



April 2014 PERS Employer Monthly Update

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1) **April reconciliation processing ‘tip’.**

This is a good time to begin review of employee work histories to see who’s on pace to exceed 600 hours in calendar year 2014. Based on that information, you may wish to submit a Demographic Correction Request (DCR) to your ESC account representative to change the position qualification status (also known as “Position Type”) from “non-qualifying” to “active service” so you can begin submitting DTL2-01 records for those who appear to be on pace to qualify in 2014.

Work hour information on these employees will be available through the Year-to-Date Wage and Contribution Summary screen once you’ve posted DTL2 records in calendar year 2014 for these individuals. Your ESC account representative is available to assist you with these determinations at any time.

2) **Reminder: Reporting Retirees returning part-time as retirees.**

Tier One/Tier Two retirees:

After retirement, Tier One/Tier Two retirees may return to work for a participating PERS employer(s) and continue to receive their retirement benefits as long as they do not work 1,040 hours or more in a calendar year. A Tier One/Tier Two retiree may work up to 1039.99 hours per calendar year and still be considered a retiree, but a Tier One/Tier Two retiree will re-establish active membership if they equal or exceed the 1040 hr. limit in any calendar year. The 1040 hour limitation for retirees returning to PERS employment is commonly referred to as the “1040 hour rule.” The 1040 hour rule does not apply to OPSRP retirees who may NOT return to work for a participating PERS employer(s) in a qualifying position (whether based on hire intent or by virtue of working 600 hours or more in a calendar year) and continue to receive retirement benefits.

In addition, Tier One/Tier Two retirees hired into certain positions (listed in ORS 238.082(4)-(8); Sections 2 and 3, chapter 499, Oregon Laws 2007; and Sections 3 and 4, chapter 774, Oregon Laws 2007) may work unlimited hours post-retirement for a participating PERS employer and continue to receive retirement benefits. In order to qualify for these statutory exemptions, the retiree must satisfy all the requirements for the

exemption. A common requirement to qualify for these statutory exemptions is that the Tier One/Tier Two member not receive a reduced service retirement allowance as set forth in ORS 238.280(1), (2) and (3).

Tier One/Tier Two general service members who retire with less than 30 years cumulative service and between ages 55-57 as a Tier One member, 55-59 as a Tier Two member, or as Tier One/Tier Two Police & Firefighter members between ages 50-54 with less than 25 years cumulative service, are considered “early” retirees, with a benefit reduced for early retirement.

Tier One/Tier Two “early” retirees only qualify for the exempt positions listed in ORS 238.082(4); and Section 3, chapter 774, Oregon Laws 2007; and must wait 6 full calendar months after retirement before being employed in those positions. **An “early” retiree who does not wait 6 full calendar months after PERS retirement before being hired into one of these DOES NOT QUALIFY for the exemption and is subject to the 1040 hour/calendar year work limit.**

The positions available to “early” Tier One/Tier Two retirees can be found:
In the “Working After Retirement: 1040-Hour Exceptions in Table Format” document.

(Positions open to Tier One/Tier Two “early” retirees are noted in the “Early Ret.” column.)

The exemption from the 1040 hour/calendar year limit APPLIES TO THE POSITION listed in ORS 238.082, NOT to the retiree holding the position.

Example 1: A Tier One/Tier Two “normal” benefit recipient, hired by an employer into an exempt position, may work unlimited hours WHILE IN THAT EXEMPT POSITION. If the retiree leaves that exempt position and goes to work as a retiree for another PERS employer in a position NOT listed in ORS 238.082 or OAR 459-017-0060, the retiree becomes subject to the 1040 hour/calendar year work limit while working in that non-exempt position.

Example 2: If the retiree works concurrently in an exempt position and a non-exempt position, the hours worked in the non-exempt position will be subject to the 1040hour/calendar year work limit.

Tier One/Tier Two retirees who have reached federal Social Security full retirement age (65-67, depending on the retiree’s birth date) may work unlimited hours with PERS employers beginning the first of the month after the month in which Social Security full retirement age is reached. This exception does not apply to OPSRP retirees.

OPSRP retirees:

Hiring an OPSRP retiree into a position with “qualifying” hire intent CANCELS the individual’s retirement and re-establishes active membership effective at the hire date.

Hiring an OSRP retiree into a position with “non-qualifying” hire intent allows only 599.99 hours of work (total for ALL PERS employers) per calendar year.

You may hire an OSRP retiree into a non-qualifying position immediately after retirement and submit the DTL1-11 record at that time. In most cases that DTL1-11 record and any DTL2-07 records will suspend until EDX has been updated to reflect the OSRP member’s transition from active to retired status. **If the DTL1 and DTL2 records suspend upon submission, you do not need to “re-Save” those records for 90 days or until you have: 1) Verified with the retiree that they have received their first benefit check, or 2) Checked with your ESC Account Representative that the individual is in retired status.**

Also, NEVER submit a DTL1-15 record to re-hire an OSRP member as a retiree unless your ESC Account Representative asks you to do so.

3) Spring 2014 Employer Outreach registration available.

Registration is now available for the Spring 2014 Employer Outreach presentation at sites, dates and times around the state.

Topics this spring include reviews of a systematic approach to resolution of PERS processing problems, Web Administrator capabilities and upcoming enhancements to the PERS employer online statement and invoice.

Click the “Outreach Presentation Schedule & Registration” link under the “Employer Training and Education” heading. On the page that appears, select a presentation site, date and time and complete the online registration process.

Outreach presentations begin Friday, April 4 and conclude Friday, May 30. Outreach presentation registration is done only online; your ESC Account Team representative cannot assist you with the registration process.

We look forward to your presence at a Spring 2014 Employer Outreach presentation!

Best regards,

PERS Employer OCE Team