



Retirement Times Employer Newsletter

November 2007
Volume 3 Issue 4

Tips, Tricks, and News for Our Public School Employers

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Highlights From the Last Quarter

- **Two New Webinars in November**
ORS is offering two new webinars for employers in November. The webinars cover TDP Agreements and Addendums, and Supplemental TDP Agreements. [Get more information and register here.](#)



- **New ORS Member Home Page Launched**

With our customers in mind, ORS launched a new home page that includes a "who's who" in ORS, helpful links, and a video message from Phil Stoddard, ORS director. [Check out the new ORS Member Home Page.](#)



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TDP Agreement/Addendum Data Files Electronically Submitted

Thanks to suggestions from employers on the Payroll Advisory Team, ORS has changed the process for you to submit TDP agreement and addendum data files electronically and eliminate the need for the old TDP diskettes.

This new process is a file transfer protocol (FTP). The file format and layout remain the same, but instead of putting the data on a diskette and mailing to ORS, you upload the TDP agreement/addendum data file electronically through a secure website. The FTP instructions for uploading your TDP agreement and addendum data file are in Appendix F of the [Reporting Instruction Manual](#).

Note: you must still create the same TDP agreement/addendum data file that was previously submitted to ORS on a diskette. This data file must be the format specified in **D.2.1 TDP Agreement/Addendum File Layout** of the Reporting Instruction Manual. If you are having difficulty creating the data file, contact your internal technical staff for assistance.

Our long-term goal continues to be an enhancement that allows you to load directly to the employer reporting website. This enhancement is at least another year out.

Signed TDP agreements and addendums should be faxed

to ORS at (517) 322-1116. ORS no longer accepts diskettes and requires the FTP process be used for reporting new TDP agreements and addendums.



Submitting the First TDP Deduction

When do you start withholding deductions? Not until both wages and the TDP agreement or addendum have been posted to the employee's retirement account. If you report TDP deductions prior to the agreement or wages being posted, you may end up needing to refund money to the employee. Therefore, it is best to wait one or two pay periods before taking the first deduction. This time frame is necessary to ensure that ORS has received and processed the TDP file and the faxed agreement.

If you have any questions or need further assistance with this process please contact the Employer Reporting Call Center at (517) 636-0166 or email us at ors_web_reporting@michigan.gov.



Reviewing the Download Detail Report

The **View Report Totals** page on the employer reporting website includes a **Download Detail** link. The **Download Detail** report includes a record of everything on your individual payroll reports including wages, service hours, MIP contributions, MIP discrepancies, employer contributions, and TDP information.

Employers have told us that the most beneficial piece of this tool is finding MIP discrepancies. ORS posts and charges you the amount of MIP contributions that our system identifies as being correct. The column in that report labeled **Member Contributions Discrepancy** shows the difference between what you reported in MIP contributions and what was actually posted by ORS. For example, if you thought an employee was a Basic member and reported "0" MIP contributions, but ORS shows them as a MIP member and posted MIP contributions, the discrepancy would be shown on this report. This report will help find the differences as soon as possible and likely assist if you need to recoup money from the employee.

Please remember that the **View Report Totals** and **Download Detail** options for your posted payroll reports remain on the web site for only one year. We strongly suggest that you save a copy of the **Download Detail** of each payroll report for your records once it is 100% posted.



Using the Correct Employment Class Codes

Employment class codes are a four-digit number field required for your retirement report (i.e. Superintendent = 1110). This code describes an employee's type of work or

Reminders

Extended Hours for the ORS Employer Reporting Website

The employer reporting website hours have been extended and are now available from 6:00 a.m. to 6:00 p.m. ORS is not able to provide technical support for system issues or web coordinators for web reporting questions before 7:00 a.m. each morning.

Passwords and Access to Employer Reporting

If you forget your password or get locked out, you should first contact the Web Administrator at your reporting unit. Each reporting unit has an employee assigned to this role. If you are not sure who your reporting unit's Web Administrator is, please contact the Employer Reporting Call Center at (517) 636-0166 or ors_web_reporting@michigan.gov.

ORS Holiday and Other Closings

The Office of Retirement Services will be closed for business on the following holidays:

- **November 12**
Veteran's Day
Observed
- **November 22 and 23**
Thanksgiving
- **December 24 and 25**
Christmas
- **December 31 and January 1**
New Year
- **January 21**
Martin Luther King Day

position that you are reporting wages and hours for. Class codes are reported with each Detail 2 wage record. ORS uses class codes in a number of different areas including:

- Verifying the correct reporting of member and social security number.
- Identifying average increases by employee groups.
- Predicting future forecasts.
- Providing data to other state departments such as the Department of Education and the Office of State Budget.

Using accurate class codes is critical when reporting your employees. A list and description of all possible employment class codes can be found in Appendix B of the [Reporting Instruction Manual](#).

Please take some time to review the class codes and make sure you are using the correct code for each employee in your retirement reports.

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



Employee Retirement Accounts Are Confidential

If you are calling ORS on behalf of an employee, or if an employee is deceased, on behalf of the employee's survivor, ORS cannot disclose any information about that member's retirement account. Please have the employee or the employee's survivor contact ORS directly at (800) 381-5111. More information about reporting the death of an employee can be found under [Frequently Asked Questions](#) on the ORS public school member website at www.michigan.gov/orsschools.



FF/ORP/UAL Wage Reports Due

Your federally funded, optional retirement plan, and unfunded accrued liability wage reports are due at the end of each quarter. Even if the amount is "0", you must enter a report with "0". Specific directions on how to report FF/ORP/UAL wages and when they are due to ORS are available in the [Reporting Instruction Manual](#). As of this date, you should have all quarters entered through September 30, 2007. Please check the employer reporting website link to ensure your reports are up to date, and enter any missing data.



2007 Annual Member Statements Sent

ORS began mailing personalized *Member Statements* to active public school employees for the 2006-07 school fiscal year in October.

The ORS employer reporting website is not available on holidays.

As you are aware, ORS temporarily relocated its Southeast Michigan office staff to the main office in Lansing. The Southeast Michigan office service center will not be staffed from May 7, 2007 through January 4, 2008. The Customer Service 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 Service Center will accept customer phone calls Monday through Thursday, from 8:30 a.m. to 5:00 p.m.

Payroll offices have worked diligently to update retirement records so these statements could be mailed. Thank you for a job well done.

Despite our combined efforts, there are some employees whose accounts are incomplete for the 2006-07 school fiscal year. In some cases, accounts are incomplete due to unposted records, missing addresses, or other key account information. ORS will continue to work closely with those reporting units to resolve unposted records, and will mail these statements as soon as possible.

Member Statements have a new look and include a newsletter, [PROactive](#), to give you and your employees an easy to read overview of their own account and how ORS can help them plan for retirement.

If your employees have general questions about their statement please refer them to www.michigan.gov/orsschools, where they will find information about the member statement. If your employees have specific questions about their wages or years of service, you may be able to answer their questions using the View Employee Information link on the employer reporting website which shows all posted wages, hours, and tax-deferred payment deductions reported by you. Employees may also contact the ORS Customer Service Center directly at (800) 381-5111 or (517) 322-5103.



Schools Own Name and Address Changes for Employees

When you submit your retirement report with Detail 1 records to change an employee's name or address, that employee's retirement account is updated with the new information as soon as your report is posted.

Occasionally, your employees contact ORS to make name and address changes. What you need to know is that your retirement reports are the final authority on employee names and addresses. If the employee does not change his or her name and/or address with you and you still have the old data on your retirement report, then your report will override whatever data ORS has on the employee's retirement account. Therefore, it is important for you to ensure that the most recent address is being reported by you to ORS.



New Legislation Changes

In early October, the legislature made changes to retirement laws affecting the public school employee retirement system as a part of the budget deal.

Effective October 1, 2007, to reestablish membership after a period of deferment, a public school employee must earn at least one-tenth (0.10) of a year of service in each of the five years immediately preceding his or her

retirement effective date, or must earn one-half (0.50) a year of service in the two fiscal years immediately preceding his or her retirement effective date.

To qualify for a full insurance premium subsidy, public school employees hired on or after July 1, 2008, must earn at least 25 years of service. If the employee earns less than 25 years, a graded insurance premium subsidy applies.

Beginning July 1, 2008, if a member purchases service credit that results in the member qualifying for a pension earlier than they could have without the purchase of service credit, the insurance premium subsidy does not begin until they would have been eligible for retirement without the purchase of the service credit. The insurance premium subsidy begins when the length of their purchased time needed to qualify has passed, or they reach age 60 – whichever comes first. Service credit purchased on or before June 30, 2008, will not affect the date the insurance subsidy begins.

Employees hired after July 1, 2008 will contribute 6.4 percent of their wages that exceed \$15,000. The existing graded rate still applies to wages that do not exceed \$15,000 for employees hired before July 1, 2008.



ORS Forms & Publications Update

You and your employees have access to the most recent versions of ORS forms and publications on the ORS website at www.michigan.gov/orsschools under the “Forms and Publications” link. If you can’t find a form you have been using on our website, it should not be used. For example the *Request for Retirement Information (R38C)* form, this form is obsolete and all copies should be recycled.

Please do not provide photocopies of discontinued ORS forms to your employees. To ensure that only the most recent forms are used, please print them from our website as they are needed.

A new version of the publication, [Retirement Readiness](#), is now available on our website.

The *University Remittance Advice (R411)* form has also been revised and is now available on the school employer information website at www.michigan.gov/psru.



RIM Updates

The following updates were made to the *Reporting Instruction Manual (RIM)* since the last issue of *Retirement Times*. Go to the [RIM Changes page](#) for details.

Chapter and Section	Title
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Appendix F	TDP File Transfer Guide
Appendix D.2	TDP Agreement/Addendum File Layout
E.2.5	Validations Run for Detail 2 Records
3.7.4	Common Error Messages
5.10	Summary Table of Reportable and Nonreportable Compensation
5.2.1	Reportable Compensation Limits
7.4.1	How to Set Up an Agreement
7.4.2	TDP Agreement and Addendum File
7.8.2	Processing Supplemental Agreements
7.9.1	Processing the TDP Addendum



About the *Retirement Times*

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Thanks for reading!