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Multiple TDP Deductions on One Record for Summer Pay

It's getting close to that time of year again ... yes SUMMER!!! For employees who are being paid their summer pay in one check, you can report the corresponding TDP deductions in a one-time, lump sum.

- Remember, this summer pay deduction increase can only occur one time per employee per year.
- The increased TDP payment amount will post only for TDP payments included in payroll reports with an end date that falls between May 14, 2007, and July 14, 2007.
- The deduction must equal the scheduled deduction amount times 5, 6, or 7 - the number of pay cycles being combined into one paycheck - unless it matches the exact balance remaining on the TDP agreement. If it does not the DTL 2 record will not post.
- If a summer payoff with multiple deductions is reported, the employee is not eligible to have additional summer TDP payments reported.

If you have summer payoff deductions that don't meet these criteria, please contact the Employer Reporting Call Center at (517) 636-0166.

For detailed instructions, see the [Reporting Instruction](#)

 [Print this newsletter](#)

Quicklinks

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

RIM Updates

Don't forget to check the employer information website for updates to the *Reporting Instruction Manual* at www.michigan.gov/psru. The most recent updates since our last issue of *Retirement Times* include information on:

- Reportable compensation limits.
- Instructions for calculating graded MIP and employer contributions on adjustments and retroactive wages.
- Appendix E – System Requirements, Edits, and Validations.
- Changes to the View Employee Info screens.

Retirement Times Survey

ORS would like to cover topics that are important to you in the *Retirement Times* newsletter. Please let us know what you would like more information about.

[Manual](#), Section 7.5.5, Multiple TDP Scheduled Deductions on One Record for Summer Pays.

Submit

Hints and Tips

2007-08 Payroll Calendars Update

 Top

Payroll calendars for the school fiscal year 7/1/2007 to 6/30/2008 will soon be updated. We reviewed the process and are pleased to announce changes that will make it more efficient for your reporting unit.

Instead of mailing a paper copy of your payroll calendar with the expected payroll dates for your review, we will load the expected dates into your online employer account. We will then send an email asking you to review the dates. If the dates need to be changed, either attach the changes to a return email or fax the changes to ORS. If the calendar dates are correct, you need not respond.

We expect to load the calendars by the end of May, and will email your reporting unit to verify the calendars in early June. Any changes must be submitted to ORS by June 30.

If you have any questions, please contact the Employer Reporting Call Center at (517) 636-0166 or at ORS_Web_Reporting@michigan.gov.

Don't Forget! Set the Wage Code to 08 for Summer Spread Wages

Remember to change the wage code for employees who receive 26 pays but actually stop working at the end of the school year. You should be reporting the summer spread pay using wage code 08 because you are reporting wages without hours.

Just as important is to change back to the regular wage code 01 when your employees return to work in the fall and you start reporting hours with the wages again.

Reporting Wages Without Hours Using Wage Code 09

 Top

You have requested a wage code to report wages without hours apart from regular wages. In the past you had to add compensation such as merit pay or annuities to regular (wage code 01) wages, adding additional steps to your process.

ORS is pleased to report that our technical team has developed a solution that lets you report certain types of compensation not associated with hours.

Previously, wage code 09 was defined for longevity pay only. Effective May 1, any reportable wages without hours can be reported using wage code 09.

All current validations/edits on the wage code 09 still apply. This means that you can report multiple records with the 09 wage code for the same period, however the class codes must be different.

ORS will be changing the description of wage code 09 from "longevity" to "wages without hours." However, this change will not be made in the ORS system and the *Reporting Instruction Manual* until sometime later this summer. You may still begin reporting wages other than longevity using the 09 code effective May 1.

Please be sure to share this information with your

When an Employee Dies

When an active member of the retirement system dies, the employee's survivor should contact ORS even if he or she may not be eligible for a monthly survivor pension benefit. ORS will ask for the employee's social security number to identify the retirement account and may request a copy of the death certificate. We will then review the deceased employee's record to determine what is payable.

ORS is not able to provide eligibility or payment information to a third party, so it's important that you advise the employee's survivor to contact ORS directly. The toll-free number is (800) 381-5111.

More information can be

vendor, as coding changes may be required in your system.

If you have questions or concerns about this change please contact the Employer Reporting Call Center at (517) 636-0166 or ORS_Web_Reporting@michigan.gov.



Member Benefit Plan Screen Improved

We continually look for ways we can improve online reporting and have recently made enhancements to the Member Benefit Plan screen.

The improved Member Benefit Plan screen helps you identify the correct plan (MIP or Basic) for your employees.

Basic Plan members who did not work between January 1, 1987, and December 31, 1989, are automatically placed in the graded MIP by retirement law if they return to work for a Michigan public school.

As you requested, the Member Benefit Plan screen now indicates that employees meeting the above criteria are in the graded MIP. You no longer need to contact ORS to verify an employee's plan.

Additionally, a reminder note was added to the bottom of each Download Detail spreadsheet from the View Report Totals screen that states:

The "Benefit Plan as of (date)" column will display the employee benefit plan for the identified SSN as of the date you view the download detail. If "Retiree" appears in the column and MIP appears in the "Member Contributions Calculated" column, this record is for a time period when the member was active and owes member contributions



Temporary Changes for Members

ORS is temporarily closing its Southeast Michigan office and changing its office hours to enable cost-effective customer service during the state's fiscal crisis.

ORS is temporarily relocating its Southeast Michigan office staff to the main office in Dimondale. The Southeast Michigan office service center will not be staffed from May 7 through September 28. The Customer Contact Center, located at 7150 Harris Drive in Lansing, will be open to walk-in customers from 8:30 a.m. to 5:00 p.m., Monday through Friday.

In addition, the Customer Contact Center will accept customer phone calls Monday through Thursday, from 8:30 a.m. to 5:00 p.m., effective immediately.

found on the ORS member website at www.michigan.gov/ors.

Please note that this temporary change only affects member services. We plan to continue services as usual to our employer partners. If you have questions on retirement reporting, you can email ORS_Web_Reporting@michigan.gov or phone the Employer Reporting Call Center, Monday through Friday, at (517) 636-0166.

We encourage you to share this information with your employees. Thank you for your assistance and patience.



Determining the Employer and MIP Rates on Adjustments and Retroactive Payments

When making adjustments or retroactive payments, you also need to calculate the correct MIP graded contribution amount to withhold from the employee's pay. **If the wages are being paid in the same fiscal year** (July 1-June 30) in which they were earned, use the same MIP rate that you used for the last set of posted wages for that school year.

For example, you have an employee who has posted earnings of over \$15,000 at the time you make the adjustment or issue retroactive pay. Even if you are adjusting pay periods earlier in the year when the MIP graded percentage was lower, because this employee is already at 4.3 percent, this is the MIP rate you use.

If the wages are being paid for a previous fiscal year, use the same MIP rate that you used for the last set of posted wages for that fiscal year. In most cases, the rate will be 4.3 percent. If you are reporting current wages along with the adjustment or retroactive pay, these may require separate calculations.

The employer contribution rate for ANY adjustment or retroactive payment is the rate in effect for the record's pay period end date. So, retroactive wages paid in the fall for the previous school fiscal year (July 1-June 30) are calculated using the previous fiscal year's contribution rate.

For detailed instructions, see the [Reporting Instruction Manual](#), Section 5.2.3 Other wages – multiple wage codes.



Final Salary Affidavits Coming Soon!

Final Salary Affidavits (FSAs) will be faxed to reporting units beginning May 15 for employees retiring effective July 1.

You may be asking why FSAs are so important in the retirement process. The FSA is the final document needed to place a retiring member on payroll. The ORS's goal is

get as many of our retiring members as possible on payroll in the month of their retirement effective date. The complete and accurate information you provide on the FSA assists us in achieving this goal.

You don't have to wait to complete FSAs for contractual employees who have reportable wages paid over 26 pays. These are the employees that continue to be paid projected wages after they have terminated. You can do it early as long as you know the pay will not change. Please fax the completed FSA to ORS at (517) 322-6988 within 10 business days of receipt, if possible.

For those employees whose pay varies from payroll to payroll, please wait until all reportable wages are determined before completing the FSA.

With your help, we'll be in a good position to process the more than 5,000 applications we expect during the summer months.

Occasionally, you may hear from our staff as we verify the information on the FSAs. Your ability to return our calls and provide the information requested means quicker turnaround on your employees' retirement payments.

We are introducing a new feature to help you track FSAs. This feature is an online report listing the FSAs that have been sent to you and those that have been returned. This report will include the employee's last name, last four digits of the employee's social security number and the retirement effective date. Watch for more details regarding this FSA report.

Thank you for your help and your patience.



Deferred Member Statements

Employees who leave Michigan public school employment and have at least 10 years of credited service are considered deferred members of the Michigan Public School Employees Retirement System. These deferred members were previously required to initiate contact with ORS to obtain information about their retirement accounts. To enhance service to our deferred members, ORS mailed over 10,000 deferred member statements in mid-April.

Deferred members may contact their previous employers for information. If they do please have them contact ORS in one of the following ways.

Email: ORSCustomerService@michigan.gov

Phone: (800) 381-5111, Monday - Thursday

Mail: Office of Retirement Services
P.O. Box 30171, Lansing, MI 48909

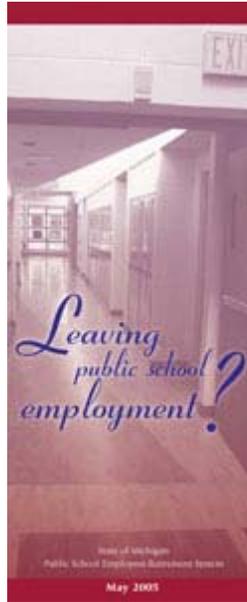


Take Care of Departing Employees

If you have employees who will not be returning next year OR who will return as a contracted employee (and therefore will no longer be a member of the retirement system), please do your best to provide them with the brochure [Leaving public school employment?](#)

The publication has important information that should be read **while the employee is an active member of the system**. In particular, it reminds vested members to be sure ORS has their [Beneficiary Nomination](#) form before terminating employment. If they don't submit a beneficiary form while an active member, they can't initiate a beneficiary nomination once they're in deferred status. They can *change* their beneficiary after terminating, but only if we already have a form on file.

You can [order the brochure in bulk](#). Members can also find the information, the [Beneficiary Nomination](#) form, and the publication online at www.michigan.gov/ORSschools.



2006-2007 Teacher Shortage Areas

Public school retirees who have been retired for at least 12 months may be exempt from the earnings limitation if they are working in an approved emergency situation. On April 17, 2007, the Michigan Department of Education issued a revision to the critical teacher shortage areas for fiscal year 2006-2007. To see the list, navigate to Teacher Shortage Memo at [MDE's website](#).

More information about earnings limits can be found on the [ORS member website](#).



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Thanks for reading!