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3% Health Care Contribution Update

The lawsuit stating that the member health care contribution is not legal is currently in the appeals court. Reporting units must continue to withhold and contribute the 1.5 percent or 3.0 percent from employee pay during this appeal process. ORS will advise the reporting units as soon as the lawsuit is resolved. ORS anticipates that it will be necessary to transition from the 1.5 percent rate to the 3.0 percent rate for the affected employees effective July 1, 2011. A webinar covering this transition will be available in June 2011.



3% Health Care Contribution (HCC) Reporting

Effective July 1, 2010, members of the Michigan Public School Employee Retirement System (MPERS) are required to contribute 3 percent or 1.5 percent of their pay into a fund for retiree health care. As reporting units of MPERS, you are required to withhold, report, and submit to the retirement system health care contributions

How to Contact ORS

Email:

ORS_Web_Reporting@michigan.gov

Telephone:

Employer Reporting
(517) 636-0166

Quicklinks

- [How to Contact Us](#)
- [Employer Website](#)
- [Employer Self-Service Website](#)
- [Member Website](#)
- [ProActive Member Newsletter](#)



Hints and Tips

Save time with miAccount

Do your employees want to know how much they have contributed to their retirement account?

Do they want a simple way to track their service credit and their pension progress?

Your employees and you can make retirement planning easier by logging into miAccount to view, print, and change personal account information.

Encourage your employees to use [miAccount](#), our website, and publications too.

from their wages. During the 2010-2011 fiscal year, members contributed either 1.5 percent or 3 percent based on prior years of service and wages.

Effective July 1, 2011, the Health Care Contribution rate for all MPERS members will be 3 percent of wages earned on or after July 1, 2011.

Please note that ORS does not have the system capabilities to distinguish what day wages were earned, therefore, a new round of contribution adjustments will be processed for wages earned within the 2010-2011 fiscal year (July 1, 2010 – June 30, 2011) for members at the 1.5 percent health care contribution but are paid after July 1, 2011.

The adjustment process requires reporting units to submit a Health Care Contribution (HCC) Adjustment spreadsheet for every pay period where wages earned prior to July 1, 2011 are being reported. The [Health Care Contribution Adjustments Spreadsheet](#) can be downloaded from our website at www.michigan.gov/prsu, under **Employer Reporting Forms**. Instructions for using this spreadsheet are on the first tab and will guide you through the process to ensure accurate submissions.

Tips for submitting a Health Care Contribution Adjustment Spreadsheet

- Data entered into the HCC adjustment spreadsheet must exactly match the records originally reported to ORS.
- Submit the HCC adjustment spreadsheet to ORS as soon as possible to avoid late fees and interest being applied to your account.
- Read the HCC adjustment submission instructions carefully to ensure adjustments are processed accurately.
- Making adjustments will directly alter the **Download Detail** for that pay period end date.
- Print a copy of the **Download Detail** before you submit the HCC adjustment spreadsheet to use for reconciling after adjustments have been applied.



Missing/Late DTL4 Records & Payments Resulting in Shortfall

As previously communicated, on April 1, 2011, ORS began to strictly enforce all late fees, shortfall and interest charges related to missing/late payroll reports and retirement contribution payments including those related to Detail 4 records.

Missing/Late DTL4 Records

The retirement statute, Public Act 300 of 1980, specifically MCL 38.1342(7), requires ORS to charge a late

Tutorials and Webinars

Three new tutorials covering online payments, online employer statements, and employer statement reconciliations are now available! Click on [Employer Tutorials, Webinars, and Seminars](#) to view them.

More tutorials are coming soon!

Don't Miss Out...

It is important to keep your contacts information on the employer reporting website current. This will ensure the appropriate personnel can be contacted with employer related information. And... you won't miss out on important ORS communications.

fee on missing/late reports. Any employer with retirement reports that are missing or are not submitted by the due date are assessed a fee. For more information on the report due dates or details on the missing report fee, see Section 9.3.3 Missing/Late Reports in the *Reporting Instruction Manual*. Please note that each report that has a missing/late DTL4 record is charged \$50 for each reporting due date that it is missing/late. For example, for a biweekly reporting unit, a report dated March 17, with a missing DTL4 record on March 31st, \$50 would be charged. If that March 17, report still had that missing DTL4 record on April 7th, an additional \$50 will be charged.

As mentioned in the February 2011, *Retirement Times*, Pension Plus members are required to contribute and employers are required to report the DC portion of the Pension Plus plan as of September 1, 2010. It is only after the member elects to opt out through ING that a reporting unit can stop DC deductions. ORS has been sending notifications, along with lists of missing records to each reporting unit that has not sent one or more DTL4 records for their Pension Plus members. This list was created using the dates of DTL2 records that have been submitted for Pension Plus members that did not have a corresponding DTL4 record.

If your reporting unit has Pension Plus members who are not yet reported, or if you have missing DTL4 records, all DTL2 and/or DTL4 records must be submitted immediately. Please contact Employer Reporting at ORS_Web_Reporting@michigan.gov if you need help in getting the records submitted.

Missing/Late DC Payments

Payments should be made seven business days after the related pay date and no later than seven business days after the end of the month. Any missed/late payments will result in a shortfall for a reporting unit. The shortfall amount is calculated by taking the employer statement balance due at the end of a month and subtracting all payments received by the 7th business day of the following month. A shortfall will also result in a late fee and interest charges. Shortfalls in amounts you have paid could be due to an underpayment of contributions due, or payroll records that were submitted in error.

All *Pension Plus* DC payments are listed in the payment section of the *Pension Plus* DC employer statement for each reporting unit that has reported a *Pension Plus* member to ORS. If a payment has been made and is not displayed, it may be that the payment was not made successfully. *Pension Plus* DC payments are made online in the same manner as DB payments. However, when entering a *Pension Plus* DC payment the **Cash Receipt Type** must be changed to **DC Contributions**.

If a payment made for DC Contributions is missing please check to see if that payment was accidentally made to your reporting unit's DB account. Paper check payments will not be displayed on the employer reporting website.

The Employer Reporting Website only displays the online payments.



Employer Audits

ORS is responsible for the administration of the Michigan Public School Employees Retirement System under PA 300 of 1980. The law authorizes ORS to conduct audits on each reporting unit to ensure proper reporting to ORS. As part of this requirement ORS is implementing a "horizontal" audit program. This allows ORS to cover one topic and apply it to multiple employers, thus creating efficiencies of scale. We also believe it will alleviate the need to perform individual employer audits on some reporting topics.

ORS started one horizontal audit in April, 2011. This is an audit designed to ensure that the member is retired using the correct compensation and to ensure the retirement system is funded (corresponding member and employer contributions) at the proper level, in compliance with statute.

Also, in April, 2011, a *Position Verification* form and detailed instructions were sent to several reporting units to review specific employee positions, start dates and statuses. This review affected over 3,100 members and ORS had a compliance rate of 95 percent in the first three weeks of the audit review.

ORS will perform horizontal audits periodically throughout the year. Applying sampling techniques and internal analysis will supplement our requirement and perhaps reduce the need to conduct full employer audits. Our goal is to become a partner with each employer to improve reporting, ensure accuracy of member information and have consistent, accurate reporting to help us effectively manage the retirement process.



TDP Interest Posting – July 1, 2011

On July 1, 2011, ORS will post 8 percent interest to the unpaid balance of TDP agreements that were initiated July 1, 2004 and later. This happens every year on July 1st. You will be able to see the interest posting using the **TDP Download Detail** link on the **View Employee Info** screen on the Employer Reporting website. Members will be able to see the interest posting on the **Member Statement** link in miAccount.

Impact of interest charges

Members with a TDP agreement that is subject to interest should review their account and make sure their total payment for the year is greater than the interest charged. If the total payment is less than the amount of interest charged, they are at risk of paying more money in interest than the actual cost of their service credit purchase.

Increasing minimum payments

Members can increase their minimum payment so that the purchase is paid in full earlier and less interest is accrued with the [Supplemental TDP Agreement](#) form.



Final Payroll Details Update

The online Final Payroll Details (FPD) process, formally known as Final Salary Affidavits, is now automated. You may be wondering what this means to you. In the past, you completed and submitted the FPD report for each retirement applicant. ORS would then follow up with you about the information you submitted so that the report would balance with the wage information already reported to ORS. Now, when you complete the FPD for a retiring employee and click the submit button, it triggers a calculation to compare this with what was reported through normal wage and contribution reporting. If the FPD amount is not in balance with your wage and contribution reports you will receive an error message with suggested areas to review the FPD. Updates have been made to the *Reporting Instruction Manual* to help guide you through the new process as well as a tutorial. The tutorial gives step-by-step instructions on completing the FPD screen and is available on our website at www.michigan.gov/psru. If you need help contact the Employer Reporting at (517) 636-0166 or email ORS_Web_Reporting@michigan.gov.

To avoid delays to the processing of your retirees' pensions, complete the FPDs as soon as they become available.



100% Posted Reports and FPDs

You can help ensure your newly retired employees receive their pensions timely and accurately, we need your help. For us to finalize a retiree's pension, your reports must be 100 percent posted and the Final Payroll Detail (FPD) report must be balanced and submitted to our office.

In some cases, we can initiate an initial pension payment to ensure your retiree receives a pension payment during their first month of retirement and, in other cases, we cannot provide a pension payment until receipt of the FPD. In either case it's important to submit your FPDs as soon as the final wages are reported and to ensure all your reports are 100 percent posted. Any reports not 100 percent posted can cause delayed pension adjustments to the retiree.



Pension Plus Technology Update

While we are working diligently on enhancing our system to accommodate the next phase of the Pension Plus plan, we wanted to advise you of what you can expect upon implementation.

The next phase of Pension Plus will allow you, the

employer, to view, edit, and add your own Detail 4 records. You will be able to work on your DTL4 records the same way you do with DTL1, DTL2, and DTL3 records. Once you have the ability to add your own Detail 4 records, the DTL4 spreadsheet process will become obsolete.

Another enhancement is the addition of a link to a new section to allow you to view your ING Feedback File information directly on the [Employer Reporting Website](#). After the link is available ORS will no longer be sending ING Feedback Files and notifications to you through the Data Exchange Gateway (DEG), as you will be able to view this information under its own section on [Employer Reporting Website](#).

We will communicate more information prior to implementation so that you are prepared as well.



The Data Exchange Gateway-The what, why, where, and how of it

What is the Data Exchange Gateway (DEG)? The State of Michigan provides the Data Exchange Gateway (DEG) as a web-based file transfer protocol (FTP), to enable the fast and secure transfer of data files between agencies within the State of Michigan and their external partners. The https protocol within your Internet Browser provides the security of the transfer over the internet; no other software is necessary. There is no fee for your reporting unit to use this service.

Why does ORS use it?

ORS currently uses this site to upload several types of information to the reporting units that require action by the reporting unit in return. Your reporting unit may receive one or all of these files as they are uploaded by ORS. They include:

- Missing DTL4 records updates
- Health care contribution corrections
- ING feedback files for Defined Contribution employee deduction changes
- Shortfall letters, interest letters, monthly Pension Plus statements
- Annual wage review spreadsheets
- Position verification forms for audit purposes

ORS will always send an email to your reporting unit when we load these files onto your DEG site to let you know the file is there and to give you instructions on how to download the data. NOTE: Download instructions vary with the type of file sent. Always follow the directions included in the email for a successful download.

Your reporting unit has used this site mostly to upload TDP agreements. However, you now must visit the site on a regular basis to both download files sent by ORS and to

upload data required by ORS for proper payroll reporting. Currently you upload files with:

- TDP agreements
- Health care contribution spreadsheets
- DTL4 records spreadsheets
- Annual Wage Review data

IMPORTANT: Each file type that you upload through the DEG has a unique **Mailbox Application ID** and transfer mode that is communicated to you via email from ORS. Failure to use the correct mailbox, Application ID, or transfer mode could transfer your uploaded file to an incorrect mailbox where the file can not be opened, or the data is in an unreadable format. Files that cannot be opened, or files in an invalid format, or in the wrong mailbox will be deleted by ORS. If an incorrectly loaded DTL4 record spreadsheet can not be found in the DTL4 mailbox by the designated deadline, your reporting unit could be charged a late fee.

Where is the DEG website and how can it be accessed?

The DEG website is located at <https://dxgweb.state.mi.us>. Your user ID will always be the letters ORS followed by your five-digit reporting unit number, i.e. ORSxxxxx. Each reporting unit was assigned a password when ORS began using the site. If you have forgotten the password, or if your reporting unit created a new password and it has been lost, contact ORS at 517-636-0166.



New Retirement Reporting Hours - 5:00 a.m. to 10:29 p.m.

Due to changes in the ORS "control room" employer reporting website availability, the batch processing schedule for retirement reports, and the online payment processing schedule have changed. The new hours are 5:00 a.m. to 10:29 p.m. seven days a week went into effect May 2, 2011.

The validations, edits, and posting batches will continue to run every weeknight (Monday through Friday) on any reports that you have loaded, accepted, or you edited records, and saved by 10:29 p.m. Any online payments must be submitted by 10:29 p.m.

NOTE: Any loaded reports, work that you do on reports, or online payments entered over the weekend (Saturday from 5:00 a.m. to Sunday 10:29 p.m.) will not be run through the batch process until Monday evening.

Although the website is available between 5:00 a.m. and 10:29 p.m., ORS technical support and web coordinator support for questions or system issues is only available during normal business hours. These normal business hours are Monday through Friday, 8:00 a.m. to 5:00 p.m.



Report and Payment Due Dates

The pay cycle reporting and payment transition period will continue through at least June 30, 2011. During this transition period, reports must be submitted by the next pay date or the fifth business day of the following month, whichever is sooner. Payments must be made by the seventh business day of the following month.

| Report | 5th Business Day of Following Month | 7th Business Day of Following Month |
|------------------------|---|---|
| May payroll report | June 7, 2011 | June 9, 2011 |
| June payroll report | July 8, 2011 | July 12, 2011 |



RIM Updates

The following sections of the Reporting Instruction Manual (RIM) have been updated since the last issue of Retirement Times. Go to the [RIM Changes](#) page for details.

- 1.4- Tools to Help You
- 1.5 - ORS Business and Non-Business Days
- 3.3- Creating a Retirement Detail Report
- 4.4.3 - Workers' Compensation
- 5.2.3 - Regular Wages - Education Pay/Increased Academic Certification
- 5.2.3 - Employer Sponsored Short-Term Disability
- 5.2.5 -Bona Fide Pay Concessions
- 5.3.1 - Types of Nonreportable Compensation - Bonus Payments
- 5.6.1 - Bona Fide Termination and Retiree Earnings
- 5.6.3 - PA 75 of 2010 Changed the Rules for Members Who Retired Before July 1, 2010
- 5.6.6 - Core Services
- 8.0 – Final Payroll Details
- 9.1.1 - Employer Contributions
- 9.1.2 - Withholding MIP, Pension Plus Employee Contributions, and Retiree Health Care Contributions
- 9.1.4 - Additional University Payments (non-member payments)
- 9.2 - Completing the Remittance Advice Forms
- 9.3.1 - Due Dates
- 9.3.2 - Late Payments
- 9.3.5 - Missing/Late Reports

About the Retirement Times

The *Retirement Times* newsletter is published by:

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- 9.4 - Employer Statements
 - 9.5.1 - Reporting Post-Tax Purchases
- A.5.1 – Activating a User Account
- APPENDIX C - Glossary
- E.2.12 - Validations Run Detail 4 Records
- APPENDIX F - Data Exchange Gateway (DEG) Guide
- G.3.1 - NSI Superintendent
- G.3.2 - NSI Assistant Superintendent
- G.3.3 - NSI Administrative Assistants

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Thanks for reading!