

Social Security (Section 218) Coverage for Some PSRS Members

In October, 2008 school districts and PSRS, were notified by the Office of Administration (OA), State Social Security Administrator, that Social Security coverage would be expanded to include some members of PSRS, effective July 1, 2009 forward.

During the last two months there have been many more questions than answers, but here is a quick list of what we think we know:

- Any individuals who met the definition of "teacher" at the time that district came under the state Section 218 agreement are still Social Security exempt for those earnings.
- These individuals may be subject to mandatory Social Security coverage for other duties or functions that they perform.
- A determination will need to be made by the State Social Security Administrator for each position and/or function at each employer as to whether that specific position/function is subject to mandatory Social Security coverage.
- PSRS is working to determine and make the necessary system changes to enable employers to report those earnings subject to Social Security separate from those subject to full PSRS contributions.
- PSRS is working together with a coalition of several other educational organizations to delay the implementation of this change for at least a year from the original implementation date of July 1, 2009.
- This coalition is also working through a Missouri congressional delegation in an effort to reverse this OA and the Social Security Administration decision. Success would maintain our current reporting and Social Security exempt status for all earnings by PSRS members.
- None of the proposed changes will affect members of PEERS, since PEERS members are already subject to Social Security withholding.

Please check out our Web site, www.psr-peers.org, for additional information. We will update the information on our Web site as we are notified of new information.

Thank You, Susan Miller

Susan Miller retired from PSRS on October 31 of this year. Please join us in congratulating Susan on her retirement after more than 29 years of service to PSRS and PEERS employers, and wishing her luck in her future endeavors. Here's hoping that Susan receives many, many retirement checks...

2009-2010 Contribution Rate Set

The PSRS/PEERS Board of Trustees, at their December Board meeting, set the PSRS and PEERS contribution rates for the 2009-2010 school year. The member and employer matching contribution rates will increase to 13.50% of compensation for PSRS members, and 6.50% of compensation for PEERS members. The employer contribution rate required for full-time retiree employment will also increase to 13.50% for full-time PSRS retirees and 6.50% for full-time PEERS retirees.

First Annual Employer Conference a Success

Thanks to each of you who attended and helped make our first annual Employer Conference a huge success!

Based on the comments we received from those who attended, the conference was very well received. We hope to incorporate suggestions made by attendees into future conferences.

We plan to schedule a date for next year's conference soon, and we will let you know as soon as a date and location are confirmed. Please contact your DSR with suggestions for session topics of interest to you.

PSRS/PEERS Accepting Rollover Funds for Certain Remittances

If a member in your district is in the process of making a purchase with our office, he or she is probably aware that one can use tax-sheltered funds to pay for a purchase. What that member may not be aware of is that these tax-sheltered funds can also be used to pay the member portion of any unpaid sick leave remittances or member funds required for prior year corrections. You, as an employer, cannot withhold and shelter additional contributions from current compensation, in addition to current contributions due on the compensation, and use them to pay for these types of transactions.

Please contact your DSR to determine if we can accept tax-sheltered funds for your specific situation.

Listen to Us Online

In January another useful tool will be available on the PSRS/PEERS Employer home page – podcasts. Our podcasts will allow you to listen online to audio recordings covering issues related to employer reporting. A new podcast will be posted almost every month, discussing topics such as working after retirement, system eligibility, compensation and contributions. So lend an ear and tune in! If you have a subject you would like to see addressed in a podcast, please let your DSR know.

“Ticket to the Future” Update

If you attended our recent Employer Conference, you may have seen a demonstration of PensionGold’s Employer Reporting Services (PGERS), which will replace EMERS. The demonstration highlighted the basic functionality of PGERS along with some of the enhancements users will enjoy when the project is complete. Progress is continually being made toward design requirements specific to PSRS/PEERS.

PSRS/PEERS continues to work with payroll software companies helping with the initial testing of the PGERS file layout. We have been through one round of file layout validation with one of the vendors. PSRS/PEERS, in conjunction with Levi, Ray, and Shoup, Inc. (LRS), provided feedback regarding the file layout tested and we are currently waiting for a revised file to test.

If you have questions regarding the “Ticket to the Future” PGERS Project, please contact Tasha Owens, Project Team Leader, by email at towens@psrsmo.org, or by phone at (800) 392-6848 ext. 1069.



**Ticket to
the Future!**

Remember, Form SSA-1945 is Due for All New PSRS Members

Please remember that as of January 1, 2005, the federal Social Security Administration requires new PSRS members to sign the **SSA-1945, Statement Concerning Your Employment in a Job Not Covered by Social Security**, and that you provide a copy of each form to PSRS. This form is completed only when the member is first employed in a Social Security “exempt” position. Annual filing is not required. Please go to www.socialsecurity.gov/form1945/ for more information.

W-2’s and Retirement Contributions

When processing your W-2s for the 2008 tax year, please remember that, according to the Internal Revenue Service, contributions sheltered under Section 414(h)(2) of the Internal Revenue Code (IRC) should be entered in Box 14 of the W-2, and the “Retirement Plan” box in Box 13 must be checked. This is the same information as provided for last tax year. We have not been notified of any changes in the reporting requirements. W-2 information and instructions are available on the IRS Web site at <http://www.irs.gov/pub/irs-pdf/iw2w3.pdf>

Please contact your software provider with questions about how to get this information to appear correctly on your W-2s.

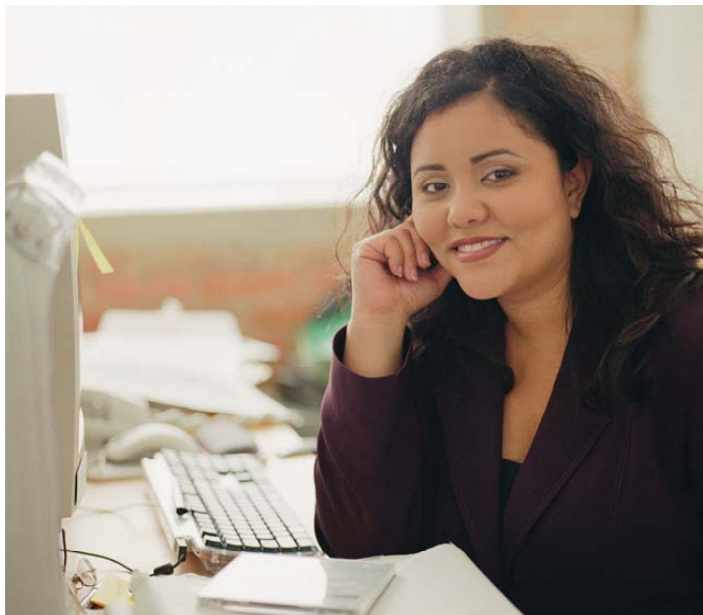
EMERS Reporting Tips

EMERS Tips on Our Web Site

The information included on the “Employer” page on our Web site contains step-by-step instructions for some of the most frequently asked questions. If you see something that should be added to our “Tips”, please send your idea to your DSR.

Know Your District Number

When contacting our office, it is very helpful to us if you can give us your District Number. Having this number allows us to access your information more quickly, solving your problem more quickly. Your district number is shown at the bottom of your EMERS window. You can also contact your DSR for assistance.



PSRS/PEERS Eligibility Determination

Remember, when determining if an employee is eligible for coverage by either plan, you must consider all of the employee’s regular employment with all employers covered by PSRS/PEERS.

Provide the Correct Annual Base Salary For Each Member

One of the most common mistakes we encounter when determining service credit is that the Annual Base provided by the employer is not correct. The PSRS Annual Base Salary should always be reported as what the member would have earned full-time for the full school year, even if the member is only employed on a part-time basis, only employed for a portion of the school term, or both. The PEERS Annual Base is the minimum expected to be earned by the member, for the full school year. EMERS allows you to run a report that will show the Annual Base reported for each employee. Contact your DSR for assistance in generating this report.

Correct Use of the PSRS Part-Time Indicator

Please only mark those PSRS members as part-time when the member is only employed to serve on a part-time basis. Some employers have been reporting full-time members as part-time when working summer school (if the summer school is part-time), or when reporting payments for stipends or additional duties. Unless the member is employed to serve on a part-time basis, all payroll records should be reported without the part-time designation.

Report Termination Information Timely

When a member terminates eligible employment, please remember that we require an Annual Base Salary and a Termination Date for that member. Also, when submitting the final payroll record for that member, please mark the Final Payroll – Member indicator. If this information is provided, we can pay the member when requested without bothering you. Ask your DSR if you have questions. If the member does not have a payroll record in the batch you are sending, you can Insert a record into the batch, and provide the required information on that record.

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Member Work Files Provide Necessary Information

You can create a Member Work File at any time, which is separate from a Payroll Work File. The best time to create this file is after you have posted your payroll work file for the payroll you are reporting. This Member Work File is how you can provide Annual Base Salary, Term of Position, and Position Code information during the school year. When you complete the information in the Member Work File, remember to Finish the Work File, and the information will be sent automatically the next time you transmit to our office. Contact your DSR with questions.

Check the Contribution Amounts on Your Transmittals of Contributions

Remember to check and make sure that the contributions due, listed on the Transmittal of Contributions generated by EMERS, match the amount of the checks you are remitting to PSRS and PEERS. You are responsible for withholding and remitting the contributions due.

Employer Paid Insurance for Members ONLY Included in Retirement Compensation

Please remember that any employer-paid insurance premiums for family coverage are not included in retirement compensation.

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