



2012 MPSERS Reform

System Changes - September 27, 2012

December 1, 2012, the Employer Reporting website will be enhanced to accept new changes to retirement reporting due to the 2012 MPSERS Reform. Changes will affect the Retirement Detail Report File Layout and member and employer contribution rate calculations.

Technical support or payroll vendors will need to make changes to payroll files that are uploaded to the ORS Employer Reporting website. If your school uses the carry forward or manual reporting methods you should be aware that there are changes to the Detail 4 record format and changes to data required on the Detail 2 record.

The attached changes will be effective the first pay period begin date on or after December 1, 2012. You can view the transition date using the Payroll Calendar link on the Employer Reporting website.

In November 2012, your office will be notified of the 2012 MPSERS Reform election choices for all employees that are being reported to ORS.

Retirement Detail 4 File Layout – Added Fields

Four additional fields will be added to the detail 4 file layout for reporting Personal Healthcare Fund (PHF) member and employer contributions. New fields will separate the defined contribution savings portion from the PHF contributions.

New Detail 4 layout will include field names, format, length, position, required field indicator and explanation of each added field.

Overview of new fields:

New Field Name	Explanation
Member PHF Contributions	Dollar amount of member's PHF contributions.
Member PHF Percent (%)	Percentage of member's wages allocated as PHF contributions.
Employer PHF Contributions	Dollar amount of employer's match of the employee's PHF contributions.
Employer PHF Percent (%)	Percentage of employer's match of the employee's PHF contributions.

An updated Detail 4 file layout and additional edits and validations is available at www.michigan.gov/psru under 2012 Retirement Reform > Reporting Updates. Your payroll system should allow additional coding for additional fields associated with the Detail 4.

New Defined Contribution Benefit Plans

Three new Defined Contribution benefit plans will be added to the Member Benefit Plan Information page. The following new benefit plans will identify members who opt out of the Basic, MIP or Pension Plus retirement plans.

New Benefit Name	Explanation
DC	New members first worked on or after September 4, 2012, who elect Defined Contribution (DC).
Basic DC Converted	Existing Basic plan members who elect Defined Contribution (DC)
MIP DC Converted	Existing MIP members who elect Defined Contribution (DC).

The defined contribution benefit plans will be reported using a Detail 2 and Detail 4 wage and contribution record. Your payroll system should allow additional coding for new employee and employer contribution rates associated with each plan.

Changes to Existing Benefit Plans

The new elections will require several changes to contribution rates and reported wage and contributions to ORS.

Basic and MIP members who receive an election will have possible changes to their contribution rates.

Detail 2 Records:

- Increased member contribution rates associated with specific benefit plans
- Decreased healthcare contribution rates with specific benefit plans

Detail 4 Records:

- New member and employer defined contribution rates for PHF

Benefit Plan Rates – See Reporting Changes for Employers – Benefit Plan Rates

ING Feedback File – Contribution Hierarchy

The ING feedback file provided through the Employer Reporting website will provide deferral changes that do not separate the Defined Contribution savings portion from the Personal Healthcare Fund. On the file you will see members who have changed their contribution amounts. For verification purposes you will also see new hires that are originally set up at either 4% or 8%.

You should use this information to identify the total contributions to withhold from your employees. Any member contribution of 2% or less must be matched at 100% by the employer and will go to the member's PHF.

The Detail 4 will include new edits and validations that will not allow more than 2% to be contributed to the PHF. All additional contributions should be applied to the member's savings portion. See example charts below.

Pension Plus Plan and PHF Contribution Hierarchy					
Employee Contribution*			Employer Contribution		
Total Contribution	Personal Healthcare Fund	Defined Contribution	Total Contribution	Personal Healthcare Fund	Defined Contribution
4%	2%	2%	3%	2%	1%
3%	2%	1%	2.5%	2%	0.5%
2%	2%	0%	2%	2%	0%
1%	1%	0%	1%	1%	0%

*The first 2% of any employee contribution must be matched 100% by the employer.

DC Plan and PHF Contribution Hierarchy

Employee Contribution*			Employer Contribution		
Total Contribution	Personal Healthcare Fund	Defined Contribution	Total Contribution	Personal Healthcare Fund	Defined Contribution
8%	2%	6%	5%	2%	3%
5%	2%	3%	3.5%	2%	1.5%
2%	2%	0%	2%	2%	0%
1%	1%	0%	1%	1%	0%

*The first 2% of any employee contribution must be matched 100% by the employer.

Next Steps

- On December 1, 2012 the Employer Reporting website will be updated to include detailed benefit plan information on the Member Benefit Plan link.
- Reporting guidelines for those who change benefit plans can be found at www.michigan.gov/psru under [2012 Retirement Reform > Reporting Updates > Reporting New Employees Who First Work On or After September 4, 2012](#).
- Start planning now and provide your technology and payroll system support staff with the information to ensure changes to your retirement reporting can be ready for system testing and live reporting in December!
- Coordinate these changes with your technology and payroll system providers to ensure file layout changes, additional benefit plans and contribution rates can be reported timely and accurately to ORS.
- ORS will offer a test environment for employers to test the new file format, benefit plan changes and new contribution rates. Look for more information regarding testing. System enhancements will be completed in phases. File layout, benefit plans and new contribution rates can be tested in late October and November and will have live capabilities in December 2012.
- Webinars will also be scheduled for early October to cover these changes and test plans. Watch for the dates and times at www.michigan.gov/psru under Education & Training – Webinars. Pre-registration is required. You may also provide your technology and payroll system providers the link to join!