



Retirement Times

Employer Newsletter

December 2005
Volume 1 Issue 4

Tips, Tricks, and News for Our Public School Employers

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Member Statements Delivered

ORS began delivering personalized member statements for the 2004-05 to public school employees on November 30. Payroll officers throughout the state have done a fabulous job of resolving retirement records so these statements could be mailed.

There are some employees who, for a variety of reasons, will not receive their statement until later. In some cases, this is due to unposted records from before 7/1/05; in other cases it is related specifically to a member's account. We will mail statements for these employees as soon as the records are complete for the fiscal year.

The statements encourage employees with questions to check out the *What's New* section of the member website at www.michigan.gov/ORSschools. They may also contact our Customer Information Center directly at (800) 381-5111 or 322-5103 (local) for questions about their account *totals* (service credit, contributions, and interest), or to change a beneficiary.

You may be able to assist the employee with questions about this fiscal year's service credit, wages, and tax-deferred payment agreements by using the View Employee Information feature, which shows all posted



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Quicklinks

- [Employer Website](#)
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Highlights From the Last Quarter

Early Survey Results

We extend a huge THANK-YOU! to our many employer partners who responded to ORS's first employer survey, delivered in late September. We are still reviewing and analyzing your responses, but we're encouraged that overall employer satisfaction with ORS services is 83 percent. We will be using the survey to identify how we can improve even more!!

Frequently Asked Questions (FAQs) Updated

ORS recently completed an overhaul of the FAQs on the Employer Website. If you have a reporting question related to one of the topics below, odds are good you'll find the answer by clicking [Frequently Asked Questions](#) on the left navigation bar.

- Getting Started: Payroll Calendars & Loading Reports
- Accepting Reports
- Demographic Records (Detail 1)
- Class Codes and Wage Codes
- Employee Wage & Hour Records (Detail 2)

wages, hours, and TDP payments reported by you for that employee.



Two Administrative Seminars Now Offered

ORS faces a challenge every year of providing a quality administrative seminar for you that delivers everything you need, but still respects your time. Survey responses from last year's seminars showed that our programs did not fit everyone's needs. For some staff, it was too much information. For others it wasn't quite enough. For this reason, we are now offering two seminars geared to different experience levels.

"Surveys showed that we have a very diverse audience," said Pam Kenney, the seminar presenter. "Out of respect for our partners' time and to respond to their educational needs, we decided two separate seminars are really needed. One is for the new payroll person; the second is for the seasoned professional."

The BASIC seminar is a comprehensive two-hour program for new payroll, benefits, and human resource employees. It provides background information about ORS, basics of retirement reporting, processing new hires and rehires, completing final salary affidavits, and current news. This program is offered quarterly.

The UPDATE seminar is for payroll, benefits, and human resource staff who have been working with ORS and do not need as much background information. This program will keep employers current with the ORS system changes and enhancements that affect the way you do your jobs, but will also include refreshers on basics such as processing new hires and completing final salary affidavits. More than 20 of these sessions are being conducted during the school year.

To register for a program in your area [click here](#).



Not All Compensation Is Reportable for Retirement

Our last *Retirement Times* newsletter featured an article on how to determine which employees should be reported to ORS for retirement purposes (see "Who is a member of the retirement system?" in the [August 05 issue](#)). Now that you have a better understanding of who is eligible to be reported, the next logical question might be, What pay is eligible to be reported?

ORS does not govern what you pay your employees. However, there are strict guidelines on types of pay that count toward retirement. Compensation is defined in the

- > Other Pay Types
- > Adjustments and Retroactive Wages
- > MIP & Employer Contributions
- > Retiree Reporting
- > TDP Payments (Detail 3)
- > Federal and Optional Retirement Plan Wages

[Retirement Act](#) as the “remuneration earned by a member for personal service performed as a public school employee.” The following table lists some examples of reportable and nonreportable compensation; more specifics are available in Chapter 3 of the [Reporting Instruction Manual \(RIM\)](#).

Reportable	Nonreportable
<ul style="list-style-type: none"> ➤ Wages, salaries, and other remuneration paid for services performed 	<ul style="list-style-type: none"> ➤ Payments for unused sick leave, vacation, or annual leave
<ul style="list-style-type: none"> ➤ TSA (tax sheltered annuity) investments 	<ul style="list-style-type: none"> ➤ Bonus payments
<ul style="list-style-type: none"> ➤ Longevity pay 	<ul style="list-style-type: none"> ➤ Expense payments
<ul style="list-style-type: none"> ➤ Merit pay 	<ul style="list-style-type: none"> ➤ In-kind compensation
<ul style="list-style-type: none"> ➤ Overtime pay 	<ul style="list-style-type: none"> ➤ Cash paid in lieu of any excluded benefits
<ul style="list-style-type: none"> ➤ Vacation/holiday pay when absent from work 	<ul style="list-style-type: none"> ➤ Remuneration paid for the specific purpose of increasing the final average compensation
<ul style="list-style-type: none"> ➤ Sick leave pay (including Weekly Workers' Compensation) when absent from work 	<ul style="list-style-type: none"> ➤ Wages paid while on a sabbatical leave
<ul style="list-style-type: none"> ➤ Professional services leave time (if contributions are reimbursed) 	<ul style="list-style-type: none"> ➤ Early retirement incentives
<ul style="list-style-type: none"> ➤ Short term disability (if specific criteria is met) 	<ul style="list-style-type: none"> ➤ Perfect attendance pay

Understanding what is reportable and what is not is a key responsibility of the person reporting wages and hours for retirement. If you have not been properly trained in this, please review the *RIM*, talk with your business manager, and consider attending the BASIC administration seminar ([Click here](#) for details and to register). If you encounter payments that you are unsure about reporting, please contact our web reporting call center to review the details of the payment.



Can't Log In? Contact Your Web Administrator

In June of this year, all reporting units were given the ability to manage their own retirement reporting accounts

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through in-house Web Administrators. Your reporting unit's assigned Web Administrator is identified on the employer self-service website home page.

You can contact your in-house Web Administrator for all the following tasks:

- Resetting passwords.
- Unlocking accounts.
- Activating accounts.

The Managing Accounts button on the employer self-service website will take you to detailed information and instructions on creating and managing accounts.

For Web Administrators

If you are a Web Administrator and have not had the opportunity, please notify each of your contacts that you will resolve their access questions. (Note: The contact people in your reporting unit are listed under the Work With Contacts link on the employer self-service website. If you are the Web Administrator for more than one reporting unit, please check each reporting unit's contacts separately.)

We encourage you to remind your contacts that you can do all the following:

- **Manage web accounts.** Create user accounts; update user profiles; activate, update, reset, and unlock user accounts.
- **Maintain contact information.** Add contacts, edit existing contacts, and delete contacts.



Wage Codes Clarified

When do I use which wage codes? This is a common question fielded by our call center staff. To help, we recently updated the Frequently Asked Questions on the employer website with a chart--found under [Employee Wage & Hour Records](#)—that we hope will be useful to you. Here are a couple of specific concerns you've raised with us.

Coaches Pay. When coaches are paid on a pay-period basis, coaching pay is easily reported every pay period using class code 1560 and wage code 01 (regular wages). When a coach is paid over a period of time longer than one pay period, this is also easily reported using class code 1560, wage code 11, the begin date of the coaching and the end date of the current pay period. This is an important difference! When you report coaching pay every pay period, use wage code 01; use wage code 11 only for pay that spans a period longer than the regular pay period.



Thanks for reading!

Some schools have also asked about how to determine the number of hours and the pay rate to report when coaches are paid by assignment. You will find a complete description of how to calculate this pay rate in our updated Frequently Asked Questions under [Other Pay Types](#).

Pay with no hours. Sometimes employees perform services for which no additional hours are reportable; for example, mentoring a student teacher or teacher prep time. This pay can usually be combined with regular wages (01) on the Detail 2 record. We've fielded some calls from schools who want to use the 08 wage code (summer spread) for these types of pay. This is not an acceptable practice.

If you have a payment for an employee that you believe is reportable compensation, but you cannot find a class code or wage code combination that is appropriate, ORS needs to approve the compensation before it can be added to the employee's retirement record. When this happens, please contact the ORS web reporting staff, either by e-mail or through the Employer Reporting Call Center, with the specific payment details. We will determine whether it is reportable, and if so, how the payment should be reported.



Remember to Report Federally Funded and Optional Retirement Plan Wages

As we approach the end of December, this is a good time to review and submit your federally funded and optional retirement plan wages.

These wages only need to be reported once each quarter and are very simple to enter. Just click the FF/ORP link on the left side of the Employer self-service home page, type in the beginning and end dates of the quarter you are reporting, and enter the totals. If you have more than one quarter to report, just click OK, go back to the link and enter the next set of data.



First Deductions for New TDP Agreements

When an employee opens a new *TDP Agreement*, or transfers one from another school district with a *TDP Addendum*, it's very important that you submit records in the right sequence so they post properly. The sequence is very logical and is as follows:

1. Submit wages to ORS. For an existing employee this has already happened, but for a new employee this important first step tells us that the member works for you and so can start an agreement with you.

2. Submit the *TDP Agreement* or *Addendum* on disk, along with the paper copy.
3. Wait one pay period.
4. Begin reporting TDP deductions.

For a regular employee you can start the first deduction in the reporting period after the latest date the agreement is signed. For a new employee, start the first deduction in the employee's second pay cycle.

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Download Detail Available Online for 12 Months

The Download Detail that you use to reconcile MIP differences (what was posted vs. what you reported), and to sort and research records, is available for every report for as long as records remain suspended. Once a report is 100 percent posted, the Download Detail continues to be available for 12 months from the end date of the report.

If you have found this spreadsheet helpful, you may want to save your Download Detail spreadsheets locally before the 12 months have expired.

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