

JUNE 2014

## Register Now for the 2014 PSRS/PEERS Employer Conference

Join PSRS/PEERS for our 2014 PSRS/PEERS Employer Conference to learn about our Retirement Systems, Retirement System reporting, and how to help when you are faced with questions from staff about PSRS/PEERS.

### 2014 PSRS/PEERS Employer Conference

Monday, October 13, 2014

Capitol Plaza Hotel, Jefferson City, MO

Visit [www.psr-peers.org](http://www.psr-peers.org) to register online and find information on reserving a hotel room if you plan an overnight stay. Don't miss this opportunity! Register today.

## New GASB Rules Impact PSRS/PEERS Employers

The **Governmental Accounting Standards Board (GASB)** recently approved two new statements that change the way public retirement systems like PSRS and PEERS disclose their financial information. PSRS and PEERS are cost-sharing, multiple-employer defined benefit pension plans. All financial disclosures made by PSRS and PEERS are contained in the audited **Comprehensive Annual Financial Report (CAFR)** that is published annually.

**Statement No. 67, Financial Reporting for Pension Plans**, affects the financial statements in PSRS/PEERS' **CAFR**. It replaces the requirements of the existing Statement No.25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and is effective for fiscal years beginning after June 15, 2013. PSRS/PEERS will include these new requirements in the June 30, 2014 **CAFR**.

**Statement No. 68, Accounting and Financial Reporting for Pensions**, affects the financial statements of PSRS and PEERS employers. It replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. This reporting requirement applies to PSRS and PEERS employers and is effective for fiscal years beginning after June 15, 2014.

We will help our participating employers develop the information required for employer reporting under these new rules. Please visit our website and [sign up](#) to receive email notifications regarding implementation of the new GASB Statements.

## Termination Information Must be Reported for All Terminating Employees

If a member will not return to your district next school year, you must report the following information through OASIS:

- Change the Employment Status to "Terminated" on the Payroll Detail Maintenance screen.
- Enter the last date of eligible employment (not the date of the last paycheck) in the "Employment Status Date" field on the Payroll Detail Maintenance screen, and mark the check box indicating the final payment to the member has been made.
- Report all salary, as well as any adjustments to the amount of employer-paid insurance reported **prior** to marking "Final Pay" for the member.

This information is required for all individuals retiring, taking refunds or simply terminating employment with your district. We cannot process a member's request for a refund or **Service Retirement Application** until we receive this information. Please contact your ESR if you have questions.

### Termination Defined for New Retirees

An employee cannot collect retirement benefits until he or she has "terminated" pre-retirement employment. PSRS/PEERS Board of Trustees regulations state that an employee is **not** considered to have "terminated" employment for the purposes of collecting a retirement benefit if the employee is employed at a covered employer in any capacity within one month after the effective retirement date, or has entered an employment contract for a covered position prior to the receipt of the first benefit. This includes contracts that are part of a retirement incentive requiring services, including "volunteer" services, after the effective retirement date.

It is important to note:

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

#### EXAMPLE

A member retires effective July 1, 2014. This member cannot do any work for any PSRS- or PEERS-covered employer until August 1, 2014, 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. This year, we will pay July benefits on July 31, 2014.

More information is available on the Employer page of our website.

## Contribution Rates for 2014-2015

Member and employer contribution rates will remain constant for any payroll reported for the 2014-2015 school year.

### PSRS Contribution Rates

	Member Rate	Employer Rate
Active Members	14.5%	14.5%
Active Members Subject to Social Security Contributions	9.67%	9.67%
Full-Time Critical Shortage Retirees	0%	9.67%

### PEERS Contribution Rates

	Member Rate	Employer Rate
Active Members	6.86%	6.86%
Full-Time Critical Shortage Retirees	0%	6.86%

## Has Your Office Location or Contact Information Changed?

It is important to keep your contact information in OASIS up-to-date, to ensure you receive all the mailings, checks, etc. we generate and send to you. You can update your physical or mailing address on the OASIS Employer Web Portal Employer Profile screen. One or more active addresses can be maintained, with one designated as your primary address.

If an address shown is no longer valid, set it to “Inactive.” Then, enter your new address, designating it as “Primary Address,” if applicable. You must have one active address indicated as your primary address.

You can maintain all information for existing contacts on the Organization Contact Information Maintenance screen. Please contact your ESR if you have questions about how to update this information.

## Working After Retirement

### Pro-Rated Limits for First Year Retirees

New PSRS/PEERS retirees who retire in a month other than July are subject to pro-rated Working After Retirement limits during their first year of retirement. The pro-rated limits are available on our website.

#### EXAMPLE

A PSRS member retires effective January 1, 2015. That retiree cannot work for any PSRS- or PEERS-covered employer during the month of January 2015. For the remainder of the school year, he or she is limited to working no more than 275 hours, or earning no more than 25% of the full-time salary for the position in which the retiree is employed. On July 1, 2015, this retiree’s Working After Retirement limits return to the full amounts (550 hours and 50% of full-time salary) for 2015-2016 and all subsequent school years.

### Tracking Post-Retirement Employment: Your Responsibility as an Employer

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 salary. You must maintain these records for **all** working retirees. We provide you, and the retiree with record-keeping forms, after you first report the retiree for the school year.

When employing a PSRS or PEERS retiree, it has always been imperative that you track the work performed to determine if, and when the retiree exceeds the 550-hour post-retirement employment limit, and if, and when a PSRS retiree exceeds the additional 50% salary limit. This information is now reported and tracked electronically through OASIS.

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 when one of the limits is exceeded. If verification of hours worked is required, we rely solely on you for this information.

Also, remember you should report all payroll data to PSRS/PEERS, including information on individuals not currently eligible for PSRS or PEERS membership.

More information, and the **Working After Retirement Record** form, are available on our website, or from your ESR.

## Form SSA-1945 Due for All New, Non-Social Security-Covered PSRS and PEERS Members

As of January 1, 2005, the federal Social Security Administration requires all new members not covered by Social Security to sign the *SSA-1945, Statement Concerning Your Employment in a Job Not Covered by Social Security*. You are required to provide a **copy** of each form to PSRS/PEERS. Please go to [www.socialsecurity.gov/form1945/](http://www.socialsecurity.gov/form1945/) for more information.

## Is That Educator Certificate Expired Or Just Inactive?

Educator certificates (other than Provisional, Temporary Authorization and VOC 1 certificates) with expiration dates on or after August 28, 2003 are considered inactive, rather than expired, for purposes of determining Retirement System eligibility. If the status of the certificate is truly inactive and not expired, PSRS/PEERS still considers that individual certificated for purposes of determining PSRS membership eligibility.

You should contact DESE Educator Certification at (573) 751-0051 to verify the status of a certificate.

## Employer-Paid Insurance Premiums – What to Include in Retirement Salary

- When reporting employer-paid insurance premiums to the Retirement Systems as a part of salary, only include 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 salary, and should not be included in the insurance amount reported to us.
- Any fees assessed on self-funded health insurance plans offered by your school due to the Affordable Care Act should be included in the employer-paid insurance premium reported as a part of salary.
- Any **employer** contributions to a member's Health Savings Account should be included in the insurance amount reported to our office, and are subject to retirement contributions.
- Any employer payment to an annuity is **not** included in retirement salary, 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 employer-paid insurance for the district.

## 2013-2014 School Year Quickly Coming to a Close

Once again, we are rapidly 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 website.

### Reporting Deadline

**All 2013-2014 OASIS Employer Reporting Summaries and Adjustment Summaries should be sent, and all contributions due remitted, by June 30, 2014.** In order to pay our retirees timely, the absolute latest date we can receive the information is July 10. This includes payrolls for July and August that are for the year ended June 30, 2014.

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 have 40 to 60 new retirees between the two Systems. In July, we typically have more than 3,000 **new** retirees, so you can see why timely information is very important.

### Last Day of School Must Be Entered in OASIS

Please enter the last scheduled day of school for nine-month contracted employees in the Employer Web Portal (EWP) if you haven't already done so. This information is necessary for us to determine whether nine-month employees have worked through the end of the school year. You can find directions on how to enter this information [here](#).

### Final Payroll Information

When reporting your absolute final 2013-2014 payroll, please remember to mark that payroll as "Final Pay for School Year." If you are reporting manually, the "Final Pay for School Year" checkbox can be found in the Payroll Summary Information section on the ER Summary Maintenance screen.

## **DESE Career Ladder Reporting Reminders**

Since DESE is not funding any Career Ladder payments for this fiscal year, you should not report any Career Ladder batches for the 2013-2014 school year. If your district has its own career ladder-type plan, report that salary as regular salary, not Career Ladder.

## **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. Report summer employment in the same fiscal year the service is performed.

If a new July 2014 retiree works in June, you must report the retiree in a 2013-2014 payroll. This allows us to use this salary in the calculation of the retiree's final benefit payment, and helps avoid benefit adjustments after a member retires.

### **ESR Contact Information**

Please remember that the toll-free numbers we provide to contact your ESR should not be given to members for general, retirement-related questions. These 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 p.m. to assist with member's questions about their membership and benefits.