



# MICHIGAN OFFICE OF RETIREMENT SERVICES

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The employer statement contains the information needed to keep contribution payments current.

## BACKGROUND

The statement is divided into four sections.

**Section 1: Summary Page** – All summarized activity. The statement’s first page is a summary of what has taken place since the last statement.

**Section 2: Report Posting** – Snapshot of reports as of the last day on statement.

**Section 3: Late Fee & Interest Transactions**

**Section 4: Payment History**

## DEFINITIONS

<b>Prior Balance as of mm/dd/yyyy</b>	The cumulative balance of all activity from the previous statement (includes posted records only). The records that were unposted on the last statement, but have since posted, are included in the <b>Contributions Posted During Period</b> line.
<b>Contributions Posted During Period</b>	A summary of all records that posted during the employer statement period. It is the total of employer, member, and Tax Deferred Payment (TDP) contributions.
<b>Late Fee and Interest Posted During Period</b>	A summary of all late fee and interest activity for this account during the period.
<b>Payments Posted During Period</b>	This line includes cash payments, any changes for payments (such as correction of a payment or a payment being identified as non-sufficient funds), and manual adjustments.
<b>Amount Due Before Including Unposted Records</b>	A subtotal of the above summaries.
<b>Amount Due from Unposted Records</b>	The amount due associated with records that have not posted yet.
<b>Net Payment Due Including Unposted Records</b>	A subtotal of all items in the summary section.
<b>Date Payment Due</b>	Date on which payment must be received by ORS.

## Reconciling the Employer Statement

The following table provides examples of a bi-weekly pay period, the related retirement reporting period, and the dates that the retirement report and the contributions payment are due.

Retirement reporting period end date	Date retirement report is due	Pay period begin date	Pay period end date	Pay date	Date contribution payment is due to ORS
February 6, 2011	February 19, 2011	March 3, 2011	March 3, 2011	March 17, 2011	April 11, 2011
February 20, 2011	March 5, 2011	March 17, 2011	March 17, 2011	March 31, 2011	April 11, 2011
March 6, 2011	March 19, 2011	March 31, 2011	March 31, 2011	April 7, 2011	April 11, 2011
March 20, 2011	April 2, 2011	April 14, 2011	April 28, 2011	May 10, 2011	May 20, 2009

**Please Note:** Payments are due for contributions whether or not the records have been reported or posted. Contribution payments must be paid by the 7th of the month following the month in which the employees were paid.

## RECONCILING THE EMPLOYER STATEMENT

**How much does the reporting unit owe?** The starting place for this calculation is the **Net Payment Due Including Unposted Records**. However, this is just a start. Contributions on wages paid in a given month are due on or before the 7th of the following month *whether or not* the reporting unit has reported or posted those wages. Verify that all reports for a given month are present in the **Report Posting** section of the employer statement, starting on page two.

- **Please Note:** Some contribution amounts owed will appear as a net amount. For example, if you have made a positive adjustment of \$100 and a negative adjustment of \$75 on the same line, the net value will show \$25 as adjustments in the adjustments column.
- This means that if retirement contribution payments are made at the same time payroll is run, you will also need to make adjustments to payments for any differences to this, and possibly prior, payroll payments. These adjustments may or may not have been processed through the payroll system (adjustments to payroll records can be done online). It's important to verify this section of the employer statement to make sure the correct contribution amount due is paid.

**Late Fee and Interest Section** - The next section of the employer statement is the late fee and interest section. Please review to determine if there are any charges due with the payment. If so, these charges need to be paid by the 7th of the following month, just like regular contributions.

**Payment History Section** - The last section of the employer statement is the payment history. Verify that payments sent have been credited to the reporting unit ORS account. If a payment is missing it could be due to timing. If a payment is missing, please check with the financial institution to see if the payment has cleared. If so, call ORS to find out the status of that payment.

With the above tasks completed, you can now determine what the reporting unit owes using the following steps. ***Please refer to the reconciliation page.***

## Reconciling the Employer Statement

Step	Item	Amount
1	For the month you are paying, what are the employer contribution amounts, member contributions, and Tax Deferred Payment amounts owed from the wages paid during this month.	
2	Add: any amount due from previous month's employer statement (subtract if overpaid on previous employer statement) <b>Please refer to the reconciliation page.</b>	
3	Pay this amount	

**Summary Section** - The employer statement summary section indicates if the reporting unit account is current. When your payments are reconciled with your reports, review of your employer statement will indicate this condition in the summary section. Assuming that you are current in submitting reports, the statement should show a **Net Payment Due Including Unposted Records** of the amount of the current month's reports or zero. If not, there may be a balance due from:

- Adjustments made online (that didn't flow through the regular payroll processing).
- Late fee and interest for the month.
- Timing of cash receipt if your payroll was paid near the end of the month and the payment was sent early the following month.

ORS strongly encourages payment within 7 business days of the pay date.

**Please Note:** A zero balance will not always be experienced. As records post, the balance can change. It is important that statements and reports be reconciled with payments each month to adjust for any small differences.

If the employer statement balance doesn't match the balances described above, further analysis is required, the employer statement reconciled, and the difference paid.