

JANUARY 2016

Happy New Year from PSRS/PEERS Employer Services



From left to right: Janie Herod, Melissa Kempker, Katie Neuner, Cindy Rozier, Becky West, Megan Ambrose, Christy Dill, Jeffrey Russler, Rhonda Elliott, Debby Buschjost, Carol Cox, Michelle Leffert.

2016-2017 Contribution Rates Set

At the October 26, 2015 Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees' meeting, the Board voted to maintain PSRS and PEERS contribution rates at current levels for the 2016-2017 school year.

| 2016-2017 PSRS Contribution Rates | | |
|---|---------------|---------------|
| | Employee Rate | Employer Rate |
| Active Members | 14.50% | 14.50% |
| Active Members Subject to Social Security Contributions | 9.67% | 9.67% |
| Full-Time Critical Shortage Retirees | 0% | 9.67% |

| 2016-2017 PEERS Contribution Rates | | |
|--------------------------------------|---------------|---------------|
| | Employee Rate | Employer Rate |
| Active Members | 6.86% | 6.86% |
| Full-Time Critical Shortage Retirees | 0% | 6.86% |

W-2s and Retirement Contributions

When processing your W-2s for the 2015 tax year, please remember that according to the Internal Revenue Service (IRS), 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 the last tax year. We have not been notified of any changes in the reporting requirements. W-2 information and instructions are available at <https://www.irs.gov/pub/irs-pdf/iw2w3.pdf>.

2014-2015 Governmental Accounting Standards Board (GASB) Reconciliation Deadline

If you have not yet sent your completed reconciliation and questionnaire, please do so no later than **Friday, January 15**.

Offering a Retirement Incentive or Early Separation Program in 2015-2016?

If your school district is offering any type of incentive program for the 2015-2016 school year, **please** forward a copy of the program agreement to your ESA. Upon receipt, our legal staff will review the documentation to ensure the agreement does not put a PSRS/PEERS retiree's benefit in jeopardy.

Agreements may include:

- Retirement incentives
- Retirement or separation notice incentives
- Any other payment(s) received by an employee in exchange for agreeing to terminate employment, regardless of whether the employee is required to also perform extra duties as a condition of receiving the payment(s)
 - **Exceptions:** Retirement notice or separation notice incentives of total value of \$5,000 or less

Termination Reminders

In order to be considered to have properly terminated employment and eligible to receive retirement benefits, a member must:

- End all employment with all PSRS/PEERS-covered employers, and
- Not return to work for any PSRS/PEERS-covered employer in any capacity. This includes volunteering if the duties are similar to a paid position with the same employer, and
- Not sign a contract for employment in any capacity until one month has passed since the PSRS/PEERS retirement date. A contract includes a retirement incentive if the incentive requires the member to return to employment in any capacity after retirement.
 - Effective July 1, 2016, this will also include unwritten agreements for any future employment covered by PSRS/PEERS.

If these rules are not followed, a member is not considered terminated and is not eligible to retire and receive benefits. Retirement benefits paid to a member while ineligible must be repaid to PSRS/PEERS. In addition, the member and employer may be required to pay contributions on salary until proper termination of employment occurs.

Many of you are seeing System Generated Payroll Detail Records (STUB Records) within your payroll file once the files are uploaded to OASIS. STUB record functionality was designed to prompt you immediately for information PSRS/PEERS needs, such as a termination date. By design, OASIS expects a payroll detail record with payroll dates for each month from September through May of each school year for every employee you previously reported to either PSRS or PEERS, but haven't yet marked "Terminated" in OASIS.

If you are unsure why a STUB record generated, please contact your ESA for guidance rather than voiding the record. Below are the most common reasons STUB records generate and how you should address them in OASIS:

- If the employee is no longer working in a PSRS/PEERS-covered position at your school, select "Terminated" from the Employment Status dropdown box and fill in the Employment Status Date field with the last date the member was employed in a position eligible for PSRS or PEERS membership (not necessarily the last day of employment or the last payroll date for the individual).
- If the employee is on leave and not being paid, select the appropriate type of leave from the Employment Status dropdown box and fill in the Employment Status Date field with the date the leave began. Once the employee returns from leave and payroll resumes, you will then change the Employment Status to "Active" and fill in the Employment Status Date field with the date the employee returns.
- If the employee's status hasn't changed, the STUB record likely generated either as a result of:
 - The employee being paid but not reported in OASIS for the month in question. In this case you would need to manually enter the payroll information, or
 - The employee was paid and reported in OASIS, however the Payroll Start and Payroll End dates were incorrect. In this case you would make a comment explaining the reporting error and suppress the warning.

You can run your district audit report in OASIS at any time by clicking "Audit Report" under the Employer Reporting menu in OASIS to verify what has been reported, year-to-date, for all employees at your school district, including annual base salaries and the cumulative number of hours reported for all non-members. **The sooner reporting discrepancies are identified, the easier it will be to make necessary corrections.** We recommend you run an audit report regularly throughout the school year. This is the same report used for GASB reconciliation purposes.

Please remember to check DESE's Educator Certification Search tool to see whether or not an individual holds a valid Missouri educator certificate. You should also check Member Verification in OASIS, to determine if any other employers are reporting an employee of yours in the current school year. If you have employee being reported by another district, you need to verify whether they are being reported as a PSRS or PEERS member. Member Verification will display the name of each employer that has reported the individual in the current school year as well as the payroll contact's name, phone number and email address for your convenience. **Keep in mind, the results displayed rely on timeliness and accuracy of reporting by all employers.**

Form SSA-1945 Due for Some New PSRS Members

Since January 1, 2005, the federal Social Security Administration requires that any new PSRS member who is exempt from Social Security coverage sign the SSA-1945, *Statement Concerning Your Employment in a Job Not Covered by Social Security* and provide a copy of each form to PSRS/PEERS. This form must be completed when the member is first employed in a Social Security “exempt” position. Annual filing is not required. Visit <http://www.socialsecurity.gov/forms/ssa-1945.pdf> for more information.

PSRS/PEERS Accepts Rollover Funds for Payments

Most PSRS/PEERS members are aware that they can use tax-deferred funds to pay for a service purchase with PSRS/PEERS. However, they may not be aware that the tax-deferred funds can also be used to pay the employee portion of any sick leave remittances, USERRA (Uniformed Services Employment and Reemployment Rights Act) purchases, or for employee contributions required for prior-year corrections.

Key Reminders:

- As an employer, you cannot withhold additional contributions from the employee’s salary and pay it directly to PSRS/PEERS. Payment can only be accepted from another qualified plan.
- Any contributions paid on behalf of the member for prior-year corrections must come to PSRS/PEERS after tax, and you, as the employer, should treat those funds as such. Federal tax law does not allow employers to shelter any retirement contributions except for current salary.

Please contact your ESA to determine if we can accept tax-deferred funds for a specific situation.

Employer Educational Opportunities

Whether you’re new to retirement reporting or would simply like a refresher, please let us know. We are happy to meet with you to discuss OASIS and the basics of retirement reporting, as well as cover some of the more complex retirement reporting questions you may have. PSRS/PEERS offers the following educational opportunities for employers:

- **New Payroll Contact Training** – New payroll contacts can meet with their ESA, at our office in Jefferson City or via Web Training using a computer with high-speed internet access, to learn the basics of navigating through OASIS, as well as other helpful tips.
- **Employer Conferences** – Employers are encouraged to attend the conferences held each fall and spring at different locations throughout the state. At the conferences, employers are able to collaborate with other colleagues in the area and hear about various hot topics and reminders when it comes to retirement reporting through OASIS. A complete listing of dates and locations for the 2016 Spring Conferences will be available in February.

Member Educational Opportunities

PSRS/PEERS offers educational opportunities for members, such as:

- **Pre-Retirement Seminars** – We encourage members attend a seminar within five years of their expected retirement date. A complete list of seminar dates for the current school year is available on our website www.psr-peers.org.
- **Group Counseling Sessions for PSRS members** – Small scale seminars (limited to 15 members) are offered every business day at 10 a.m. at the PSRS/PEERS office in Jefferson City.

Continued on page 5

- **Individual Counseling** – Members can meet one-on-one with a retirement counselor at our office in Jefferson City or via Web Counseling. When meeting via Web Counseling we recommend using a computer with high-speed internet access and a web camera.

Registration is required for member educational programs and can be completed online via Web Member Services or by calling our office. If you would like a PSRS/PEERS representative to present an informational or in-service program at your school, contact our office by phone or email, or use the electronic meeting request form on our website <https://www.psr-peers.org/Employers/Meeting-Request-Form.asp>.

PSRS/PEERS Member Services –Your Source for Information About PSRS/PEERS Retirement

When members are looking for PSRS/PEERS-specific retirement information or have questions, it is best to have them contact our Member Services department directly for assistance. Our retirement counselors are experts on PSRS/PEERS retirement and are here to help. Whether the questions are about retirement benefits or completing the necessary applications and forms, our highly trained staff is here to assist our members free of charge.

Many PSRS/PEERS members choose to enlist the help of a financial planner when preparing for retirement. A qualified, trusted financial planner can provide valuable advice through an evaluation of your overall financial situation.

However, even when working with a financial planner, it is important for members to remain engaged in their retirement planning.

If you are approached by a fellow employee with retirement-related questions about PSRS/PEERS, please refer them to our Information Center for assistance rather than to your ESA. Our Information Center Representatives are available Monday through Friday, from 7:30 a.m. to 5 p.m. and can be reached toll free at **(800) 392-6848** or by email at psrspeers@psrspeers.org.