



## Retirement Times Employer Newsletter

August 2006  
Volume 2 Issue 3

Tips, Tricks, and News for Our Public School Employers

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### Get Ready for Fall Member Statements

The 2005/06 *Member Statements*, which will include reported wages and service credit for July 1, 2005, to June 30, 2006 school fiscal year, are expected to be mailed this fall.

A statement can only be issued for your employees when *all* July 1, 2005, to June 30, 2006, records are posted. Please review your reports with records through June 30, 2006. If you have any errors that are listed on the web reporting production site as **ORG FIXES** for the records prior to June 30, 2006, try to get those errors resolved as soon as possible.

The web reporting coordinators at ORS are available to assist you with any questions you might have. Please feel free to use our Employer Reporting Call Center at (517) 636-0166.



### Earnings Limit Waiver Changed by PA 158

Public Act 158 of 2006 went into effect on May 26, 2006, changing the eligibility and the duration of the earnings limit waiver for retired public school employees.

Public school employees who have been retired for at least 12 months may be exempt from the earnings limitation if they are working in an approved critical shortage position or for a school that has an approved emergency situation. The earnings are exempt for up to six years or until July 1, 2011, whichever comes first.

Michigan's Department of Education (MDE) publishes the list of critical shortage exceptions each year, and expects to update the list to reflect the new legislation soon. To see the list, navigate to **Teacher Shortage Memo** on [MDE's website](#).

[Print this newsletter](#)

#### Quicklinks

- [Employer Website](#)
- [Employer Self-Service Website](#)
- [Member Website](#)

#### Retirement Reporting Seminar Survey

ORS is beginning to plan this year's Retirement Reporting Seminars. Tell us what topics you'd like us to include by typing in the space below.

#### Employer Survey Coming Soon

ORS will once again ask reporting units to complete a survey in late September, early October this year. Surveys are one way that we can learn how we can improve our services to you. We appreciate the time you take to let us know how we are doing and where we need to improve.

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## Using Wage Code 11 for Coaches

Wage code 11 is used to report coaching pay when the pay spans a period longer than a regular pay period. Only coaches or recreational employment positions (class code 1560) have been approved for this wage code. It ensures that the appropriate service credit is granted for the longer span of time.

Enter the begin and end dates for the period the wages represent. The end date must be between the begin and end dates of the report on which the wages are reported. If the coaching wages are being paid every pay period, you should report the wages with wage code 01, not wage code 11.

If you have any questions, please contact the Employer Reporting Call Center at (517) 636-0166 or email us at [ORS\\_Web\\_Reporting@michigan.gov](mailto:ORS_Web_Reporting@michigan.gov).



## Retroactive Wage Reporting

Retroactive wages are defined as wages owed to a specific group of employees as a result of a contract settlement. Retroactive wage reporting is for wages only – never include hours on your DTL2 record when reporting retroactive wages.

Here are some general reminders for reporting retroactive wages:

- Always use wage code 04 when reporting retroactive wages.
- The begin and end dates for retroactive wages cannot cross school fiscal years. If the settlement covers more than one fiscal year, use a separate DTL2 record for each year.
- The begin date of the retroactive record must be in a pay period in which the employee has posted regular wages for the same class code as used for the retroactive wages.
- The end date of the record cannot be the same end date as the pay period in which you are reporting the retroactive wages. The end date must be in a pay period prior to the current report. If retroactive wages are due for the current report, include those wages on the same DTL2 record as the regular wages for that pay period.
- Hours should never be included – you are reporting wages only in a retroactive wage record.

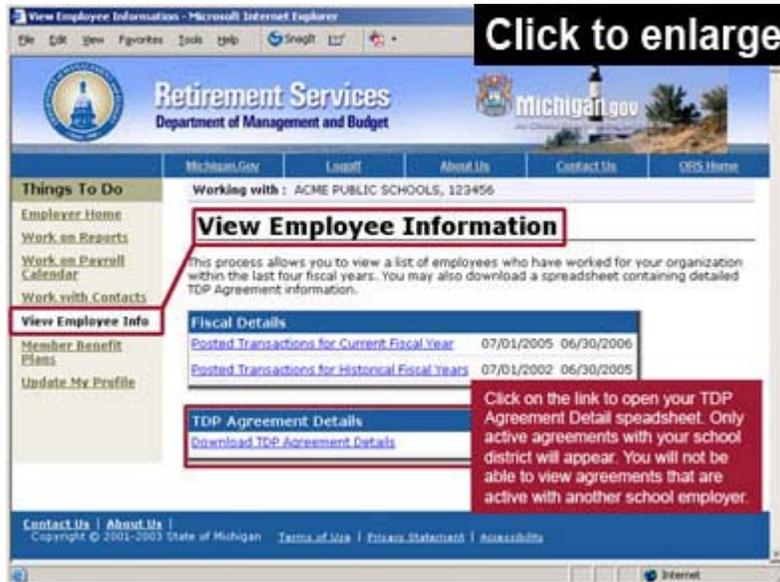


## TDP Interest Posted on July 1

On July 1, 2006, 8 percent interest was added to the unpaid balance of your employees' tax-deferred payment (TDP) agreements that were initiated between January 1, 2004, and June 30, 2005.

You will need to adjust the TDP balance for these employees after you confirm the record is current and accurate.

The interest amount and the new TDP agreement balance can be found on the **Download TDP Agreement Details** link on the **View Employee Information** screen on the employer reporting website.



The interest reflects total accumulated interest. For those agreements that had interest posted July 1, 2005, the amount shown on the **Download TDP Agreement Details** screen is the interest amount added on July 1, 2005 (if any), plus the interest amount added this July 1, 2006.

The TDP interest amount will not be accurate if:

- You have reports with TDP records with an end date prior to 7-1-06 that have not yet been submitted; or
- You have unposted TDP records with an end date prior to 7-1-06 for that individual.

**Note:** If either of the above is true, the interest amount will automatically adjust when the TDP records are posted.

Do not add the total accumulated interest amount to your balance, as this may represent more than one year of interest. Instead, use the balance shown by ORS.

BEFORE you enter ORS's balance, verify the following:

- Are there any missing deductions?
- Are there any adjustments?
- Are your reports up to date?
- Have all the deductions posted?

[Click here to see an example of the \*\*Download TDP Agreement Details\*\* report.](#)

If you have any questions, please contact the Employer Reporting Call Center at (517) 636-0166 or email us at [ORS\\_Web\\_Reporting@michigan.gov](mailto:ORS_Web_Reporting@michigan.gov).



## New Hire/Rehire Cheat Sheet

It's nearly "back to school" time for your employees. Here is a cheat sheet to help you process your new and rehired employees.

### New Hire/Rehire Cheat Sheet

#### New Hires (New to Michigan public school employment)

**Benefit Plan:** MIP Graded

**Materials:**

- [Is There a Yacht in Your Future?](#) brochure and/or [Your Retirement Plan: A Member Handbook](#)
- [Beneficiary Nomination](#) form, to be completed and sent directly to ORS

#### Rehires (New to or rehired by your reporting unit, or previously employed by a participating reporting unit)

**Benefit Plan:** Check the **Member Benefit Plans** link on the employer reporting website to determine the correct benefit plan.

**Materials:**

- [Is There a Yacht in Your Future?](#) brochure and/or [Your Retirement Plan: A Member Handbook](#)
- [Beneficiary Nomination](#) form, IF the employee needs to change his or her beneficiary wishes, to be completed and sent directly to ORS

**Note:** You may want to ask if this employee has a TDP agreement to transfer to your reporting unit. [Click here for more information on transferring an agreement.](#)

**Note:** You should have received a shipment of *Is There a Yacht in Your Future?* brochures a few weeks ago. *Your Retirement Plan: A Member Handbook* and the *Beneficiary Nomination* are available on the ORS member website at [www.michigan.gov/ors](http://www.michigan.gov/ors); you can also [order limited quantities of some publications online.](#)



### About the Retirement Times

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Thanks for reading!