Employers’ Reference Manual- Chapter 2

Public School Employees’ Retirement System

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TABLE OF CONTENTS

CHAPTER 2 MEMBERSHIP – MANDATORY, OPTIONAL, AND PROHIBITED ................................................................. 1

MEMBERSHIP ELIGIBILITY ........................................................................................................................................ 1
  Mandatory (eligible) Membership .......................................................................................................................... 2
  Optional (eligible) Membership .......................................................................................................................... 2
  Prohibited (ineligible) Membership ..................................................................................................................... 3

MEMBERSHIP STATUSES ........................................................................................................................................ 4
  What is a member? ................................................................................................................................................ 4
    Active member .................................................................................................................................................. 5
    Inactive member .............................................................................................................................................. 5
    Vestee ............................................................................................................................................................. 5
    Annuitant ....................................................................................................................................................... 5

DETERMINING QUALIFICATION ............................................................................................................................ 5
  Impacts on All Members .................................................................................................................................. 7

DETERMINING THE MEMBERSHIP CLASS ........................................................................................................... 8
  New Class T-E Members and Class T-F Elections .............................................................................................. 9

ENROLLING, REPORTING, AND WITHHOLDING MEMBER CONTRIBUTIONS ....................................................... 10
  Quick Reference Table for Enrolling and Reporting Employees .................................................................... 11

DETERMINING IF A PART-TIME EMPLOYEE MAY WAIVE MEMBERSHIP IN PSERS ........................................... 13
  Ineligible to Waive Membership: .................................................................................................................... 13
  Eligible to Waive Membership: ...................................................................................................................... 13
  Informing PSERS of an Employee’s Request to Waiver Membership in PSERS ............................................. 14
  PSERS and the Employee’s Action upon Receipt of the ACTIVW Contract Record ........................................ 14
  PSERS Annual Waiver Evaluation .................................................................................................................... 15
  Events that Terminate a Membership Waiver .................................................................................................. 15
  Employer’s Action if Membership Waiver is Denied or Terminated ................................................................. 15

MEMBERSHIP ELIGIBILITY QUESTIONNAIRE ........................................................................................................ 16
Chapter 2
Membership – Mandatory, Optional, and Prohibited

This chapter contains information regarding the eligibility requirements for PSERS membership and the requirements and procedures for waiving PSERS membership. It also describes the various membership statuses that PSERS maintains and explains how membership status impacts eligibility requirements.

Membership Eligibility
Employment type (full-time or part-time) is a key element in determining PSERS membership eligibility. Employees in the mandatory membership category must be enrolled and reported to PSERS. Employee contributions must be withheld from the first day of paid service. Further details on how to enroll, report, and withhold contributions can be found in later chapters of this manual. For PSERS’ purposes, full-time employment is defined as:

- Salaried = works at least 5 full days per week
- Hourly = works at least 25 hours per week not including overtime hours
- Per Diem = works at least 5 full days per week and is hired and paid on a daily basis
- Adjunct = works at least 30 credit hours in a fiscal year

Part-time employment is defined as:

- Salaried = works fewer than 5 full days a week
  - Works five (5) or more hours per day, but fewer than five (5) days per week
    Example: works 3 days for 36 weeks and worked 5 full days (in service)
    \[3 \times 36 = 108 + 5 = 113 \text{ days}\]
  - Works fewer than five (5) hours per day
    Example: 3 hours for 180 days and worked an additional 3 full days (in service)
    \[3 / 5 = .60 \times 180 = 108 = 3 = 111 \text{ days}\]
- Hourly (hired and paid on an hour-to-hour basis) = works less than 25 hours a week
- Per Diem (hired and paid on a day-to-day basis) = works fewer than 5 days a week. A workday must include a minimum of 5 hours to be considered a full day.
- Adjunct = work fewer than 30 credit hours in a fiscal year
Note: PSERS defines a full day as 5 hours worked in a day, even if an employer defines a full day differently. Employees must be reported to PSERS according to PSERS definition of full-time and part-time, which may not match the employer’s definition, and the additional rules defined below.

**Mandatory (eligible) Membership**
Membership in PSERS is mandatory for all full-time school employees unless one of the criteria listed under Optional or Prohibited Membership is met. Membership is mandatory for:

- Any full-time officer or employee of the Department of Education, State-owned educational institutions, community colleges, area vocational-technical schools, technical institutes, or the Pennsylvania State University who is not a member of the State Employees’ Retirement System (SERS) or of an alternate retirement plan approved by the employer (e.g. TIAA CREF, etc.) unless one of the criteria listed below under Optional or Prohibited Membership is met.

- Any full-time Charter School Employee, whose charter school does not have a retirement program which covers the employees or the employee is not currently enrolled in another retirement program unless one of the criteria listed below under Optional or Prohibited Membership is met.

- Annuitants who return to school service in a non-emergency or extracurricular position and do not meet the conditions of Act 2004-63. Refer to the PSERS publication Return to Service Guidelines and Clarifications (PSRS-9682) for more information.

Employees in the mandatory membership category must be enrolled and reported to PSERS. Employee contributions must be withheld from the first day of paid service. Further details on how to enroll, report, and withhold contributions can be found in later chapters of this manual. If the employer is enrolling an annuitant who is returning to active school service, who does not meet the conditions of Act 2004-63, the employer must complete a PSERS Retirees Returning to Service form (PSRS-1299). The form is accessible on the PSERS website.

**Optional (eligible) Membership**
Membership in PSERS is optional for the school employees categorized below:

- Part-time Employees who are not already a PSERS member and are either:
  - Salaried and work fewer than 5 full days a week
    - Work five (5) or more hours per day but fewer than five (5) days per week
    - Work fewer than five (5) hours per day
  - Hourly (hired and paid on an hour-to-hour basis) and work fewer than 25 hours a week, but work at least 500 hours in the school year.
  - Per Diem (hired and paid on a day-to-day basis) and work fewer than 5 days a week, but work at least 80 days in the school year. A workday must include a minimum of 5 hours to be considered a full day.
• Adjunct and work fewer than 30 credit hours in a fiscal year

Technically, until and unless a part-time hourly or per diem employee works at least 500 hours, 80 days, or an equivalent combination, the employee is prohibited from PSERS membership. Throughout the school year, however, as long as the employee is otherwise eligible, PSERS views part-time hourly and part-time per diem employees as “potentially eligible” members. This is true unless the employee requests to waive PSERS membership, in which case the employer should refer to Determining if a Part-Time Employee may Waive Membership in PSERS detailed later in this chapter. Employers are required to enroll and report all part-time employees. Withholding contributions for these part-time hourly and per-diem employees, however, is optional until and unless the employee meets the minimum service requirement (500 hours, 80 days, or an equivalent combination) and becomes a member of PSERS.

Throughout the school year, PSERS will monitor the service reported for these employees and determine if and when the service requirements have been met. Once the employee qualifies for PSERS membership, PSERS will notify each employer on the Change in Member Class / Rate or Obtaining Qualification (CROQ) report. (See Chapter 14: How PSERS Responds to Work Reports and Payments for more information about the CROQ report). At that point, employers are required to withhold contributions.

If the employee qualifies for membership and the employer did not withhold contributions from the first day of employment, PSERS will automatically send a Statement of Amount Due to both the employee and the employer. The cost of this purchase will be the member contributions and the employer contributions due, respectively, plus 2 percent interest for the fiscal year the money was due PSERS.

If contributions are withheld from the first day of employment, but the employee does not qualify for membership during that fiscal (school) year, PSERS will credit the employer contributions to your account automatically after the fiscal year reporting cycle is complete for all reporting units. The employee will receive a refund directly from PSERS for the member contributions withheld and reported during this non-qualifying fiscal year. No interest accrues on non-qualifying contributions for either the school employee or the employer. PSERS will send you a letter listing all non-qualifying part-time employees and the amount of funds to be credited to your account.

Prohibited (Ineligible) Membership

Membership in PSERS is prohibited for the employees categorized below:

• Any officer or employee of the Department of Education, State-owned educational institutions¹, community colleges¹, area vocational-technical schools, technical institutes, or the Pennsylvania State University and who is a member of the State Employees’ Retirement System (SERS) or of an alternate retirement plan through and approved by the employer (e.g. TIAA CREF, etc.).

• Any annuitant who returns to school service under the emergency situation that causes an impairment of services to the public, shortage of subject certified teachers or other personnel, or in an extracurricular position under separate written contact. Refer to the PSERS publication Return to Service Guidelines and Clarifications (PSRS-9682) for more information.
• A Student who is hired to render service that is part of the student’s curriculum, if:
  ✓ The position is part of a financial aid package.
  ✓ The student receives a tuition waiver for the employment.
  ✓ The service is part of the student’s curriculum.
  ✓ The student receives academic credit for the employment.
  ✓ The employment is only available to students, and no one from the outside workforce could fill the position in the absence of student applicants for the position(s).
  ✓ The position is that of a Graduate Assistant or a Resident Assistant.

• A person performing services as an independent contractor. If the employer is unable to determine membership eligibility, then the employer must submit a Questionnaire to Determine PSERS Eligibility (PSRS-349) form so that PSERS may make the determination.

• A person compensated on a fee basis.

• School Crossing Guards, as per an amendment made in 2000 to the (Pennsylvania) Township and Borough Codes, which expressly excludes school crossing guards as school employees and prohibits them from membership in PSERS.

Employers should not enroll, report, or withhold contributions for employees who are prohibited from PSERS membership.

¹State-owned colleges and universities, the Pennsylvania State University (PSU) and community colleges are required to offer PSERS as one of their retirement options.

The only exception is Pennsylvania College of Technology (PCT), an affiliate of PSU, which was recognized by separate legislation in 1989. The act does not allow PCT to offer PSERS as a retirement option for new employees, but does require that it continue to offer PSERS to employees who were participating members of PSERS when employed at the predecessor institution – the Williamsport Area Community College – and who continued to work at PCT.

Charter schools may, but are not required to offer PSERS as a retirement option; if not, they must offer an alternate retirement plan which must be approved by PSERS.

Membership Statuses

What is a member?
  • Any person that is Active, Inactive, Vestee, or Annuitant.
✓ An eligible school employee must meet minimum service requirements to establish membership in PSERS and become an Active member.

✓ Membership status for an inactive member is retained for two full school years from the last qualifying year (see Note 1).

✓ A Vestee or annuitant does not have their membership status expire.

Note 1: Inactive membership status is retained if a member was granted Multiple Service and is active with SERS; therefore, a break in membership does not occur while the member is active with SERS, unless the member refunds all contributions and interest.

There are four primary PSERS’ membership statuses: Active, Inactive, Vestee, and Annuitant. An employee in any of these statuses is considered a PSERS member. Specific definitions for each member status are as follows:

Active member
A school employee who has met the eligibility (qualification) requirements for membership and for whom pickup contributions are being made to PSERS or for whom such contributions otherwise required for current school service are not being made due to limitations under section 401(a)(17) or 415(b) of the Internal Revenue Code of 1986.

Inactive member
A member for whom no pickup contributions are being made, except in the case of an active member for whom such contributions otherwise required for current school service are not being made due to the limitations under section 401(a)(17) or 415(b) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 401(a)(17) or 415(b)), who has accumulated deductions standing to his credit in the fund and for whom contributions have been made within the last two school years or a multiple service member who is active in the State Employees' Retirement System.

Vestee
A Class T-C or Class T-D member with five (5) or more eligibility points who has terminated school service on or after July 1, 2001, has left his accumulated deductions in the fund and is deferring filing of an application for receipt of an annuity. For Class T-E and Class T-F members, a member with ten (10) or more eligibility points who has terminated school service, has left his accumulated deductions in the fund and is deferring filing of an application for receipt of an annuity.

Annuitant
An annuitant is any member on or after the effective date of retirement until the annuity is terminated.

Determining Qualification
- An eligible school employee must meet minimum service requirements to establish membership in PSERS. The Minimum Service Requirements are:
Full Time, regardless of Wage Type, and Salaried (both full time and part time) Employees:

- First Day of Paid Service or Paid Leave

Part-Time Hourly and Per Diem Employees:

- 500 Hours of Paid Service or Paid Leave
- 80 Days of Paid Service or Paid Leave
- Equivalent Combination of days and hours where the service credit calculation is equal to .44 (i.e., Actual days/180 + actual hours/1100 = .44)

Example: School Employee works 69 days and 130 hours within a fiscal year. The service credit calculation would be as follows:

\[
\frac{69}{180} + \frac{130}{1100} = .50
\]

In other words: .38 + .12 = .50

Note: If the employee works only hours or days, the service credit calculation of .44 year is irrelevant. The determination of .44 is based on the standard service credit calculation of:

- Actual Days Worked divided by the Salary or Per Diem Service Bases of 180 days.
- Actual Hours Worked divided by the Hourly Bases of 1100 hours.

Once a member qualifies for membership all service earned after the initial qualification will be considered qualified unless there is a break in membership. Prior to the passage of Act 120-2010 (November 23, 2010), part-time hourly and per diem members had to qualify each year (500 hours or 80 days for hourly and per diem employees) (For more information on breaks in service and breaks in membership, see Chapter 7: Reporting – Determining Member Contribution Rates).

Any member who works between 11/23/2010 and 06/30/2011 is considered qualified for FY 2011, regardless of whether or not the member met the current qualification rules, if the member:

- Was vested (meets the vesting or superannuation rules) as of 11/23/2010 or earlier or Qualified in FY 2009 or 2010.

Determining whether or not a person has qualifying time for 10/11 fiscal year, example:

<table>
<thead>
<tr>
<th>FY Ending</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/09</td>
<td>Qualified (700 hours)</td>
</tr>
<tr>
<td>09/10</td>
<td>Did Not Qualify (200 hours)</td>
</tr>
<tr>
<td>10/11</td>
<td>Qualified if worked one day on or after 11/23/10</td>
</tr>
</tbody>
</table>
If a Vestee or superannuated member returns to service on or after November 23, 2010, the first day of service will be qualifying, regardless of the employment or wage type (i.e., full time or part time; salary, hourly or per diem).

Exception: An annuitant working in an emergency return to service capacity or a return in an extracurricular position.

Impacts on All Members

Members who have a break in membership must re-qualify to receive retirement service credits upon their return. PSERS Membership is broken (terminated) when:

- A member terminates and refunds his contributions and interest,
- A non-vested member (see Notes below) who terminates all public school employment without refunding his/her contributions and interest AND does not return to service prior to the expiration of Inactive status.

Note 1: Inactive membership status is retained if a member was granted Multiple Service and is active with the State Employees' Retirement System (SERS); therefore, a break in membership does not occur while the member is active with SERS unless the member refunds all contributions and interest (See definition of “Inactive” stated in section Membership Statuses above).

Note 2: “Non-vested” in this context means all of the following...

- The member does NOT meet the 5/10-year vesting rules based on the Membership Class.
- If the member is Class T-C or Class T-D, the member does NOT meet the age 62/1-year rule to be eligible for a Class T-C or Class T-D retirement benefit.
- If the member is Class T-E or Class T-F, the member does NOT meet the age 65/3-year rule to be eligible for a Class T-E or Class T-F retirement benefit.

- A non-vested member is not reported as being employed by a public school employer for a period of two full fiscal years from June 30 of the last fiscal year of the member’s last day of paid service, regardless of whether the member withdraws his/her contributions and interest.
- A non-vested disability annuitant whose annuity is terminated.

Example: A person was employed as a full-time employee who had not earned five years of credited service, therefore the member is non-vested. The Member Status in FY 09/10 was Active. Member goes on unpaid leave September 15, 2009. The member stopped working and was no longer reported by an employer.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Member Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/10</td>
<td>Active Member until 9/15/09 and Inactive as of 9/16/09</td>
</tr>
<tr>
<td>10/11</td>
<td>Inactive Member</td>
</tr>
</tbody>
</table>
Determining the Membership Class

PSERS Membership Class is defined by legislation and is used to determine the member’s benefit structure including the Member Contribution Rate (For more information on Member Contribution Rate, see Chapter 7: Reporting – Determining Member Contribution Rates). A member may only have one ‘active’ Membership Class. Based on the provisions of legislation, a member may have the opportunity to elect to change their Membership Class. Currently, there are four (4) ‘active’ membership classes:

- Class T-C
- Class T-D
- Class T-E
- Class T-F

<table>
<thead>
<tr>
<th>Class</th>
<th>Time Period Covered</th>
<th>Rules for Eligibility</th>
<th>Valid Contribution Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class T-E</td>
<td>July 1, 2011 and forward</td>
<td>The first day of qualifying school service is on or after July 1, 2011, unless the member elected Class T-F membership</td>
<td>7.50%</td>
</tr>
<tr>
<td>Class T-F</td>
<td>July 1, 2011 and forward</td>
<td>The first day of qualifying school service is on or after July 1, 2011, and the member elects Class T-F membership</td>
<td>10.3%</td>
</tr>
<tr>
<td>Class T-D</td>
<td>July 1, 2001 through June 30, 2011</td>
<td>The first day of qualifying school service is after June 30, 2001 and before July 1, 2011</td>
<td>7.50% or 6.50%</td>
</tr>
<tr>
<td></td>
<td>Prior to July 1, 2001</td>
<td>The first day of qualifying school service was prior to July 1, 2001, and the member elected Class T-D membership</td>
<td></td>
</tr>
<tr>
<td></td>
<td>July 1, 2001 and forward</td>
<td>A person whose first day of qualifying school service was prior to July 1, 2011, but was not a school employee or a State employee on June 30, 2001, and July 1, 2001, and subsequently returns to service. Such a member shall not receive Class T-D service credit for school service performed before July 1, 2001, until the person becomes an active member or an active member of the State Employees' Retirement System and a multiple service member and earns three eligibility points by performing credited school service or State service after June 30, 2001.</td>
<td></td>
</tr>
</tbody>
</table>

Note: Within the Membership Class T-D benefit structure, if a member
<table>
<thead>
<tr>
<th>Class T-C</th>
<th><strong>purchased non-school service other than intervening or activated military service, the service must be classified as T-C even though the member has a Membership Class of T-D.</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 1967 through June 30, 2001</td>
<td>The <strong>first day of qualifying</strong> school service is after June 30, 1967 and before July 1, 2001, unless the member elected Class T-D membership.</td>
<td></td>
</tr>
<tr>
<td>Prior to July 1, 1967</td>
<td>The <strong>first day of qualifying</strong> school service is prior to July 1, 1967 and the member elected Class T-C membership</td>
<td>6.25% or 5.25%</td>
</tr>
<tr>
<td>July 1, 1967 through June 30, 2001</td>
<td>The <strong>first day of qualifying</strong> school service is prior to July 1, 1967 and the member leaves and then re-enters and subsequently re-qualifies for membership in PSERS on or after July 1, 1967, and does not elect Class T-D</td>
<td></td>
</tr>
</tbody>
</table>

When hiring a school employee, ask the employee if they have ever been a member of PSERS.

1. If the school employee states they were previously a member of PSERS, then verify the member’s Member Class and Contribution Rate by one of the following actions:
   a. Enter the member’s position information on the Contract Record (see Chapter 4: Member Contract Records for instructions). When the member’s information is entered on the web site, the Member Contribution Rate will display.
   b. Contact your PSERS ESC representative.

2. If the school employee states they were never a member of PSERS, then the Member Contribution Rate will default to the current Class T-E rate. Even if the school employee states they were never a member of PSERS, confirm the rate when filing your Contract Record.

Note: It is important to determine the member’s contribution rate early in the hiring process so that the correct contributions can be deducted from the first day of employment.

**New Class T-E Members and Class T-F Elections**

- A member is eligible to elect Membership Class T-F if the member has an initial qualification date on or after July 1, 2011, and has attained age 18.

  The member will have a **one-time opportunity** to elect Class T-F within 45 days of receiving written notification from PSERS.

  **Note:** If a member is younger than age 18 at the time the member achieves the initial qualification date, the member will be eligible to elect Membership Class T-F following their 18th birthday. If the member is no longer in an ‘Active’ Member Status, the election will be offered when the member returns to ‘Active’ Member Status.
• Class T-F election form must be received at PSERS by the due date if member wants to elect Class T-F.
• Decision whether to elect (or not) is final and binding.
• Election of Class T-F
  o If a member elects to become Class T-F, the employer will be notified via the Employer Notification of Change in Member Class / Rate or Obtaining Qualification (CROQ) Report. The Class T-F elections are batched and processed weekly. It is your responsibility to review the CROQ Report weekly. The report will be updated Sunday night; therefore, you should review the information on each Monday. As soon as you are notified, modify the member’s PSERS Member Contribution deductions accordingly. The member will receive a Confirmation of Class letter as soon as the election is approved. Once you, the employer, begin deducting the Class T-F rate, the member will be billed directly for the difference between the Class T-E and Class T-F contribution rates.

Enrolling, Reporting, and Withholding Member Contributions
Employers enroll employees by submitting a Member Demographic record and a Contract record to PSERS. Details on submitting a Member Demographic record can be found in Chapter 3: Member Demographic Information and details on submitting a Contract Record can be found in Chapter 4: Member Contract Records. Employers report employees (including contributions withheld) through Work Reports and in some circumstances through Work History Adjustments. Details on reporting can be found in Chapters 5 through 11. Below is a “Quick Reference Table for Enrolling and Reporting Employees”.
## Quick Reference Table for Enrolling and Reporting Employees

<table>
<thead>
<tr>
<th>Type of Employment</th>
<th>Description</th>
<th>Action Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time employee</td>
<td>Works 5 hours or more a day/5 days a week or its equivalent (25 or more hours a week).</td>
<td>Enroll, report, and withhold contributions from the first day of paid service.</td>
</tr>
<tr>
<td>Part-time salaried employee</td>
<td>Is contracted to work fewer than 5 hours a day/5 days a week, or its equivalent (fewer than 25 hours a week).</td>
<td>Unless a waiver is being requested, enroll, report, and withhold contributions from the first day of paid service.</td>
</tr>
<tr>
<td>Full-time employee with another Pennsylvania public school employer, part-time with you</td>
<td>Works full-time with another Pennsylvania public school employer, but only works part-time with you.</td>
<td>Enroll, report, and withhold contributions from the first day of paid service.</td>
</tr>
<tr>
<td>Full-time employee with the Commonwealth of Pennsylvania (state employee), part-time with you</td>
<td>Employee elected Multiple Service status and is working full-time for the State and part-time for you.</td>
<td>Enroll, report, and optionally withhold contributions from the first day of paid service, unless the employee already maintains PSERS membership in which case contributions should be withheld from the first day of paid service. If and when membership status is acquired, contributions must be withheld.</td>
</tr>
<tr>
<td>Full-time employee with the Commonwealth of Pennsylvania (state employee), part-time with you</td>
<td>Employee did not elect Multiple Service status and is working full-time for the State and part-time for you.</td>
<td>See Action Required for part-time employment.</td>
</tr>
<tr>
<td>Part-time hourly</td>
<td>Works fewer than 5 hours a day and is paid on an hourly basis.</td>
<td>Unless a waiver is being requested, enroll, report, and optionally withhold contributions from the first day of paid service, unless the employee already maintains PSERS membership in which case contributions should be withheld from the first day of paid service. If and when membership status is acquired, contributions must be withheld.</td>
</tr>
<tr>
<td>Scenario</td>
<td>Description</td>
<td>Action</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Part-time per diem</td>
<td>Works fewer than 5 days a week and paid on a day-to-day basis with a minimum 5 hours a day.</td>
<td>Unless a waiver is being requested, enroll, report, and optionally withhold contributions from the first day of paid service, unless the employee already maintains PSERS membership in which case contributions should be withheld from the first day of paid service. If and when membership status is acquired, contributions must be withheld.</td>
</tr>
<tr>
<td>Part-time with several school employers</td>
<td>Refers to part-time hourly and part-time per diem.</td>
<td>Unless a waiver is being requested, enroll, report, and optionally withhold contributions from the first day of paid service, unless the employee already maintains PSERS membership in which case contributions should be withheld from the first day of paid service. If and when membership status is acquired, contributions must be withheld.</td>
</tr>
<tr>
<td>PSERS Annuitant - (Non-emergency – return to service or extracurricular service)</td>
<td>An annuitant who becomes an active member. Annuitant’s monthly benefit stops.</td>
<td>Complete a PSERS Retirees Returning to Service (PSRS-1299) form.</td>
</tr>
<tr>
<td>Tax Collector, Solicitor, Doctor, Dentist, Consultant, Psychologist</td>
<td>Certain positions may not meet the true employer-employee relationship for member eligibility.</td>
<td>See Membership Eligibility Questionnaire.</td>
</tr>
</tbody>
</table>
Determining if a Part-Time Employee may Waive Membership in PSERS

Any part-time employee (salaried, hourly, or per diem) who has sole ownership of one of the following types of Individual Retirement Accounts (IRA) as defined by section 408 in the Internal Revenue Code may waive membership in PSERS.

- Traditional IRA
- Roth IRA
- Simplified Employee Pension (SEP)
- Savings Incentive Match Plan for Employees of Small Employers (Simple) IRA

It is the responsibility of the employer to report this request to waive within 30 days of the employee’s first day of employment.

To help you determine whether the employee is eligible to request a waiver in PSERS membership, answer the following questions:

**Ineligible to Waive Membership:**
- Is the employee employed full time?
- Is this employee an annuitant who is returning to non-emergency or extracurricular service?
- Is the employee employed full time with another employer?
- Is the employee employed by you in multiple part-time positions that equate to a full-time position (A full-time employee is defined as an employee who works 5 hours or more a day, 5 days a week or its equivalent (25 or more hours a week)?

*If you answered yes to any of the above questions, the employee is ineligible to waive membership.*

**Eligible to Waive Membership:**
- Is the employee employed part-time salaried, hourly, or per diem?
- Regardless of the employee’s age, does the employee have sole ownership of one of the following types of Individual Retirement Accounts (IRA) as defined by section 408 in the Internal Revenue Code?
  - Traditional IRA
  - Roth IRA
  - Simplified Employee Pension (SEP)
  - Savings Incentive Match Plan for Employees of Small Employers (Simple) IRA
- Did the employee show you proof of sole ownership of the qualified Individual Retirement Accounts (IRA)?

*If you answered yes to all of the above questions, the employee is eligible to waive membership.*
Informing PSERS of an Employee’s Request to Waiver Membership in PSERS

Submit a Member Contract Record with a Work Status equal to “ACTIVW” (See Chapter 4: Member Contract Records) for the part-time employee within 30 days of starting employment.

Note: It is not necessary for the part-time employee to complete and submit a waiver at the start of each school year. PSERS will contact the employee each year to confirm the waived status and will assume it remains in place unless the employee responds otherwise.

PSERS and the Employee’s Action upon Receipt of the ACTIVW Contract Record

- PSERS will send a PSERS membership waiver information packet directly to the employee and the steps required to complete the waiver process.

- The Employee will contact the PSERS Regional Office for benefit explanations and acquire the PSERS Membership Waiver (PSRS-51) form.

![PSERS Membership Waiver (PSRS-51)](image-url)
• A part-time employee must submit the *PSERS Membership Waiver* (PSRS-51) form by the close (June 30) of the fiscal (school) year in which they begin work in that part-time position. *Note: When the employee waives membership in PSERS, the employee cannot purchase any qualifying service rendered during the school years that were waived.*

• PSERS will notify you and the employee whether the membership waiver request is approved or denied.

**PSERS Annual Waiver Evaluation**

In May of each fiscal year, PSERS will determine if the employee is eligible to continue waiving membership in the subsequent school year.

• If the member is not eligible to waive PSERS membership, you and the employee will be notified that the employee must be enrolled.

• If the member is eligible to continue waiving PSERS membership, the employee will be notified that the membership waiver may continue.

**Events that Terminate a Membership Waiver**

If the employee takes a position in which they elect to join PSERS or are required to join PSERS, and they have a currently waived position, then:

• The existing waiver status remains in effect for the waived position until the end of the current fiscal year if the waived position is with a different employer.

• The existing waiver status for all waived positions is voided retroactively to the later of the first day of the fiscal year or the first day of employment if the waived position is with the same employer.

If the employee qualifies for membership in PSERS, the waiver can be terminated in one of the following ways:

• The employee can withdraw the membership waiver and elect to join PSERS.

• The employee is no longer eligible to waive membership and must join PSERS.

**Employer’s Action if Membership Waiver is Denied or Terminated**

If the membership waiver is denied, you must end date the “ACTIVW” contract record with the same date as the Start Date; this cancels the ACTIVW Contract Record. Once the end date of the “ACTIVW” contract record is posted, submit a new “ACTIVE” contract record with the start date equal to the first day of work within the fiscal year the employee joins PSERS.

If the membership waiver is terminated, submit a new “ACTIVE” contract record with the start date equal to the first day of work within the fiscal year the employee joins PSERS. Contact your ESC representative for the exact date to be used in the Start date field of the “ACTIVW” contract record.
Membership Eligibility Questionnaire

If you require further PSERS’ assistance in determining whether PSERS membership for an employee is mandatory, optional, or prohibited, please complete the Questionnaire to Determine PSERS Membership Eligibility (PSRS-349) form.

To prevent enrollment of ineligible employees, you must complete a Questionnaire to Determine PSERS Eligibility (PSRS-349) for employees hired in classifications the same as or similar to those listed below:

- Consultant
- Dentist
- Doctor
- Psychologist
- Solicitor
- Tax Collector

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**Questionnaire to Determine PSERS Eligibility**

The application will be used to determine the applicant’s eligibility for PSERS membership. If the applicant's situation requires different answers for different services and/or contexts, please elaborate as necessary. Applicants with tax collection responsibilities should also complete questions 30 and 31. If elected or paid by commission or a fee basis, applicant is NOT eligible to apply for membership.

**A Employer (Reporting Unit) Information**

<table>
<thead>
<tr>
<th>Employer</th>
<th>Employer #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Contact</td>
<td>Employer Phone</td>
</tr>
</tbody>
</table>

**B Applicant Information**

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Date of Birth</th>
<th>Phone</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Position Title</th>
<th>MonYr</th>
<th>MonYr</th>
</tr>
</thead>
<tbody>
<tr>
<td>For what period(s) of time did applicant perform these services?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Was the position an already existing position or was it newly created for the applicant?</td>
<td></td>
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<tr>
<td>2. Is the applicant the first person to do these duties? If not, who did these duties prior to applicant?</td>
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<tr>
<td>3. Does the employer provide any fringe benefits to the applicant?</td>
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<tr>
<td>4. Are work hours assigned by employer? If yes, by whom?</td>
<td></td>
<td></td>
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<tr>
<td>5. How are the hours of the applicant determined?</td>
<td></td>
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<tr>
<td>6. What procedure is followed if the employer wants to vary the applicant's work hours?</td>
<td></td>
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<tr>
<td>7. Does the employer provide written instructions for this applicant?</td>
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<tr>
<td>8. If applicable, does applicant hire their own support staff?</td>
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<td></td>
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<tr>
<td>9. Does the employer supervise the applicant?</td>
<td></td>
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<tr>
<td>10. Identify the supervisor's name and position title.</td>
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<td></td>
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<tr>
<td>11. If applicable, is the supervisor enrolled a PSERS?</td>
<td></td>
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<tr>
<td>12. Does the employer prepare a performance evaluation for the applicant?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Questionnaire to Determine PSERS Membership Eligibility (PSRS-349)**
<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the applicant's position covered by a currently active contract</td>
<td></td>
<td></td>
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<tr>
<td>(used by other district employees) relating to these services?</td>
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<tr>
<td>Does the employer have board minutes relating to the applicant's</td>
<td></td>
<td></td>
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<tr>
<td>assumption of this position? (please provide)</td>
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<tr>
<td>Is there a written job description? (please provide)</td>
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<tr>
<td>Does the applicant provide these same services outside the school</td>
<td></td>
<td></td>
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<tr>
<td>district?</td>
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<tr>
<td>Where does the applicant perform their duties?</td>
<td></td>
<td></td>
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<tr>
<td>Is the individual engaged in a distinct occupation or business?</td>
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<td></td>
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<tr>
<td>(If yes, please indicate)</td>
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<tr>
<td>What percentage of the applicant's total income is derived as</td>
<td></td>
<td></td>
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<tr>
<td>compensation from this employer?</td>
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<tr>
<td>What does the employer furnish supplies and equipment utilized by the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>applicant in the performance of their duties?</td>
<td></td>
<td></td>
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<tr>
<td>How is the applicant paid?</td>
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<td></td>
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<tr>
<td>What does the applicant submit to employer for verification of</td>
<td></td>
<td></td>
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<tr>
<td>time/service rendered?</td>
<td></td>
<td></td>
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<tr>
<td>Does the employer have W-2s or Form 1099s for this period?</td>
<td></td>
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<tr>
<td>Does the employer have the authority to hire or fire?</td>
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<tr>
<td>Are the applicant's services being covered by any other retirement</td>
<td></td>
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<tr>
<td>plans? If yes, please indicate which plan.</td>
<td></td>
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<tr>
<td>If applicable, is the applicant's solicitor also the employer's</td>
<td></td>
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<tr>
<td>solicitor?</td>
<td></td>
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<tr>
<td>Is the applicant required to be bonded/covered by liability insurance?</td>
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<tr>
<td>What is the basis upon which the applicant's compensation is</td>
<td></td>
<td></td>
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<tr>
<td>determined? Other? (describe)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What percentage of time each day is used for each tax.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicate what taxes the applicant collects and if they were (E)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>elected, (A) appointed, or (h) hired by the district to collect the tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>indicated.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If both municipal and school taxes are collected, indicate what</td>
<td></td>
<td></td>
</tr>
<tr>
<td>percentage of time each day is used for each tax.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Was applicant elected to this position?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer Certification</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Employed by the PSERS will review the questionnaire and let you know if you must enroll this employee. As a time-saver, this questionnaire does not need to be submitted for employees who are clearly ineligible for membership.