



# Ready, Set, *Report!*



PUBLIC SCHOOL & EDUCATION EMPLOYEE  
RETIREMENT SYSTEMS OF MISSOURI

**S**IGNIFICANT  
**M**EANINGFUL  
**A**CHIEVABLE  
**R**ELIABLE  
**T**IMELY  
*REPORTING*

# Purchasing Service



PSRS/PEERS

PUBLIC SCHOOL & EDUCATION EMPLOYEE  
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2018 Fall Employer Conference

# Things to Discuss Today

- Why do members purchase service?
- Types of service available for purchase
  - Unpaid Sick Leave
  - Active Military Duty, USERRA
  - Reinstatement
  - Basic Purchases
- Purchase process
- Paying for the purchase of service
- Purchase reminders
- Employer reminders

# Why Purchase Service?

- As members you are or will be eligible to buy service at some point during your PSRS/PEERS career
- Purchasing service allows members to compensate for service not earned with PSRS/PEERS
  - This can be due to unpaid sick leave or military leave that prevents the member from earning a full year of service
- You may be able retire sooner
- Your retirement benefit may increase
- You may qualify for a partial lump-sum or temporary benefits\*

\*Temporary benefits apply to PEERS members only



# Unpaid Sick Leave

- A member is out on unpaid leave that *is* covered under the employer's sick leave policy or by Workers Compensation such as
  - Maternity/paternity leave
  - Surgery that requires employee to be out for several weeks or a few months
- The leave had to occur during the current or previous two school years
- The member pays contributions on the missed salary for the **entire** leave period at the contribution rate in effect at the time of leave
  - Post-tax (personal check) can be sent to the *employer*
  - Pre-tax (qualified rollover funds) can be rolled directly to *PSRS/PEERS*
- The employer matches the contributions and reports it to PSRS/PEERS
- Once reported the member's membership with PSRS/PEERS will reflect the service as if the member never missed a day of work



# Unpaid Sick Leave

- When a member (employee) goes out on unpaid sick leave, be sure to update his or her Employment Status

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Save Refresh

### Payroll Information

School Year: 2017-2018    Receive Date: 08/09/2018    Post Date:  
Payroll Detail Status: **Review**    Header Type: PSRS    Final Payroll for School Year: No  
Payroll Header Status: **Valid**    Payroll Header ID: 366048    Source : Payroll  
ER Summary Status: **Valid**    ER Summary ID: 221361

### Payroll Detail

Payroll Detail Status: **Review**    Payroll Detail ID :  
SSN:     Payroll Detail Record Source: Manual  
First Name:     Middle Name:     Last Name:   
Suffix:     \*Payroll End Date:     Reporting Frequency:   
\*Payroll Start Date:     \*Position Code:     Term of Position:   
Part Time:     Annual Base Salary: \$0.00    Annual Base Type:   
\*Wage Type:     Insurance Amount: \$0.00    Retirement Salary: \$0.00  
Gross Salary: \$0.00    Employer Contribution: \$0.00    Hours:   
Employee Contribution: \$0.00    ER Contribution (Sys Calc): \$0.00    Final Payroll - Member:   
EE Contribution (Sys Calc): \$0.00    Career Ladder:   
Employment Status:     Employment Status Date:     Employment Status:   
Active  
Military Leave  
Leave of Absence  
Unpaid Sick Leave  
Terminated  
Comment:

ER Summary Comments :  
Suppress Warnings :



# Unpaid Sick Leave

Jane had a child on January 1, 2017 and she took 12 weeks maternity leave. She was on unpaid sick leave four of those weeks and was docked 0.10000 of service for missing \$5,000 in salary.

Jane can pay contributions on the unpaid sick leave, before June 30, 2019.

$$\frac{\text{Missed Salary}}{\$5,000} \times \frac{\text{Contribution Rate}}{14.5\%} = \frac{\text{Unpaid Sick Leave Cost}}{\$725}$$

OR

Jane can purchase this service under the basic maternity cost

$$\frac{\text{Highest Annual Salary on Record}}{\$50,000} \times \frac{\text{Contribution Rate}}{29\%} \times \frac{\text{Service to Purchase}}{0.10000} = \frac{\text{Basic Maternity Cost}}{\$1,450}$$



# Active Military Duty, USERRA Law

Active military service under the Uniformed Services Employment and Reemployment Rights Act (USERRA) includes service in the U.S. Armed Forces, National Guard, and other service categories designated by the president in times of war or emergency.

- Member must return to work for the same employer, unless deemed disabled, then they can draw disability benefits from PSRS/PEERS
- Granted USERRA-Covered Leave
  - Counts towards retirement eligibility, even if not vested, and disability and survivor benefits
  - Not used in the calculation of benefits
  - No cost to the member, we just need a copy of their DD214
- Purchased USERRA-Covered Leave
  - Counts towards retirement eligibility, even if not vested, and disability and survivor benefits
  - Used in the calculation of benefits
  - Member must apply within five years of his or her re-employment date
  - Member can purchase up to five years of USERRA-covered leave
  - Member pays the contributions that would have been withheld on his or her full salary during the leave period
    - Post-tax (personal check) can be sent to the *employer*
    - Pre-tax (qualified rollover funds) can be rolled directly to *PSRS/PEERS*
  - Employer must match the member's contributions
    - Interest accrues the month following the date the member filed the purchase application





# Active Military Duty, USERRA Law

When submitting USERRA information to our office, you must first create a Payroll Detail for the member and make them Active with the date he/she returned to employment.

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### Payroll Information

School Year: 2017-2018	Receive Date: 08/09/2018	Post Date:
Payroll Detail Status: <b>Review</b>	Header Type: PSRS	Final Payroll for School Year: No
Payroll Header Status: <b>Valid</b>	Payroll Header ID: 366048	Source : Payroll
ER Summary Status: <b>Valid</b>	ER Summary ID: 221361	

### Payroll Detail

Payroll Detail Status: <b>Review</b>	Payroll Detail ID :	
SSN: <input type="text"/>	Payroll Detail Record Source: Manual	Last Name: <input type="text"/>
First Name: <input type="text"/>	Middle Name: <input type="text"/>	
Suffix: <input type="text"/>		
*Payroll Start Date: <input type="text"/>	*Payroll End Date: <input type="text"/>	Reporting Frequency: <input type="text"/>
Part Time: <input type="checkbox"/>	*Position Code: <input type="text"/>	Term of Position: <input type="text"/>
*Wage Type: <input type="text"/>	Annual Base Salary: <input type="text"/>	Annual Base Type: <input type="text"/>
Gross Salary: <input type="text"/>	Insurance Amount: <input type="text"/>	Retirement Salary: <input type="text"/>
Employee Contribution: <input type="text"/>	Employer Contribution: <input type="text"/>	Hours: <input type="text"/>
EE Contribution (Sys Calc): 30.00	ER Contribution (Sys Calc): \$0.00	Hours : Minutes : 0 : 0
Employment Status: <input type="text"/>	Final Payroll - Member: <input type="checkbox"/>	
Employment Status Date: <input type="text"/>	Career Ladder: <input type="checkbox"/>	
Comment: <input type="text"/>		
ER Summary Comments :		
Suppress Warnings : <input type="checkbox"/>		



# Active Military Duty, USERRA Law



Employer\_Services | Courtney Meldrem

<Region : Client System Testing> USERRA Leave Employment Verification

9:36 AM

Dear Payroll Contact,

According to information you reported, the following person was on military leave and has recently returned to covered employment:

Ms. Courtney Meldrem  
SSN: XXX-XX-1234  
Plan: PSRS  
Member Account ID: 123456

This military service may be covered by the Uniformed Services Employment and Reemployment Rights Act (USERRA) which is a federal law that ensures employment rights to individuals who serve in the U.S. Armed Forces, National Guard or other designated service categories in time of war or emergency. In order for our office to determine the member's eligibility, we need you to verify employment information for the period of military leave.

To verify the information, please access the OASIS Employer Web Portal (EWP) and follow these instructions:

1. Navigate to the USERRA Granted Lookup screen.
2. Enter the Member Account ID referenced above and click the 'New' button.
3. On the USERRA Granted Maintenance screen, enter the Service Start Date (date the member's military leave began) and Service End Date (date the member's military leave ended) in the USERRA Granted Details section, then click the 'Save' button. The service period entered will then be broken out by school year in the USERRA Granted Details grid.
4. If the member is covered by PSRS, check the 'Social Security 218' check box if applicable.
5. Enter the amount of salary and insurance the member missed during the period of leave for each school year listed, then hit 'Save.'
6. Verify the 'Total Retirement Salary (Including Insurance)' for each year. This amount will include 'Reported Retirement Salary (Including Insurance),' if applicable, and missed retirement salary and insurance. If the amount appears accurate, click the 'Submit' button.

Please contact us at (888) 391-6966 or email [employer\\_services@psrsmo.org](mailto:employer_services@psrsmo.org) if you have any questions.

*CONFIDENTIAL TRANSMISSION: This electronic communication is from the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS). This e-mail and any files transmitted with it are private and confidential and are solely for the use of the intended recipient. This message may contain material which is privileged or is otherwise protected by law. If you are not the intended recipient or the person responsible for delivering it to the addressee, you are requested to immediately delete the message or contact PSRS/PEERS by calling. Please be advised that if you have received this e-mail in error, any use, retention, disclosure, transmission, or copying of it is strictly prohibited.*

- Once the ER Summary is posted, you will get an email regarding the steps you will take to begin the USERRA leave process
- You will follow these step-by-step instructions provided to you in the email



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# Active Military Duty, USERRA Law

The first step indicates you need to navigate to USERRA Granted Lookup page, this can be found under Employer Reporting

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Home Details | **Employer Reporting** | Employer Payment | Meetings | Help

Enrollment Lookup		
Payroll Detail Lookup	<b>Options</b>	
File Upload		
File Status		
ER Summary Lookup	<a href="#">Payroll Information Manually</a>	
Adjustment to Prior Year or Closed Account	<a href="#">Payment for Prior School Year or Closed Member Account</a>	
<b>USERRA Granted Lookup</b>		
Audit Report	<b>Information</b>	
GASB 68	<a href="#">Information is Being Reported by Another Employer</a>	
Third Party	<a href="#">Unidentified Employee Payroll Information</a>	
	<a href="#">Report Current Year Termination Date of an Employee</a>	

**Employer Payment Options**

[Pay Invoice\(s\) with Check, ACH, or Available Credit](#)

[View Invoice\(s\) Due](#)

[View Available Credit](#)

[View Invoice\(s\) Paid for Current School Year](#)

**Other Tasks**

[View Audit Report for Year-to-Date Information Reported](#)

[Complete GASB Reconciliation and Questionnaire](#)

[View GASB 68 Audit and Samples Footnotes](#)

[Register for Meeting](#)

# Reinstatement

- Previously forfeited service with PSRS or PEERS
- Typically less costly than other purchases
- Cost is the amount refunded plus interest
  - Interest is currently 7.6%
  - Cost increases on the first of every month

# Basic Purchase Types

- Supplemental
- Maternity/Paternity
- Military
- Other Public School Employment
- Non-Federal Public Employment
- Not-for-Profit Educational Employment
- Part-time Certificated Employment
- PEERS/PSRS-Covered Employment
- Reciprocity Transfer
- Social Security-Covered Employment
- Vocational/Technical Work Experience
- Reciprocity Purchase

# Basic Purchase Cost

System	Current Contribution Rate (Employee plus Employer)	X	Highest Annual Salary* on Record	=	Cost for One Year of Service
PSRS	29%	X	\$51,000	=	\$14,790
PEERS	13.72%	X	\$28,000	=	\$3,842

- Cost good until September 30<sup>th</sup>
- Recalculation occurs every October 1<sup>st</sup> on the unpaid balance\*\*

\*Salary includes employer-paid health, dental and vision benefits

\*\*Reciprocity does not recalculate, the application is subject to interest

# The Purchase Process

Request purchase application(s) and cost(s) from PSRS/PEERS

Complete the purchase application(s)

Obtain any necessary verification and/or documentation

- This process can take several months

Submit completed purchase application(s) with the necessary documentation and verification to PSRS/PEERS

Submit payment for purchase(s) to PSRS/PEERS

# Paying for Purchases

- Personal Check
  - Money Order
  - Cashier's Check
  - In-service trustee-to-trustee transfer of funds, per IRS
    - 403(b)
    - 457(b)
- Eligible tax-deferred rollover distributions as defined under the IRS
    - 401(a)
    - 403(a) and 403(b)
    - 401(k)
    - 408(a) and 408(b)
- Please contact PSRS/PEERS with rollover questions



# Purchase Reminders

- Start the process early
  - Some purchases require verification of employment
  - The sooner you apply and complete payment, the cheaper that your cost may be
- Service can be purchased in increments as small as 0.00001 of a year
- Evaluate the cost-effectiveness and cost recovery period
- Purchases must be paid prior to retirement in order for the service to be included in the retirement benefit calculation
- No obligation to complete payment once an application for purchase is filed with PSRS/PEERS
- Payments are not refundable
- You can view your purchases or run estimated purchase cost calculations by logging in to Web Member Services.

# Employer Reminders

- Purchases based on leave from covered employment are time sensitive and require employer contributions
  - Don't hesitate to contact us (888) 391-6966 or [employer\\_services@psrsmo.org](mailto:employer_services@psrsmo.org) for assistance
- When a member goes out on unpaid leave, be sure to update his or her Employment Status on your next payroll

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SSN:

First Name:     Middle Name:     Last Name:

Suffix:

\*Payroll Start Date:     \*Payroll End Date:

Part Time:     \*Position Code:

\*Wage Type:     Annual Base Salary:     Reporting Frequency:

Gross Salary:     Insurance Amount:     Term of Position:

Employee Contribution:     Employer Contribution:     Annual Base Type:

ER Contribution (Sys Calc):     ER Contribution (Sys Calc):     Retirement Salary:

Hours:

Hours : Minutes: 0 : 0

Employment Status:     Employment Status Date:

Comment:

ER Summary Comments :

Suppress Warnings :

**Employment Status Options:**

- Active
- Military Leave
- Leave of Absence
- Unpaid Sick Leave
- Terminated

# Member Services Contact Information

## Phone

(800) 392-6848

## FAX

(573) 634-7934

## Email

[psrspeers@psrspeers.org](mailto:psrspeers@psrspeers.org)

## Website

[www.psr-peers.org](http://www.psr-peers.org)



## Mail

P.O. Box 268  
Jefferson City, MO 65102

## Visit Us

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