Subject: December 2012 employer monthly update.

Dear PERS employer:

In this update:
1) MACR 'tip' for December.
2) Proposed amendments to Oregon Administrative Rule (OAR) 459-009-0200 and OAR 459-005-0040 may affect you.
3) My employee has TWO Social Security numbers on EDX…now what?
4) Police and Firefighter (P&F) Units: who's eligible for them?
5) EDX training for new hire employer personnel.

Reminder from your ESC Account Team representatives: please include your PERS employer number when sending e-mail requests or other correspondence.

1) MACR 'tip' for December.

The first phase of 2012 MACR will conclude December 31, 2012. We ask that employers make every effort to correct and post remaining suspended records and reports for calendar year 2012. The Year-to-Date Wage and Contribution Summary screen and the eligibility reports are good tools to answer questions about wages, hours and contributions reported and posted in 2012. Contact your ESC Account representative if you have questions about correction of the remaining suspended records and reports for 2012.

2) Proposed amendments to Oregon Administrative Rule (OAR) 459-009-0200 and OAR 459-005-0040 may affect you.

OAR 459-009-0200: The current rule requires an employer to apply the same method of IAP member account contribution (Member Paid Pre-Tax (MPPT), Member Paid After Tax (MPAT), or Employee Paid Pre-Tax (EPPT)) to employees who are in similarly situated positions, and provides examples of similarly situated positions. The proposed amendment seeks to clarify this rule. Although the list of examples is not exclusive, it does not specifically include hire date as one of the permissible examples. The proposed amendment to OAR 459-009-0200 would list a member's date of hire as a permissible method to differentiate among IAP contribution methods.

Example: A school district currently uses the MPPT contribution method for full-time teachers. After the adoption of amended OAR 459-009-0200, the contribution method for full-time teachers hired after a specific date may be changed to MPAT or EPPT, while MPPT remains unchanged for full-time teachers hired prior to that specific date.

OAR 459-005-0040: When employers receive a Work List item requesting data verification for their employees, the current rule provides for a 60 day window in order to comply. The proposed amendment to OAR 459-005-0040 changes the time allowed for employer response from 60 days to 30 days after the verification is entered in the employer's Work List. If PERS does not receive an employer response within 30 days, the retirement data previously reported for a member will be considered locked and verified, with no future changes possible. The proposed amendment also shortens the time period by which the employer may request an extension to respond to the work item request from 45 days to 21 days.

Rulemaking Process: The process to update both rules began on October 15, 2012, when PERS filed a Notice of Rulemaking with the Secretary of State. On November 1, 2012, the *Oregon Bulletin* published the Notice of Rulemaking, and the Notice was sent to employers, legislators, and interested parties such that public comment could begin. The next steps are:

- Staff will notify the Board of the rulemaking process at the November 30, 2012 Board meeting.
- A rulemaking hearing is scheduled for December 18, 2012.
- The public comment period ends on December 31, 2012.
- Staff will propose adopting the updated rules at the January 25, 2013, Board meeting.

You can follow the update process and comment on the proposed updates by clicking this link: http://www.oregon.gov/pers/EMP/Pages/about_us.aspx or start at the PERS employer website, www.oregon.gov/pers/emp/pages/index.aspx then click on the "About Us" link on the left-hand side of the page. At the bottom of the "About Us" page, under the "Administrative Rule" heading, click on the "PERS Rule-making Process" to make comments on the proposed rules, or the "Proposed Rules" link to review the proposed rules and see the schedule of the rule-making process.

3) My employee has TWO Social Security numbers on EDX…now what?

The entry on EDX of two Social Security numbers for one member usually results from an attempt to change an incorrectly entered Social Security number. So, before you attempt to correct a member's existing Social Security number…***STOP! READ THIS:***

The RIGHT way to correct a Social Security number posted through EDX is by submitting a DTL1-00/No status change, entering the CORRECT number at the top of the record in the "SSN:" field and the INCORRECT number in the "Old SSN:" field. **Enter ONLY** the correct **Social Security number in the "SSN:" field, the status code (00), the incorrect number in the** "Old SSN:" field **and NOTHING ELSE.**

The WRONG way to correct a Social Security number posted through EDX is by submitting a second DTL1-01 or 15, with all the original data, and the correct Social Security number. **This results in two accounts which require a merge in order to remove the incorrect SSN.**

PLEASE review Social Security numbers BEFORE you submit DTL1 records; time spent verifying Social Security numbers prior to submission can save the one or two hours required to merge records together under the correct number and remove the incorrect number.

4) Police and Firefighter (P&F) Units: who's eligible for them?

The optional P&F Units purchase program was established to provide increased benefits for P&F retirees between the former mandatory P&F retirement age of 60 and the availability of Social

Security benefits at age 65. P&F Units are available only to Tier One and Tier Two members in positions designated by an employer as "police officer" under ORS 238.005(19) and "firefighter" under ORS 238.005(10).

Active Tier One/Tier Two P&F members may elect to participate in the P&F Units purchase program by completing the "Notice of Unit Election" form. This can be found through the "Employer Forms" link on the PERS Employer website. P&F members can choose to purchase up to 8 units, as indicated on the form. When the P&F member has completed the form, it is to be returned to the employer's payroll office.

The employer's payroll staff will return the completed form to PERS. PERS will then calculate an after-tax deduction required to pay for the number of units specified by the member and notify the employer of that amount. Tier One member P&F Unit accounts accrue earnings at the current assumed rate, currently 8%,. Tier Two P&F Unit accounts accrue earnings at the actual Tier Two regular account earnings rate. **PERS determines the after-tax deduction; employers have no role in determining the after-tax deduction and should not arbitrarily choose a deduction amount.**

P&F members who begin P&F Unit participation later in their careers will have a larger after-tax deduction for P&F Unit costs. Most P&F Unit account participants elect to purchase 8 units, a purchase which requires a P&F Unit account balance of $4000 at the member's retirement. If the member's P&F Unit account balance is less than the amount required to purchase the chosen number of units, the member may pay the difference between the purchase price and the P&F Unit account balance within 60 days of retirement, if still employed in a P&F qualifying position. Tier One/Tier Two P&F members who never participated in the P&F Units purchase program during their career may make the full purchase required for their chosen number of P&F Units within 60 days of retirement if employed in a P&F qualifying position.

Please address any P&F Unit related questions to your ESC Account Team representative.

5) EDX training for new hire employer personnel.

Mastery of demographic and financial information reporting through EDX can be an expensive and time-consuming proposition if done by "trial and error." If you've hired new employees or reassigned existing employees to the task of PERS reporting, you may want to "cut to the chase" and avoid as many problems as possible by sending those employees to EDX employer training offered by PERS.

EDX Employer training is offered the 2nd Friday of each month. Attendance is available through the Internet using iLinc, (the PERS distance learning platform), and onsite at the PERS headquarters computer lab. EDX training comprises three segments, covered between 8:30 am and 12:30 pm on training days. The first segment provides an introduction to PERS records and reports, with a step-by-step review of each PERS record type. The second segment provides hands-on practice composing records and reports, putting the concepts learned in the first segment to use. The third segment provides a review of selected reporting topics, including:

eligibility rules, reporting PERS retirees returning to work, employer statements and statement reconciliation.

There is no charge for EDX employer training. Registration for training sessions is entirely online, with course descriptions and available dates found through this link: http://www.oregon.gov/pers/EMP/pages/section/er_training/schedule.aspx
or by starting at the PERS employer webpage: www.oregon.gov/pers/emp/pages/index.aspx then clicking the “EDX Class Schedule and Registration” link under the “Employer Education & Training” heading.

Your ESC account team representative will not be able to assist you with registration. Please e-mail: pers-employer.info.services@state.or.us with registration questions or cancellations.

Best regards,

In compliance with the Americans with Disabilities Act, PERS will provide this document in an alternate format upon request. To request this, contact PERS at 888-320-7377 or TTY 503-603-7766.