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## Resolving eligibility issues: 2020 year-end reconciliation

You are now midway through the second and final phase of year-end reconciliation. In this phase, continue to resolve any remaining 2020 eligibility issues and post related records and reports.

### Status

Suspended

Phase two of 2020 reconciliation closes **February 28, 2021**, but you have until the March 5, 2021, statement to resolve errors and post records for the 2020 calendar year.

### Why this is important

Contributions invoiced through March 5, 2021, and paid when due, will be credited with earnings from the PERS Trust for calendar year 2020. If contributions are not paid when due, PERS will invoice you for 2020 earnings.

### Status

Posted

Also, total contributions reported for 2020 are used to determine your rates for the upcoming advisory valuation and are a significant factor in determining some employers' normal cost, UAL rates, and side account rates. To ensure accuracy and consistency in your rates from valuation to valuation, ensure you are reporting all contributions by the deadline.

### For assistance

Consult your [ESC account representative](#) if you have questions about remaining 2020 records and reports.

Email [PERS Actuarial Services](#) if you have questions about your normal cost, UAL, or side account rate.

## Stay up to date!

### COVID-19

- [PERS updates on novel coronavirus \(COVID-19\)](#)
- [Frequently asked questions about paid leave during the COVID-19 pandemic](#)
- [Loss of work during the COVID-19 pandemic \(FAQs for members\)](#)

### Senate Bill 1049

- [Information for PERS employers](#)
- [Information for members](#)
- [SB 1049 GovDelivery emails signup](#)

### Employer rate relief programs

- [Employer rate relief programs webpage](#)

### Other topics

- [Choose what GovDelivery emails you'd like to receive](#)

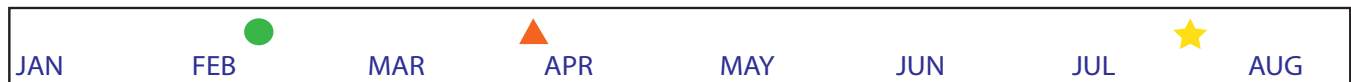
## Reminder

Make sure your employee addresses are correct in EDX by February 26 to ensure they receive their annual statements this spring. Retirees can change their addresses themselves in OMS.

## Update on the Employer Rate-Projection Tool

We are excited to move toward the release of a new Employer Rate-Projection Tool (ERPT) this summer. This enhanced tool will offer greater potential for future enhancements that will enable you to proactively address your unfunded actuarial liability (UAL) and dynamically budget for PERS costs.

### 2021 timeline



February 2: Release updated tool that includes the latest numbers from the 2019 valuation (available for download from the [PERS website](#)).



Late March: Convert the existing Excel-based tool into the framework based on a similar tool created and shared by the California Public Employees Retirement System (CalPERS).



Mid-July: Migrate the updated tool from its server site to a web-based platform. As this tool is employer-specific, we have a set group of employers selected for User Acceptance Testing (UAT) prior to releasing the tool for all employers. The schedule projects that this portion will finish by mid-July.

### Why the tool is being updated

While the current tool is an employer favorite for budgeting and forecasting, you have asked for enhancements that the current tool can't support. The new version of the ERPT will be a strong, stable platform onto which we can add the functionality you have requested.

In addition to providing improved security measures, the new tool will offer more ways for you to predict effects on your contribution rate from factors such as:

- Future changes to the assumed rate.
- Adding a side account.
- Making additional payments into an existing side account.

### Background

In November 2017, PERS received a request from the Governor's Office to provide actuarial data in a manner we were unable to complete. To meet the request, our PERS Actuarial Activities section created a new tool.

The current ERPT is an Excel spreadsheet that projects future contribution rates for PERS employers across multiple biennia. The tool is updated each year based on actuarial data and assumptions produced by Milliman, PERS consulting actuary.

The enhancement of the ERPT is a project of the Unfunded Actuarial Resolution Program (UALRP), a part of Senate Bill 1049 that is focused on providing employers with the information and tools they need to understand and manage their PERS contribution rates and UAL.

Along with the development of this tool, the PERS Communications section and the Actuarial Activities section are creating documents to help employers understand and leverage the employer valuation, break down contribution rates, and go into detail about the UAL and rate collaring. These guides, along with the tool, will be posted on the [UALRP webpage](#).

## New website and a request for help

This year, we are working on updating the PERS website to the latest version of the state template. As a required part of this upgrade, we will be overhauling the organization of the site to make it easier for visitors to find information.

If you can spare a few minutes this spring, [email the Employer Advisory Group](#) and let us know that you would like to help with our card-sorting exercise. Please let us know of your interest by February 28.

During card sorting, you will participate in an online activity to demonstrate how you feel information should be sorted and categorized. That's it!

Thank you in advance for your help,

*PERS Communications team*



## 2021 Legislative Session



The first regular session of 2021 began on January 19 and will continue until June 28.

More than 3,000 bills are expected to be filed; more than 1,800 have been filed so far.

PERS has three bills up for discussion. Proposed **Senate Bills 111, 112, and 113** consist of administrative fixes to clarify the following:

- Early retirees must have at least a six-month break in service with all participating employers to be eligible to work unlimited hours.
- The Social Security limits for Work After Retirement do not apply when working unlimited hours under SB 1049 (2019).
- A member cannot withdraw from the Individual Account Program (IAP) once they attain earliest retirement age — they can only retire. And they must have a bona fide separation to be eligible for withdrawal.
- Only current funds will be administered in an Employer Incentive Fund application cycle.
- The UAL Resolution Program will assist employers only with managing their employer rate.
- Salary earned by non-Oregon resident OPSRP members for services performed outside the state of Oregon will be subject salary for PERS.
- Align PERS' definition of "employee" with IRS standards.
- The PERS Board may charge participating public employer accrued earnings for late payment of employee and employer contributions to the IAP.

### What is a legislative session?

Legislative session is when the Legislative Assembly convenes for lawmaking. According to the Oregon State Legislature, "Regular sessions convene each January and may last 160 days in odd-numbered years and 35 days in even-numbered years." To learn more or stay apprised, visit the [Oregon State Legislature website](#).

**Continued**

## What is a common law employee?

A common law employee is a worker who may not be directly employed by you (i.e., they are an independent contractor), but you control the work they do and the way they do it. If you consider a worker to be an independent contractor, but the IRS decides you have sufficient control over them to create an employment relationship, the IRS will expect you to withhold and pay employment taxes, and they will no longer be considered an independent contractor.

## EDX tip of the month: new hire reporting

When you have a new hire, it is best to report them as your employee prior to submitting payroll wages. If you submit wages for an employee in a DTL2 record before you have submitted a DTL1 new hire record for them, it can cause a processing error.

### Step 1 – Submit a DTL1 new hire record.

To report a new employee, fill in the fields in a demographic (DTL1) record as shown in this example. Fields that you don't need to fill in are not included in this table.

DTL1 field name	Example info	Notes
SSN	XXXXXXXXXX	No dashes.
Status Code	01 – Qualifying New Hire	
Status Date	02/12/2021	
First Name	Jane	
Last Name	Doe	
Name Change Indicator	N	N is the default.
Address – 1	123 Main St.	If the address includes a unit number, enter the number in this field. If it is a P.O. Box, enter it here.
Address – 2		Optional field for business addresses. Do not enter a unit/apartment number in this field.
City	Tigard	
State	OR	Select from list.
Zip – 1	97224	Required.
Zip – 2		Optional.
Province		Use for foreign address, if applicable.
Country Code	USA	Select from list.
Date of Birth	07/04/1977	
Gender	F	Select the employee's current official gender. M and F are the only options currently available.
PERS Job Class Code*	01	Make sure to select the correct code. If you select the wrong code and the report posts, you will need to submit a Demographic and Correction Report form to fix it.
Average Overtime Hours	0	Select from list.

\*Codes are listed in the [Employer Manual](#) on pp 16 and 17 (PDF pp 26 and 27).

**Continued**

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## Step 2 – In a separate report, submit a DTL2 wage record

Once your DTL1 record is successfully posted, you can create a wage and service (DTL2) record to report your new employee's wages. For each date on which an employee receives payment, you will create a DTL2 record, like the example below. This example also applies to employees who are fulfilling their six-month waiting time, even if they are not expected to qualify for PERS membership.

DTL2 field name	Example info	Notes
SSN	XXXXXXXXXX	No dashes.
First Name	Jane	
Last Name	Doe	
Pay Date	02/19/2021	The date actual payment was made. Must be in the format MM/DD/YYYY.
Work Period Begin Date	02/01/2021	For normal reporting of wage and service information, this field requires a value only for local government employers. Enter the start date for the pay period in which the employee earned the wages. Must be in the format MM/DD/YYYY.
Work Period End Date	02/15/2021	For normal reporting of wage and service information, this field requires a value only for local government employers. Type the end date for the pay period in which the employee earned the wages. Must be in the format MM/DD/YYYY.
Hours Worked (Regular)	176	Enter the hours worked that are not considered overtime. Decimals are allowed.
Hours Worked (Overtime)	10	Enter any overtime hours worked. Decimals are allowed.
Reported Wage Code	01 – Regular Wages	Required.
Subject Salary, Regular	6,000	Gross regular salary earned during this pay period.
Subject Salary, Overtime	500	Gross overtime wages earned during the period, if any.
Non-Subject Salary		This field is for any wages not considered subject salary. See the <a href="#">Payment Categories Chart</a> for a list.
Lump-sum Payoff		Include any lump-sum pay.
Lump-sum Vacation Payoff	00	Include any lump-sum vacation pay.
Gross Salary	6,500	Gross salary equals the sum of subject salary, non-subject salary, lump-sum payoff, and lump-sum vacation payoff.
Member Paid Pre-Tax Contribution (MPPT)	0.00	Six percent contribution employers withhold from their employees' pay before taxes. MPAT, MPPT, and EPPT fields are mutually exclusive; only one is entered with the 6% member contribution amount, if applicable.
Member Paid After-Tax Contribution (MPAT)	390	Six percent contribution employers withhold from their employees' pay after taxes.
Unit Contribution	0.00	For police and firefighters who are Tier One or Tier Two and have elected to participate in the <a href="#">unit-purchase program</a> .
Employer Paid Pre-Tax Contribution (EPPT)	0.00	Six percent member contribution employers pay on behalf of their employees.
Optional Employer IAP Percentage	0%	You must submit a written agreement or employment policy to PERS before you can make optional matching of IAP contributions. The contribution cannot be less than 1% or more than 6% of the total subject salary.
Optional Employer IAP Contribution	0.00	Dollar amount of the contribution percentage above.