



# Reporting New Employees

Who first work on or after September 4, 2012

For new employees who first work on or after September 4, 2012 you will need to report using the Pension Plus benefit structure until December, 2012 when system enhancements will provide new benefit structure changes for the Employer Reporting website. This is for employees who elect to stay in the Pension Plus Personal Healthcare Fund (PHF) plan or the straight Defined Contribution (DC) Personal Healthcare Fund (PHF) plan with the [New Hire Retirement Plan Election form \(R0940C\)](#).

To report these employees, use the standard process for reporting a Pension Plus member until the system enhancements provide you with correct file layouts for the new plan in December, 2012. You will need to send a Detail 1, Detail 2, and Detail 4 record for all new members with accurate wage and contributions.

For new employees who elect the new straight Defined Contribution PHF plan, you must follow additional steps and reporting requirements to ensure accurate wage and contribution records are provided to ORS.

Once you have uploaded your report to the Employer Reporting Website, you may need to edit each new employee's records to provide ORS with accurate contribution information.

## Reporting for new Pension Plus PHF Members

For new employees who do not have any prior service with MPERS and have been determined by ORS as a new member on or after September 4, 2012, retirement reports will temporarily show the benefit structure as Pension Plus without a PHF. Use the following information to report accurate wage and contribution records for new employees through December 2012.

All records will suspend to ensure ORS can verify the employee's first day worked and assign a benefit plan to each new member.

## Temporary Reporting Requirements

- Do Not Withhold or Report 3% Healthcare Contribution of reportable wages on the DTL2 Record
- Withhold and report the following MIP contribution rates on your DTL2 Record.

Pension Plus DB Member Contribution Rates	
Year to Date Wages	Percent of Reportable Wages
\$0.00 through \$5,000.00	3.0%
\$5,000.01 through \$15,000.00	3.6%
\$15,000.01 and over	6.4%

- The employer contribution rate for the remaining of FY 2012 (through 9/30/2012) is 23.23%. This amount is entered on the DLT2 record in the Employer Contribution field.
- Withhold and report 2% of gross earnings on the DTL4 record for the Personal Healthcare Fund member deduction with a 2% employer match.
- Withhold and report 2% gross earnings on the DTL4 for the member defined contribution savings portion with a 1% employer match.

- Total withheld and reported defined contribution percentages should equal 4% member and 3% employer contributions of the employee's gross earnings. Percent totals and dollar amount totals must be reported on the DTL4 record. **If your system cannot automatically upload these new percent amounts, you must edit the DTL4 record through Employer Reporting Website, Work on Reports link.**

Once you upload, review, and accept wage and contribution records to the Employer Reporting Website, the ORS system will automatically suspend each record during the edits and validation overnight process.

**Temporary Suspension of Retirement Records**

- All DTL1-Demographic, DTL2-Wage and Contribution and DTL4-DC Contribution records will suspend.
- DTL1 and DTL4 records will begin posting late October 2012.
- DTL2 records will post after November 2012, if the New Hire Retirement Plan Election form has been received by ORS.

**After System Enhancement – Suspension of Retirement Records**

- In December 2012, DTL1 and DTL4 records will post. DTL2 records will remain suspended until an election is made or the employee's election window closes, 75 days after the last day of the first pay period. Provide each employee with the New Hire Retirement Plan Election packet (R0940C) immediately to ensure wage and contribution records and reports are quickly posted to the correct benefit plan for the member.

**Changes in Defined Contribution PHF Percentages**

Once a member elects or defaults, after 75 days of their first payroll date (the last day of the first pay period as reported by the employer to ORS) into the Pension Plus PHF, they may contact ING to change their percentage amounts. Any member contribution of 2% or less must be matched 100% as the Personal Healthcare Fund (PHF) and has priority over the DC savings plan deduction. See the following example for the Pension Plus Plan and Personal Healthcare Fund (PHF) contribution hierarchy.

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.

If your system cannot automatically upload these new percent amounts, you must edit the DTL4 on the Employer Reporting Website under the **Work on Reports** link.

### **New Employee Defined Contribution PHF Plan**

**If the employee chooses to opt out of the Pension Plus PHF plan and go straight Defined Contribution PHF**, use the following information to report accurate wage and contribution records for new employees.

#### **Wage and Contribution Records Reported as Pension Plus**

Once the employee chooses to opt out of the Pension Plus PHF plan and chooses to go straight Defined Contribution PHF, ORS will recalculate member and employer contributions on the suspended DTL2, before it posts.

These rates are retro-active to the first pay period reported for the member.

A defined contribution positive adjustment DTL4 record for each pay period posted using Pension Plus PHF defined contribution rates will be required. DTL4 adjustment records will correct under reported member and employer matched contributions for the straight DC plan. This will include positive DTL4 record adjustments for each pay period to total the new DC rates listed below. Straight Defined Contribution PHF Rates are listed in the following section.

<b>Participant Defined Contribution and PHF Rates</b>		
	<b>DC</b>	<b>PHF</b>
Employee Contribution	6% of gross earnings	2% of gross earnings
Matching Employer Contribution	3% of gross earnings	2% of gross earnings

#### **Reporting contributions for the New Member DC Plan**

- Do Not Withhold or Report 3% Healthcare Contribution of reportable wages on the DTL2 record.
- Do Not Withhold or Report MIP Contributions of reportable wages on the DTL2 record.
- The employer contribution rate for the remaining of FY 2012 (through 9/30/2012) is 20.99%. This amount is entered on the DLT2 record in the Employer Contribution field.
- Withhold and Report 2% of gross earnings on the DTL4 record for the Personal Healthcare Fund member deduction with a 2% employer match.
- Withhold and report 6% gross earnings on the DTL4 for the member defined contribution savings portion with a 3% employer match.
- Total withheld and reported defined contribution percentages should equal 8% member and 5% employer contributions of the employee's gross earnings. Percent totals and Dollar amount totals must be reported on the DTL4 record.

### Temporary Suspension of Detail Records

- All DTL1-Demographic, DTL2-Wage and Contribution and DTL4-DC Contribution records will suspend.
- DTL1 and DTL4 records will begin posting late October 2012.
- DTL2 records will post after November 2012, if the [New Hire Retirement Plan Election form](#) has been received by ORS.

### Changes in Defined Contribution PHF Percentages

Once a member elects the straight Defined Contribution PHF they may contact ING to change their percentage amounts. Any member contribution of 2% or less must be matched 100% as the Personal Healthcare Fund (PHF) has priority over the DC savings plan deduction. See the following example for the DC Plan and Personal Healthcare Fund (PHF) contribution hierarchy.

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.