July 2014 PERS Employer Monthly Update

In this update:
1) July reconciliation processing 'tip'.
2) Quarterly reminder: PERS retirees returning to work.
3) Employer EDX training dates.
4) EDX session timeouts.
5) Employer Announcement #86 - 2014 Revised Employer Statements, Invoices, and Employer ACH Requirements (6/26/14).
6) Employer Announcement #87 – Reading Your New Statement (6/30/14).

1) July reconciliation processing 'tip'.

Those hired December 2-31, 2013 will complete their six full month waiting time on June 30, 2014. If they also continue the "employer-employee" relationship beyond that date (they don't terminate employment), they'll establish membership with a Contribution Start Date (CSD) of July 1, 2014. Remember that Release 6.0, active June 2011, introduced posting restrictions on DTL2 records which allow DTL2 wage code 01 (Regular wages) records to post only to positions with "qualifying" hire intent, and DTL2 wage code 02 (Regular/Non-Qualifying) records to post only to positions with "non-qualifying" hire intent.

2) Quarterly reminder: PERS retirees returning to work.

<u>**Tier One/Tier Two retirees:**</u>

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 <u>who does not wait 6 full calendar months after PERS retirement</u> before being hired into one of these <u>DOES NOT QUALIFY for the exemption and is subject to the 1040 hour/calendar year work limit.</u>**

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 available on the PERS employer web page.
(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 <u>APPLIES TO THE POSITION</u> listed in ORS 238.082, <u>NOT to the retiree holding the position</u>.

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, <u>the retiree becomes subject to the 1040 hour/calendar year work limit while working in that non-exempt position.</u>

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. <u>This exception does not apply to OPSRP retirees.</u>

<u>**OPSRP retirees:**</u>

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 OSPRP 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 OPSRP 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 OPSRP 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 OPSRP member as a retiree **unless your ESC Account Representative asks you to do so.**

3) Employer EDX training dates.

Dates for Employer EDX Training have been established for the remainder of 2014. EDX training is presented concurrently at the PERS Tigard headquarters computer lab and through the Internet via iLinc, the PERS distance presentation platform.

4) EDX session timeouts.

Questions have arisen concerning elapsed time before an EDX session times out. Depending on how long the session has been inactive (inactivity means no keyboard input, mouse movement, etc. on the EDX screen last used) one of two actions will occur:

1) When an EDX session has been inactive for more than 30 minutes but less than 2 hours, the session will time out, generate an informational message to which the employer must respond by clicking "OK", and return the user to the EDX "Welcome!" screen.

2) When an EDX session has been inactive for 2 hours or more, the session will time out and the employer will be returned to the PERS member web page.

Please contact your ESC Account Team representative if you have further questions on this subject.

5) Employer Announcement #86 - 2014 Revised Employer Statements, Invoices, and Employer ACH Requirements (6/26/14).

Employer Announcement #86 - 2014 Revised Employer Statements, Invoices, and Employer ACH Requirements (6/26/14) was recently posted on the PERS employer web page. This announcement is a compilation of all information on the subject of upcoming revised employer online statements and invoices, currently projected for implementation August 2014.

Employer Announcement #86 is available on the PERS employer web page.

6) Employer Announcement #87 – Reading Your New Statement (6/30/14).

Employer Announcement #87 – Reading Your New Statement (6/30/14) provides a side-by-side comparison of the current employer online statement format and the upcoming revised employer online statement format, currently slated for installation August 2014.

Employer Announcement #87 is available through a link in the rolling "marquee" area at the top of the PERS employer web page, www.oregon.gov/pers/emp/pages/index.aspx or through the employer web page "Employer Announcements" link, under the "2014" heading.

Please contact your ESC Account Team representative if you have questions on any information in Employer Announcement #86.

Best regards,