OPSRP membership on or after January 1, 2016, aligning OPSRP rules with PERS Chapter 238 Pension Program (Tier One/Tier Two rules).

Prior to House Bill 3495, OPSRP Pension Program and OPSRP IAP contributions first became due for wages paid any pay date on or after membership was established, regardless when the wages were earned. This requirement differed from the PERS Chapter 238 Pension Program requirement for contributions to begin with wages earned during the first full pay period after membership was established, regardless of when the wages were paid. Differences between OPSRP and PERS Chapter 238 contribution requirements led to misunderstanding and inconsistent reporting of contributions.

HB 3495 eliminates contribution requirement inconsistencies between PERS Chapter 238 Pension Program (Tier One/Tier Two) and OPSRP Pension Program effective January 1, 2016. Contributions for employees establishing OPSRP Pension Program membership on or after January 1, 2016 will begin with wages earned for services performed by the employee during the first full pay period following the six month wait time (ORS 238A.100 and 238A.330). No contributions should be reported for any pay date which includes waiting time service and salary.

Wage Reporting Through December 31, 2015

Employers continue reporting new OPSRP member wages and contributions using the existing standard: contributions are due for the first pay date on or after a member's contribution start date, as outlined in Employer Announcement #91.

Wage Reporting On or After January 1, 2016

Employers begin reporting contributions for wages for service performed during the first full pay period following the date OPSRP Pension Program membership is established.

Reporting by a Local Government employer

Local Government employers should resume the use of Work Period Begin/End Dates for all pay periods with pay dates on or after January 1, 2016.

If a pay period crosses the month boundary that includes waiting time and active service, the report for that pay period must be split and two DTL2 records with Work Period Begin/End Dates must be used to report wages for the pay period.

1. Report wages for waiting time as subject salary with no contributions.
2. Report wages for the active service during this pay period as “non-subject” salary.

Example #1

Local Government Bi-Weekly Reporting Schedule					
Member's Contribution Start Date 4/1/2016					
Pay Date	WPBD	WPED	Subject Salary	Contributions	Non-Subject Salary
3/24/2016	3/3/2016	3/16/2016	3500.00	0.00	0.00
4/7/2016	3/17/2016	3/30/2016	3500.00	0.00	0.00
4/21/2016	3/31/2016	3/31/2016	500.00	0.00	0.00
4/21/2016	4/1/2016	4/13/2016	0.00	0.00	3000.00
5/5/2016	4/14/2016	4/27/2016	3500.00	210.00	0.00
Bi-weekly schedule: Pay dates in April <u>are not</u> subject to contributions based on HB3495 because the payments include wages earned before OPSRP membership was established.					
Note: The 4/21/16 pay date includes wages earned before and after the member’s April 1 membership start date. Therefore, 5/5/2016 is the first payment that requires contributions because it is the first full pay period made for wages attributable to services performed by an OPSRP member.					

Example #2

Local Government Semi-Monthly Reporting Schedule					
Member's Contribution Start Date 4/1/2016					
Pay Date	WPBD	WPED	Subject Salary	Contributions	Non-Subject Salary
3/31/2016	3/13/2016	3/26/2016	3500.00	0.00	0.00
4/15/2016	3/27/2016	3/31/2016	1000.00	0.00	0.00
4/15/2016	4/1/2016	4/9/2016	0.00	0.00	2500.00
4/30/2016	4/10/2016	4/23/2016	3500.00	210.00	0.00
Semi-monthly schedule: Pay dates in April <u>are not</u> subject to contributions based on HB3495 because the payments include wages earned before OPSRP membership was established.					
Note: 4/15/16 pay date includes wages earned before and after the member’s April 1 membership start date. Therefore, 4/30/2016 is the first payment that requires contributions because it is the first full pay period made for wages attributable to services performed by an OPSRP member.					

Reporting by a Non-Local Government employer

Non-Local Government employers should NEVER use Work Period Begin/End Dates on DTL2 records when reporting wages, hours, and contributions. Employers should report salary as “non-subject” without contributions for any pay date which includes wages for hours worked during the employee’s six month wait time. Starting with the first full pay following the six-month wait time wages should be entered as subject salary and contributions should be included on DTL2 records.

Example #1

Non-Local Government Monthly Reporting Schedule				
Member's Contribution Start Date 4/1/2016				
Pay Date	Pay Period	Subject Salary	Contributions	Non-Subject Salary
3/1/2106	2/1/2016-2/29/2016	3500.00	0.00	0.00
4/1/2016	3/1/2016-3/31/2016	0.00	0.00	3500.00
5/1/2016	4/1/2016-4/30/2016	3,500.00	210.00	0.00
Monthly schedule: The pay date on 4/1/2016 is not for the first full pay period following the six month wait time; these wages <u>are not</u> subject to contributions based on HB3495.				
Note: The 4/1/16 pay date is for hours worked in March. The wages paid on 4/1/16 are not for services performed during the first full pay period following the six-month wait time ending 3/31/16.				

Example #2

Non-Local Government Monthly Reporting Schedule				
Member's Contribution Start Date 4/1/2016				
Pay Date	Pay Period	Subject Salary	Contributions	Non-Subject Salary
3/31/2016	2/16/2016-3/15/2016	2000.00	0.00	0.00
4/30/2016	3/16/2016-4/15/2016	0.00	0.00	2000.00
5/31/2016	4/16/2016-5/15/2016	2000.00	120.00	0.00
Monthly schedule: The 4/30/2016 pay date is not for the first full pay period following the six month wait time; these wages are not subject to contributions based on HB3495.				
Note: The 4/30/16 pay date is for hours worked in March. The wages paid on 4/30/16 are not for services performed during the first full pay period following the six-month wait time ending 3/31/16.				

Example #3

Non-Local Government Semi-Monthly Reporting Schedule				
Member's Contribution Start Date 4/1/2016				
Pay Date	Pay Period	Subject Salary	Contributions	Non-Subject Salary
3/15/2016	2/15/2016-2/29/2016	2000.00	0.00	0.00
3/31/2016	3/1/2016-3/14/2016	2000.00	0.00	0.00
4/15/2016	3/15/2016-3/31/2016	0.00	0.00	2000.00
4/30/2016	4/1/2016-4/14/2016	2000.00	120.00	0.00
Semi-monthly schedule: The 4/15/2016 pay date is not for the first full pay period following the six month wait time; these wages are <u>not</u> subject to contributions based on HB3495.				
Note: The 4/15/16 pay date is for hours worked in March. The wages paid on 4/15/16 are not for services performed during the first full pay period following the six-month wait time ending 3/31/16.				

Correction of records reported prior to January 1, 2016

Employers who have inconsistently reported contributions prior to December 31, 2015 will be required to review and correct their records if necessary. PERS staff is working with PERS Employer Advisory Group employer representatives to determine the process for these corrections and to allocate costs for this effort. More information will be forthcoming.

Please contact your ESC Account Team representative if you have questions relating to your specific reporting requirements or this announcement.

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