



Retirement Times Employer Newsletter

February 2007
Volume 3 Issue 1

Tips, Tricks, and News for Our Public School Employers

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Thanks to You!

Thanks to your diligence in retirement reporting, 93 percent of employee retirement records were up-to-date for the mailing of the 2005-06 fiscal year Member Statements. We appreciate your hard work. Thanks for a job well done.

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.

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ORS receives high marks from employers!

ORS is succeeding in its effort to improve employer services. That's what the results of the fall 2006 Employer Survey said. High marks were received in the overall customer satisfaction area with 90.7 percent of those responding rating our service as either good or excellent. This is a 7.1 percent increase from last year's 83.6 percent satisfaction mark.

"Staff have worked very hard during the implementation of online retirement reporting by always putting the customer first through regular reporting questions," said Joanne Masarik, Employer Reporting Manager. "It's nice to have the employers affirm their work."

Employers also showed their appreciation of the Employer Reporting Call Center with over a 90 percent rating of useful to very useful; over a 98 percent rating for courtesy; and more than a 95 percent rating in regards to knowledge.

Employers also had the opportunity to rate ORS communication. Over 93 percent felt that communications initiated by ORS to inform employers of reporting issues are timely to meet needs, and more than 80 percent rated the Employer Informational Website as useful to very useful.

This was the second consecutive year that ORS surveyed public school reporting units. The intent of the survey is to find out employer satisfaction with ORS services, what kind of services are needed, and provide a communication

medium between ORS and the reporting units.

In addition to the statistical data, you also provided us with many comments, insights, and suggestions. We will continue to review and analyze the information so we can identify ways to improve. We thank all of you for taking the time to complete the survey.

Our next employer survey is scheduled for September/October 2007.



Fiscal Year 2008 Employer Contribution Rate

All reporting units should by now have received written notification from the Michigan Department of Management & Budget, Financial Services office of the fiscal year 2008 employer contribution rate.

A recap of that letter is as follows:

The pension contribution rate effective for October 2007 is 12.01 percent, which is an increase of .82 percent above the FY07 rate of 11.19 percent. You may recall that updates in the actuarial assumptions delayed a portion of last year's increase for a one-year period of .93 percent, which set last year's pension rate at 11.19 percent.

The health benefits contribution rate did not change and remains at 6.55 percent.

Therefore, the contribution rate due on members' wages paid between October 1, 2007, and September 30, 2008, will be 18.56 percent. This rate includes the reconciliation and applies to K-12 school districts, intermediate school districts, community colleges, district libraries, public school academies, and federal programs. The breakdown of the rate is as follows:

FY 2008	
Pension Normal Cost:	5.28%
Pension Unfunded Accrued Liability:	<u>6.73%</u>
Pension Total:	12.01%
Health Benefits (Cash Basis):	<u>6.55%</u>
Total:	18.56%



Payroll Advisory Team

A Payroll Advisory Team has been formed to bring ORS and school employers and vendors together to look specifically at the retirement reporting process. The team will begin meeting on a quarterly basis, with the first meeting scheduled for February 22, 2007. The purpose of the team is as follows:

- Collaborate with employers/vendors on customer service initiatives and priorities.
- Discuss the impact and test new solutions before implementing changes to reporting process.

The new team includes employees from reporting unit payroll offices, payroll software vendors, a Michigan School Business Official (MSBO) representative, and Office of Retirement Services (ORS) representatives. To ensure cross-representation, team includes:

- Payroll vendors.
- Representation from small as well as large reporting units.
- Members from geographic locations across the state.
- K-12, ISD and University representatives.

The team members are:

Name		Title	Organization
Bihl	Evelyn	CFO	Utica Community Schools
Culp	Kristen	Specialist-Compensation/Cost Accounting	Kent ISD
Donovan	John	Business Process Owner - Employer Reporting	Office of Retirement Services (ORS)
Fitzgerald	John	Payroll Manager	Oakland ISD
Fonner	Michele	Payroll Coordinator	Lakeview School District
Globke	Cheryl	Financial Administrative Assistant	Quincy Community Schools
Halcin	Kathy	Finance Assistant	Charlevoix-Emmet ISD
Heitsch	John	Supervisor of Data Processing Services	Gratiot Isabella RESD
Hurley	Phyllis	Assistant Director of Human Resources	Northern Michigan University
Jones	Kathy	Director - Computer Services	Wayne RESA
Kenney	Pam	Employer Communication Analyst	Office of Retirement Services (ORS)
LaLonde	Gail	Payroll Specialist	Waverly Community Schools
Martell	David	Associate Executive Director	Michigan School Business Officials (MSBO)
Masarik	Joanne	Business Process Leader - Employer Reporting	Office of Retirement Services (ORS)
Morris	Diane	Programmer Analyst	Macomb ISD
Recor	Tracy	Controller	Port Huron Area School District
Schieda	Angeline	School Payroll Specialist	Airport Community Schools
Smith	Rhonda	Project Coordinator Instructional Management Services	Muskegon Area ISD

Smith	Jeanne	School Finance2k Product Manager	Optimal Solution, Inc.
Trempe	Deborah	Financial Information Systems Project Manager	Southfield Public Schools



Retroactive wage record vs. Positive adjustment record: What's the difference?

Retroactive record - A retroactive record reports contract settlement payments made to a group of employees working under an hourly or annual contract.

- Uses wage code 04.
- Retirement hours cannot be included on a retroactive payment record.
- The begin and end dates on the retroactive record can cover a length of time greater than one pay period but cannot exceed one fiscal year. If the contract settlement was for more than one fiscal year use a separate record for each year.
- The begin and end dates on the retroactive record must be prior to the report that includes the retroactive records.
- The begin and end dates on the retroactive record must match a time period in which the employee was reported to ORS. Use the View Employee Info link to verify that the employee did receive wages during the settlement period and that the begin date on the retroactive record falls within a pay period in which wages were reported.
- Use the employee's current rate of pay. If the rate of pay is greater than \$100 you must include contract begin and end dates on the record.
- The class code used on the retroactive record must match the class code used for wages reported for the employee during the settlement time period. Use the View Employee Info link to verify which class code was used during the settlement time period.

Positive adjustment record – A positive adjustment record reports wages that went unreported in a prior pay period(s).

- Uses wage code 05.
- You can report both wages and/or hours on a positive adjustment record.
- The begin and end dates on the positive adjustment record can be for one pay period only. If an adjustment needs to be made to more than one pay period, use one adjustment record for each pay period to be adjusted.

- The begin and end dates of the adjustment record must be for a pay period(s) prior to the report that includes the adjustment record(s). If it is necessary to adjust a wage record that has already posted, make the adjustment on a later payroll report.
- The begin and end dates must match begin and end dates on your payroll calendar.

For further information go to Chapter 5, Section 5.2.3 - Other Wages – Multiple Wage Codes of the [Reporting Instruction Manual](#).



Enhancements to Online Reporting

We continually look for ways we can improve online reporting and have recently made enhancements to the screens and process for reporting Federally Funded, Optional Retirement Plan, and Unfunded Accrued Liability wages.

Another recent enhancement allows you to make adjustments to previously reported TDP deduction (DTL 3) records yourselves.

See Chapter 5, Section 5.8 Federally Funded, Optional Retirement Plan and Unfunded Accrued Liability Wages and Chapter 7, Section 7.5.3 Submitting a TDP Adjustment of the [Reporting Instruction Manual](#) for step-by-step instructions.



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:

- Military leave – Nonreportable compensation
- New instructions for reporting Federally Funded, Optional Retirement Plan and Unfunded Accrued Liability Wages
- Optional Retirement Plan for retirees of this retirement system
- Tax Deferred Payment (DTL 3) Adjustments



Leaving Public School Employment

Due to the recent privatization of several disciplines within several school districts, i.e., substitute teachers, bus drivers, ORS would like to provide this reminder. As you are aware, whenever a person works for a third party organization he or she is no longer a public school employee and therefore is no longer an active member of the Michigan Public School Employees Retirement System. They are not always informed that this change in their member status has a direct effect on retirement eligibility.

We strongly encourage you to provide them with the [Leaving Public School Employment?](#) brochure ideally while they're still considered a member of the retirement system. This publication will provide them with important information about their status in the retirement system.

For more information on who is not a member of the Michigan Public School Employees Retirement System, see Chapter 4, Section 4.5 *Who is Not a Member* in the [Reporting Instruction Manual](#).



New Poster Available for Ordering

Need to get the word out about the two online video presentations: *How to Buy Service Credit* and *How to Pay for Service Credit*? Well here's a convenient way. Order the new service credit tutorial poster [7 Things you need to know about service credit](#) to post in your employee areas.

Don't forget to order our other publications for your employees.

- [Is There a Yacht in Your Future?](#)
- [Your Retirement Plan: A Member Handbook](#)
- [If You Become Disabled: Your Disability Protection](#)
- [Leaving Public School Employment?](#)

These publications are available for ordering online at www.michigan.gov/psru under Forms & Publications.



Retiring Anyone?

Do you have employees planning to retire this year or in the next few years? The ORS offers Preretirement Information Meetings (PRIMs) at various locations and dates throughout the school year. These meetings provide an overview of retirement benefits so your employees' can make informed decisions about their retirement and their future.

Please encourage your employees to preregister for a PRIM regardless of career stage, but especially if they plan to retire soon. Meeting dates, locations and the preregistration form are on our member information website at www.michigan.gov/orsschools under Retirement Seminars.



About the Retirement Times

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Thanks for reading!