



Retirement Times Employer Newsletter

August 2011
Volume 7 Issue 3

Tips, Tricks, and News for Our Public School Employers

[Newsletter Archives](#) | [Newsletter Feedback](#) | [Contact Us](#)

 [Print this newsletter](#)

How to Contact ORS

Email:

[ORS_Web_Reporting@
michigan.gov](mailto: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

2011-12 Employer Contribution Rates

Don't forget, the 2011-2012 employer contribution rates are effective October 1, 2011. Click on [Employer Contribution Rates](#) for a complete listing.

Reminder to Superintendents

Every year, Superintendents are required to certify compliancy with retirement law. This year's Annual Superintendent Certification forms have been sent to your school. By signing and returning this Certification the Superintendent validates that the web administrator, payment

In This Issue...

- [DTL4 and ING Feedback File Changes Update](#)
- [3% Health Care Contribution Update](#)
- [Enhancements to the Tax-Deferred Payment \(TDP\) Plan](#)
- [HCC Adjustment Spreadsheet Process Update](#)
- [Employer Outreach Survey](#)
- [Final Payroll Details and 100% Posted Reports](#)
- [Report and Payment Due Dates](#)
- [ACH Payment Defaults for Period End Date and Cash Receipt Type](#)
- [P.A. 54 Prohibits Retroactive Wage or Benefit Levels](#)
- [Online Employer Statement Update](#)
- [Don't Forget! Set the Wage Code Back to 01 for the 2011-2012 School Year](#)
- [What is an Employment Class Code?](#)
- [Pension Plus Plan - Updates for Members](#)
- [Reporting Instruction Manual Updates](#)

DTL4 and ING Feedback File Changes Update

ORS completed enhancements to the Employer Reporting website and as of Monday, August 1, 2011, you are able to:

- View, edit, and add Detail 4 records;
- View employer and employee Defined Contribution totals on the **View Report Totals** page;
- View posted DTL4 records on the **View Employee Info** page; and
- View your ING Feedback file.

DTL4 spreadsheets are no longer accepted through the Data Exchange Gateway (DEG) These enhancements allow you to work on your DTL4 records the same way you do DTL1, DTL2, and DTL3 records.

Effective Monday, August 1, 2011, ORS no longer sends ING feedback files and notifications to you through the DEG. You now see a new link on the **Things To Do** menu that allows you to view your ING feedback file information

directly on the Employer Reporting website. By clicking on the **View ING Feedback File** link you will either see a link to further information by date or a message telling you there are no feedback files to be viewed. You should check this link once every pay cycle for the latest information.



3% Health Care Contribution Update

The lawsuit concerning the member health care contribution remains under review in the Court of Appeals. Reporting units must continue to withhold this from employee pay during this appeal process. ORS will advise the reporting units as soon as the lawsuit is resolved.



Enhancements to the Tax-Deferred Payment (TDP) Plan

Effective July 1, 2011, members choosing to enter into TDP agreements must agree to a scheduled deduction amount that will complete the purchase in a period not to exceed 15 years. When a member agrees to purchase service credit through a tax-deferred payment through payroll deduction they will determine their scheduled deduction based on paying the agreement off within 15 years (8 percent interest is assessed to the unpaid balance annually). The new minimum deduction amount is the greater of either the calculated 15 year payoff amount, or the \$50 minimum deduction that is already in place. Members can choose deductions that will allow the purchase to be paid off sooner, but 15 years is the maximum allotted timeframe.

To help a member determine a minimum scheduled deduction amount, the TDP agreement sent with the Member Billing Statement will indicate the minimum scheduled deduction to purchase the entire cost of the bill. A [TDP Calculator](#) is available on our member and employer websites to help the member make an educated decision and determine an affordable amount. The calculator will allow you or the member to enter the cost of the bill and the number of years to pay off.

If an employee is interested in making a service credit purchase with a TDP, help them weigh the purchase with our TDP calculator.



Calculate
Your Cost

If an agreement is submitted that does not meet the requirements of being paid off within 15 years, the agreement will be considered not valid and returned.

This new minimum scheduled deduction is designed to ensure the agreement is paid off in a reasonable timeframe and reduces the risk of the agreement balance increasing over time as a result of applying interest

processors and web users of the online retirement reporting system have been correctly identified and that their level of access is appropriate. Please return these forms to ORS by August 30, 2011. If any corrections need to be made, the appropriate actions are due by September 13, 2011.

Save Time with



Your employees may access their Member Statement in miAccount to review wage, service credit (earned, pending, and purchased), interest, and contribution details.

Encourage your employees to use miAccount, our website, and publications too.

annually to the remaining balance.



HCC Adjustment Spreadsheet Process Update

On July 1, 2011, ORS calculated a 3 percent Health Care Contribution amount for all members of the Michigan Public Schools Retirement System who earned wages on or after July 1, 2011.

This change may have affected some of your employees whose health care contribution amount was previously calculated at 1.5 percent for the 2010 fiscal year. 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 all wages earned within the 2010-2011 fiscal year for members at the 1.5 percent health care contribution rate.

In June, ORS held five webinars to help reporting units prepare for this percentage change. The adjustment process entails a [Health Care Contribution Adjustment Spreadsheet](#) form to be submitted to ORS for all affected members. This form and detailed instructions are available on our website at www.michigan.gov/psru under the [Employer Reporting Forms](#) link.

Adjustments for the affected members are currently being processed. Your school should receive an adjustment to your employer statement within 90 days of submitting your completed adjustment spreadsheets. You will receive an email communication and a detailed file indicating individual member adjustments through the Data Exchange Gateway (DEG).

Reminders

- Print or save a copy of your originally submitted download detail for the pay end date) you will be submitting to ORS for adjustments. The adjustment process will alter your original download detail and recalculate health care percentages.
- Follow the *Health Care Contribution Adjustment Spreadsheet* form instructions carefully to ensure your spreadsheet can be processed.



Employer Outreach Survey

A big thank you goes to everyone who participated in the May 2011 Employer Reporting Outreach survey. You gave us valuable feedback setting the baseline for where we currently stand. The survey will be conducted again next year to see how we are doing to improve our services and partnering efforts.

You confirmed some of our assumptions and provided good insight into areas we need to look at more closely. We'll work hard to improve the scores.

As always, if you have questions, concerns or feedback, you can contact us at ORS_Web_Reporting@michigan.gov.



Final Payroll Details and 100% Posted Reports

You can help ensure your newly retired employees receive their pensions timely and accurately. 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 the first month of retirement and, in other cases, we cannot provide a pension payment until receipt of the FPD. In either instance 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.



Report and Payment Due Dates

The pay cycle reporting and payment transition period will continue through at least December 31, 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.

Payroll Report	Report Due Date 5th Business Day of Following Month	Payment Due Date 7th Business Day of Following Month
August	September 8, 2011	September 12, 2011
September	October 7, 2011	October 11, 2011
October	November 7, 2011	November 9, 2011
November	December 7, 2011	December 9, 2011



ACH Payment Defaults for Period End Date and Cash Receipt Type

Please note that the online payment default **Period End Date** is set to the current calendar month. This can cause a problem making online payments if the first few days of the month when the payment processor is intending a payment for the month just ended. For example, if a reporting unit is making a July online payment on August 9, the defaulted **Period End Date** will be the last day for the month of August. The payment processor must

change the **Period End Date** to July in order for the payment to count for the July retirement contributions due.

There is a similar issue with the **Cash Receipt Type**. In order to make a defined contribution payment, the dropdown for the **Cash Receipt Type** must be selected and changed to DC Contributions. The payment processor must then click the **Change Receipt Type** button.



P.A. 54 Prohibits Retroactive Wage or Benefit Levels

P.A. 54 prohibits the payments of retroactive wages for labor contracts that have expired. Consequently, ORS no longer expects retroactive pay adjustments for settled contracts after June 8, 2011.



Online Employer Statement Update

The **Verify Amount Due** screen has been removed. With the change in payment frequency, this screen no longer provided timely data as designed.

The **Recent Activity** screen has been updated and is available for use. It provides a way to see what has been done since the last employer statement. It shows the payments made since the last day of the last month and also shows the status of the reports that were open as of the last employer statement or that have been added since the last day of the previous month.



Don't Forget! Set the Wage Code Back to 01 for the 2011-2012 School Year

Remember to change the wage code for employees who were receiving summer spread wages with no hours (wage code 08) back to wage code 01 for the first pay period of the new school year.

Returning employees must be reported with wage code 01 (regular wages) because you must begin reporting hours attached to the wages. If wages are reported with no hours, then the employees will not receive the correct amount of service credit.



What is an Employment Class Code?

Each pay period ORS requires wage and contribution records for each Michigan Public School Employee Retirement System (MPSERS) member in your reporting unit. Along with demographic information, ORS requires a detail of the employee's position and wages associated with your reporting unit.

An employment class code is a four digit number which defines the employee's position with your reporting unit, often corresponding to the department of education salary

object codes. These codes are reported on the employee's Detail 2 (DTL2) record on your retirement reports.

There are 74 distinct class codes referenced in the *Reporting Instruction Manual* (RIM), Appendix B. Even though your employees may fit into multiple definitions of these codes, report each employee in the definition that best fits their duties. If you are unsure what the best fit is, contact ORS for additional assistance.

It is common for employees to have multiple class codes reported to ORS. Employees that have various roles in your school will make different wages based on each one of their positions and salary schedules.

Example: *Mr. Smith is a teacher, coach, and a bus driver.*

This example would require three separate DTL2 records submitted on retirement reports with the wages and contributions associated with distinct class codes.

- Teacher- Class Code 1240
- Coach – Class Code 1560
- Bus Driver – Class Code 1610

ORS depends on accurate reporting to calculate an employee's pension; make decisions on retirement related issues; and to create better data analysis for the entire reporting program. It is important to provide correct information to ORS so employees receive the most accurate information regarding their pension benefits. Verifying your employee's class codes now can help reduce audits and additional corrections to your reporting in the future.

See the *Reporting Instruction Manual*, Appendix B, to view the employment class code definitions.



Pension Plus Plan - Updates for Members

Welcome Handout for New Members

Pension Plus Welcome handouts are available for you to give to potential employees and new employees who are members of the Pension Plus retirement plan. (Pension Plus members are Michigan public school employees who first began working July 1, 2010, and later.)

The handout is a great tool you can use to introduce new employees to the Pension Plus plan; it showcases the plan you are providing, and it tells them where to find more Pension Plus information.

You can order Pension Plus handouts on the Employer Information Website at www.michigan.gov/psru. Once you're there, click on [Retirement Tool Box > Publications/Posters](#).

Pension Plus News

The first issue of *Pension Plus News* was delivered to members July 15 with their second quarter statements from ING. Statements from ING only detail a member's savings account. For pension amount information, members can log into miAccount and click on Member Statement.

You can find the [Summer 2011 Issue of Pension Plus News](#) on the Pension Plus website – www.mipensionplus.org. The newsletter will be delivered twice a year – January and July – and prior versions will always be available on the Pension Plus website. *Pension Plus News* features important information and updates about both the pension and savings components of the Pension Plus retirement plan.



Reporting Instruction Manual 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.

- 4.5.11- Contracted Workers
- 7.11.1 - Post-tax Employer Payment
- 7.11.2 - Pre-tax Employer Payment
- F.4 - Downloading Secure Files
- F.5 - Converting a Text File to an Excel Spreadsheet



About the Retirement Times

The *Retirement Times* newsletter is published by:

Office of Retirement Services
P.O. Box 30171
Lansing, Michigan 48909



Thanks for reading!