

Employer Reporting Resource

June 2010

A Newsletter from the Public School and the Public Education Employee Retirement Systems

PSRS/PEERS is Pleased to Present the

Third Annual Employer Conference

Breaking News on Retirement Reporting



Join us for a full day of workshops and presentations designed to help you learn more about your Retirement Systems, Retirement System reporting, and how to help when you are faced with questions from staff about PSRS/PEERS.

October 20, 2010
The Resort at Port Arrowhead
3080 Bagnell Dam Blvd.
Lake Ozark, MO 65049

Registration is free. To learn more or register online, visit www.psr-peers.org. Deadline to register is September 20. *Don't miss this opportunity, register today!*

Termination Information

Information Required for All Terminating Employees



If a member is not returning to your district next school year, please enter the last date of actual service (not the date of the last paycheck) in the Termination Date field in EMERS, and check the box indicating the final payment to the member has been made. Any adjustments that need to be made to the amount of board-paid insurance that has been reported should be done prior to marking Final Pay for the member. This information is required for all individuals retiring, withdrawing funds, or simply terminating employment with your district. We cannot process a member's request to withdraw funds or retire until we receive this information. Please contact your ESR for more information.

Termination Information Defined for New Retirees

An employee cannot collect retirement benefits until he or she has terminated employment. The recently updated Board regulation states that an employee is not considered to have terminated employment for the purposes of collecting retirement if the employee is employed in any capacity within one (1) month after the effective date of retirement, or has executed a contract to be employed in a position covered by the Retirement System prior to the receipt of the first retirement payment.

This regulation applies to all employment (part-time, temporary substitute, volunteer, etc.) with your district. Retirees who are finishing a summer school term that extends past the employee's effective retirement date will be affected by this regulation. This requirement also applies to retirees hired under the "Critical Shortage" statute.

For example, a member retires effective July 1, 2010. This member cannot do any work for any PSRS or PEERS covered employer until August 1, 2010, and cannot be under contract for any employment with a PSRS or PEERS covered employer until after the retiree receives his or her first benefit payment on July 30, 2010.

More information is available on the Employer Home Page of our Web site.

Contribution Rates for 2010-2011

Member and employer matching contribution rates are increasing for any payroll reported for the 2010-2011 school year. PSRS member and employer matching rates are increasing to 14.00% of compensation, and the rates for PSRS members subject to Social Security will be 9.33% for both members and employers. Employers will be required to contribute 9.33% on all compensation earned by PSRS "critical shortage" retirees hired to work full time. The PEERS member and employer matching rates are increasing to 6.63% of compensation. These increases also apply to the employer contributions due for full-time PEERS "Critical Shortage" retirees employed by the district.



New EMERS Rates File for 2010-2011

The new Rates File for 2010-2011 were included in the newest release of EMERS 3.55. Please verify that you have installed/updated the latest version:

- At the main EMERS wizard, select **Help:** and
- Select **About.**

If your Version is not showing Version 3.55, please contact your ESR for assistance upgrading your EMERS.

Working After Retirement Pro-Rated Limits for First Year Retirees

Any new PSRS or PEERS retiree who retires on or after July 1, 2010 will be subject to pro-rated working after retirement limits during their first year of retirement. This proration applies to any retiree who retires effective any month other than July. The pro-rated limits are available on our Web site.

For example, if a PSRS member retires effective January 1, 2011, then that retiree cannot work at all, for any PSRS or PEERS covered employer during the month of January, 2011 (see previous article), and is limited to working no more than 275 hours, and is limited to earning no more than 25% of the full-time salary for the position in which the retiree is employed. On July 1, 2011, this retiree's working after retirement limits return to the non-pro-rated amounts (550 hours and 50% of full-time earnings).

Your Responsibility as an Employer

When employing a retiree of either PSRS or PEERS, it is imperative that you track the work performed by each retiree to determine if/when the retiree exceeds the 550-hour post-retirement employment limit. PSRS retirees are also subject to a 50% earnings limit.

The retiree is responsible for notifying our office when either of these limits is exceeded. You also have a responsibility to determine how the retiree is employed, to monitor the retiree's progress towards the limit(s), and to notify our office if/when one of the limits is exceeded. In a situation where verification of hours worked is required, we rely solely on you for this information. Additionally, please remember that **all** payroll data should be reported to PSRS/PEERS, including information on individuals not currently eligible for membership in PSRS or PEERS.

Effective July 1, 2010, all employers and retirees are required to maintain a record of hours worked as a retiree for a covered employer. PSRS retirees and their employers are also required to maintain a record of retiree earnings. This record must be maintained for **all** retirees, not just those with an effective retirement date on or after July 1, 2010. The forms will be provided to each employer, and each retiree, after the retiree is initially reported for the school year.

More information, as well as the *Working After Retirement Record*, is available on our Web site, or from your ESR.

“Ticket to the Future” Update

Unless you've been to our Web site recently, it's probably been a while since you've heard anything about the PSRS/PEERS “Ticket to the Future” Pension Project. While PSRS/PEERS still views the replacement of our legacy system as our “Ticket to the Future,” we have renamed the project, and its resulting system, **OASIS** (Online Automated System Integration Solution). As stated on our Web site, the name fully represents our mission to combine the replacement of the current legacy system, including EMERS, with a single, browser-based system that streamlines and automates user processes through the integration of workflow and imaging.



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(Ticket to the Future Update, continued from page 3)

PSRS/PEERS has teamed up with Sagitec Solutions to install and configure their Neospin™ framework. As a framework, Neospin™ is designed to support a combination of configuration and custom extensions that will allow PSRS/PEERS to satisfy our specific requirements.

PSRS/PEERS and Sagitec officially kicked off Phase One of the project on May 6, 2010. For more information on how the new system will benefit you and to stay informed as the project progresses, please visit the OASIS Project link on the Employer portion of the PSRS/PEERS Web site.

If you have any questions, please contact Tasha Owens, Project Team Leader, towens@psrsmo.org, (800) 392-6848, ext. 1069.

Update Your ESR Information

Please take a few moments to make sure your ESR is current in the EMERS version installed at your district.

To check (and change, if necessary)

- At the main EMERS wizard, select **#6 System Functions**, then click **Next**;
- Select **#1 Select School District**, then click **Next**;
- With your district highlighted, click **Change**;
- On the **General** tab, review the information concerning yourself plus your ESR/Support Name, then click **OK**; and
- Click on **Select**.

Form SSA-1945 Due For All New Non-Social Security Covered PSRS and PEERS Members

Please remember that, as of January 1, 2005, the federal Social Security Administration requires that these members 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/PEERS. Please go to www.socialsecurity.gov/form1945/ for more information.

Is That Teaching Certificate “Expired” Or Just “Inactive”?

Please remember that any educator certificate (other than a Provisional, Temporary Authorization or VOC 1 certificate) that shows an expiration date on or after August 28, 2003, is “inactive” instead of expired. However, you should contact DESE Teacher Certification ((573) 751-0051) to verify the status of a certificate. If the status of the certificate is truly “inactive” and not “expired,” then we still consider that individual to be certificated for purposes of determining PSRS eligibility.

Employer-Paid Insurance Premiums – What to Include for Retirement

When reporting employer-paid insurance premiums to the Retirement System as a part of compensation, please remember to include only employer-paid medical, dental and vision insurance premiums for **member** coverage. Other employer-paid premiums, such as family coverage, life insurance, disability insurance, etc., are not included in retirement compensation, and should not be included in the insurance amount reported to us.

Additionally, any **employer** contributions to a member's Health Savings Account should be included in the insurance amount reported to our office, and, as such, is subject to retirement contributions.

Remember, any employer payment to an annuity is not included in retirement compensation, unless the payment is made in lieu of employer-paid medical, dental or vision insurance premiums for member coverage, and that amount cannot exceed the amount of board-paid insurance for the district.

2009-2010 School Year Quickly Coming to a Close

Once again, we are coming to the end of the school year, and we want to provide you with a few reminders about our year-end reporting requirements. You can always find more information on our Web site, including step-by-step instructions, and answers to our most frequently asked questions.

Reporting Deadlines

All 2009-2010 EMERS transmissions should be sent, and all contributions due remitted, by June 30, 2010. This includes payrolls for July and August that are for the year ended June 30, 2010. These payrolls should all be reported with Payroll End Dates of June 30, 2010. It is vital that we have this information as soon as possible to pay all the new retirees for July in a timely manner. During any other month in the school year, we will have 40 to 60 new retirees between the two systems. In July, we typically have more than 2,500 **new** retirees, so you can see why timely information is very important.

It would also be a good idea, each time you log onto EMERS, to check to see if you have any files listed as Pending (Work, Ready, In Use, or Sent). If you are not sure why those files are still showing pending, please contact your ESR to help you research the information contained in these files.

Annual Base Salaries Required

Please remember that all members for whom retirement compensation and contributions have been reported for the 2009-2010 school year must have an Annual Base Salary reported. Annual Base Salaries are not a part of the payroll import in EMERS, but are reported through a Member Work File. You cannot send in your "Final District Payroll" without reporting all required annual base amounts. EMERS should prompt you to complete this work file if needed information is outstanding, or you can always contact your ESR for assistance.

Member Record Forms

Please make sure that any outstanding **Member Record** forms for both PSRS and PEERS are submitted by the time you submit your final payroll for the school year. This will aid in our Annual Update process. **Member Record** forms are due in our office within 15 days of the member beginning retirement system covered employment.

Additionally, we will send each school district a small supply of new **Member Record** forms for reporting new members of PSRS and PEERS for the 2010-2011 school year. This mailing usually takes place during the first or second week of July. You can contact your ESR if/when you need more forms.

Final Payroll Information

When reporting your absolute final 2009-2010 payroll, please remember to mark that payroll as the “Final District Payroll.” Most of you can set this indicator in your payroll program when creating your Import File, but EMERS also prompts you to indicate the status of the payroll when you import. If you are a district reporting DESE Career Ladder earnings, please also review the next section. Remember to correct any “paid-ahead” insurance premiums for a terminating member in the same school year as those premiums were originally reported.

DESE Career Ladder Reporting Reminders

If your district participates in the DESE Career Ladder program, and you make your final Career Ladder payment *after* you complete your normal payrolls for the 2009-2010 school year, you need to mark your Career Ladder payroll as the “Final District Payroll” in addition to marking your final normal payroll as the “Final District Payroll.” Please do not make any 2010-2011 transmissions until all 2009-2010 transmissions, including Career Ladder, are completed. See “Changing the EMERS Default Fiscal Year to 2010-2011” below.

Contributions on all Career Ladder compensation *earned* during the 2009-2010 school year are subject to the 2009-2010 contribution rate (13.50%), even if you pay after July 1, or from your new budget year. Your ESR can assist you in making sure that the proper school year is used.

Changing the EMERS Default Fiscal Year to 2010-2011

After you have completed all transmissions for the 2009-2010 school year, including **Career Ladder**, you need to change the default fiscal year in EMERS to 2010-2011. The fiscal year can be changed as follows:

- a) From the Main EMERS Wizard, select **6. System Functions**, then click **Next**;
- b) Choose **1. Select School District**, then click **Next**;
- c) Select your school district from the list, then click **Change**;
- d) Click on the **Payroll** tab at the top of the window
- e) Change the default year to **2011**;
- f) Click **OK**; and
- g) Select your school district, then click **Select**.

Remember, before you can change the fiscal year in EMERS, you must have sent all required information for the previous school year to us.

Once the fiscal year has been changed, do not change it back to 2009-2010! If you have corrections for 2009-2010 after you change the fiscal year, please contact your ESR to assist you.

Other Items

Summer Employment

If your district employs an active PSRS or PEERS member for the summer, please remember that contributions to the appropriate retirement system are required. Summer employment should be reported in the same fiscal year for which the payroll is budgeted. Summer employment reported for 2010-2011 is subject to the new, increased contribution rates.

If a new July 2010 retiree works in June, and is paid in a 2010-2011 payroll in July, your ESR should send you a 2010-2011 *Certification of Contributions* form requesting the compensation and contribution information for that year. This will enable our office to use this compensation in calculating the retiree's final benefit payment, and help us avoid benefit adjustments after a member retires. Compensation reported for 2010-2011 is subject to the new contribution rates.

ESR Contact Information

Please remember that the toll-free numbers we have provided to you to contact your ESR should not be given to members. Those numbers are only for use by district reporting personnel. Please refer all members to our general member toll-free number: (800) 392-6848. Our Information Center Representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. to assist our members.

EMERS Reports at Your Fingertips

Your EMERS program contains a report function that allows you to produce a variety of reports, either by member, payroll, or school year.

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Employer Reporting Resource is published periodically throughout the year.

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