



## Save the Date! Employer Spring Workshop Schedule

Workshop Location	Date	Time	Address	City	Zip Code
Allegheny IU 3-Session 1	Monday, April 8, 2019	9:30 AM	475 E Waterfront Dr	Munhall	15120
Allegheny IU 3-Session 2	Monday, April 8, 2019	1:00 PM	475 E Waterfront Dr	Munhall	15120
Beaver Valley IU 27	Tuesday, April 9, 2019	9:30 AM	147 Poplar Dr	Monaca	15061
Intermediate Unit 1	Wednesday, April 10, 2019	9:30 AM	1 Intermediate Unit Dr	Coal Center	15423
Westmoreland IU 7	Thursday, April 11, 2019	9:30 AM	102 Equity Dr	Greensburg	15601
ARIN IU 28	Friday, April 12, 2019	9:30 AM	2895 W Pike Rd	Indiana	15701
Midwestern IU 4	Monday, April 15, 2019	10:00 AM	453 Maple St	Grove City	16127
Northwest Tri-County IU 5	Wednesday, April 24, 2019	10:00 AM	252 Waterford St	Edinboro	16412
Riverview IU 6	Thursday, April 25, 2019	10:00 AM	270 Mayfield Rd	Clarion	16214
Seneca Highlands IU 9	Friday, April 26, 2019	9:30 AM	119 Mechanic St	Smethport	16749
Central IU 10	Monday, April 29, 2019	10:00 AM	345 Link Rd	West Decatur	16878
BLAST IU 17	Tuesday, April 30, 2019	9:30 AM	33 Springbrook Dr	Canton	17724
Northeastern Educational IU 19	Wednesday, May 1, 2019	9:30 AM	1200 Line St	Archbald	18403
Luzerne IU 18	Thursday, May 2, 2019	9:30 AM	368 Tioga Ave	Kingston	18704
Colonial IU 20	Friday, May 3, 2019	9:30 AM	6 Danforth Dr	Easton	18045
Montgomery County IU 23	Monday, May 6, 2019	10:00 AM	2 West Lafayette Street	Norristown	19401
Schuylkill IU 29	Tuesday, May 7, 2019	10:00 AM	15 Maple Ave	Pottsville	17901
Berks County IU 14	Thursday, May 9, 2019	10:00 AM	1111 Commons Blvd	Reading	19605
Lancaster-Lebanon IU 13	Friday, May 10, 2019	10:00 AM	1020 New Holland Ave	Lancaster	17601
Chester County IU 24	Monday, May 13, 2019	10:00 AM	455 Boot Rd	Downingtown	19335
Delaware County IU 25	Tuesday, May 14, 2019	10:00 AM	200 Yale Ave	Morton	19070
Philadelphia IU 26	Wednesday, May 15, 2019	10:00 AM	Philadelphia District Office	Philadelphia	19130
Bucks County IU 22	Friday, May 17, 2019	10:00 AM	705 N Shady Retreat Rd	Doylestown	18901
Lincoln IU 12	Monday, May 20, 2019	9:30 AM	65 Billerbeck St	New Oxford	17350
Appalachia IU 8 Executive Office	Tuesday, May 21, 2019	9:30 AM	4500 6 <sup>th</sup> Avenue	Altoona	16602
Tuscarora IU 11	Wednesday, May 22, 2019	9:30 AM	2527 US Hwy 522 S	McVeytown	17051
Capital Area IU 15	Friday, May 24, 2019	9:30 AM	55 Miller St	Summerdale	17093
Central Susquehanna IU 16	Tuesday, May 28, 2019	9:30 AM	90 Lawton Ln	Milton	17847
Carbon-Lehigh IU 21	Friday, May 31, 2019	9:30 AM	4210 Independence Dr	Schnecksville	18078

## Upcoming Changes to the CROQ Report

The CROQ report notifies the school when school employees change their rate or qualification status and is available each Monday. Starting July 1, 2019, the CROQ report will expand the information provided to include members who have waived PSERS membership and members who have made an election or update to their After-Tax Contribution Percentage.

### New Member Elections

Member demographic and contract record information must be submitted to PSERS as soon as possible for Class T-G members. Reporting for the DC component cannot begin until Voya creates a participant account, which occurs upon notification by PSERS of the new Class T-G member. Voya, however, must have time to create participant accounts prior to receiving payroll cycle reporting. Please remember that DC reporting will begin before you submit the first monthly work report to PSERS for these new class members.

Full time (hourly, per diem, salaried) and part time salaried new hires all meet PSERS membership qualifications from Day 1 of rendered service. Contributions must be withheld for the DB and DC components from the start of employment. These members will be notified through the Welcome Packet of their 90-day window to elect Class T-H or Class DC.

Part time hourly and part time per diem employees must first qualify for PSERS membership before being eligible to participate in plan. Thus, contributions will not be accepted into the defined contribution plan until such employees meet the minimum qualification requirements. Prior to reaching the

qualification requirements, part time hourly and part time per diem employees only contribute 5.50% member contributions to the DB component.\* After reaching qualification, this employee (now “member”) will be listed on the CROQ report as someone who has obtained qualified status. Upon receiving this notification, contributions will also need to be withheld for 2.75% in member contributions for the DC component. Once a part time hourly or per diem member qualifies, they will receive a Welcome Packet, which begins the window for the member to elect into class T-H, Class DC, or waive membership if they meet the criteria needed to qualify for an enrollment waiver.

\*Most reporting units withhold from day one regardless of qualification. Once an employee qualifies in the DB plan, then all salary and service reported in the fiscal year must be purchased and both the employee and the employer must pay their respective portion of the contributions on that salary. The DC plan is different. Once a member qualifies for PSERS membership, contributions will be due prospective from the date PSERS notifies the employer of qualification. No bill will be generated for salary and service earned prior to that time even if it is within the same fiscal year.

### Class Election Process

Employees, who qualify for membership on or after July 1, 2019, will be notified of their opportunity to elect in their Welcome Packet and through a Class Election Letter. They may elect Class T-H or Class DC through their Member Self-Service (MSS) account.

The CROQ report will reflect employees who have elected a new membership class. See the “Adjustments for Contributions and Rate Change” for more information on creating an adjustment when an employee elects a new class.

#### Current Members who wish to elect

Employees who are active on 7/1/2019, regardless of their existing membership class, will be notified in the PSERS member newsletter and on the public website of their opportunity to elect Class T-G, T-H, or DC. In December 2019 you’ll be directly notified of any current members who elect a new membership class. This class election will be effective January 1, 2020. An employee who is not active on July 1, 2019 will not have an opportunity to elect a new membership class.

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## After-Tax Contributions (“ATC”)

The DC File format includes a field for After-Tax Contributions. Vendors and employers who manage their payroll internally have been provided with the DC file format and testing requirements for submitting a test file to Voya. Below are additional instructions for the After-Tax field. (Field #8 on DC File layout)

After-Tax Contributions (“ATC”):

1. Employer reports Retirement Covered-Compensation (RCC) on DC payroll files in Field #7 RCC paid this period.
2. Employer will calculate the reduction for all pick-up contributions to PSERS (DB and DC) and enter this in Field #8 RCC less pick-ups.
3. Employer will then calculate the ATC percentage on the RCC less pick-ups salary.

Example: (Class T-G participant who elected a 4.00% ATC percentage)

Step 1 (enter in Field #7)	RCC salary reported for participant	\$1,000.00
	T-G Total Contribution Rate = 8.25%	-\$82.50
Step 2 (enter in Field #8)	RCC less pick-ups salary	\$917.50
Step 3	Apply After-Tax percentage of 4.00%	$\$917.50 \times .04 = \$36.19$ ATC
	Max ATC allowed by Voya:	\$36.19

Employers are required to ensure that each payroll is sufficient to cover all other mandated deductions on each pay must be deducted before determining if any pay remains from which to make the ATC. At a minimum, the mandated deductions should include, as applicable:

- Pick-up contributions under DB and DC
- Federal tax withholding
- State tax withholding
- Local tax withholding
- Payroll Tax withholding
- Health plan deductions

- Flex plan deductions (i.e. medical expense reimbursement and/or dependent care assistance plan)
- Union dues
- 403(b), 457(b) or 401(k) elections

The ATC remitted to Voya should be the least of:

- a. Amount that will not cause violation of 415(c) annual limit
- b. Amount of cash remaining in check after “mandated deductions.”
- c. Calculated ATC as per (3) above.

Voya’s system validation will look for the max amount of ATC that can be remitted to Voya. If RCC less pick-ups salary is \$917.50 and the participant elected 4.00% for ATC, the maximum amount allowed to be remitted is \$36.19. To confirm, the maximum amount of an ATC is determined by multiplying [RCC less pick ups salary] times [the elected ATC percentage]. However, because of deductions of “mandated contributions,” the amount remitted could be a smaller amount.

If an Employer fails to make a mandated deduction prior to an ATC, no adjustment will be made by the employer to the participant’s account with Voya. The Employer will be solely responsible for the error and will not be permitted to recoup the money for the participant’s account with Voya. As may be provided under PSERS’ Adjustment Policy, PSERS may need to correct an overcontribution of an After-Tax Voluntary Contribution.

Participants may elect or change an existing After-Tax percentage at any time through Voya. This information will be communicated to employers through the Change in Member Class/Rate or Obtaining Qualification (CROQ) Report that is generated every Monday morning.

## Waiver Process

Starting July 1, 2019, the waiver process will be changing. More information will be provided in the spring workshops and future employer bulletins. Here is a brief overview of the changes that will be forthcoming.

Waiver for all new members must be requested by the member through the class election process. Employers will no longer be required to verify IRA and submit ACTIVW contracts. Employers will be notified through CROQ report of a waived status. PSERS will reverse reporting in system.

## Providing ACH Account and Payroll Information for Voya

Voya needs employers to verify or update their banking information so ACH accounts can be debited at the same time as the DC payroll file are submitted. From May 1-31, 2019, all employers must log into a secure microsite to verify or update the bank account number they authorize for withdrawal of DC payments. The microsite will also require the input of information related to payroll cycles to establish the specific frequency each school utilizes. Voya will be monitoring the site and working with schools for that have delinquent files. Business Managers will be authorized to access the microsite. and more details about how they will access the site and the credential information that will be needed will be shared closer to the launch of the microsite.

## Update to Employer Self-Service Account Tab

Starting July 1, 2019, the account tab on ESS will display a new view filter titled "Fund Columns." This filter will display "Fund Groups" (default) and "Fund Details."

- "Fund Groups" displays a single column titled Employer Contributions with the sum of the Employer Share and Employer PA columns.
- "Fund Details" will display the Employer Share Balance and Employer Premium Balance columns. Columns will display separately as they do today.

## Employer Service Center Staff

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## Frequently Asked Questions

PSERS and Voya have compiled a list of frequently asked questions (FAQ) following the vendor calls held during the first week of November 2018, all of which are available on our website under “Employers.”

Some of the questions include:

**Is it correct that the employer match will be either 2% or 2.25% which is a significant drop from the 33+% that it is this school year?**

**No.** The employer contribution rate is the same per member/per participant regardless of their membership class and is applied across total payroll.

It is not a match of contributions, but a required additional contribution by the employer. A Class T-G participant is required to pay 2.75%, Class T-H 3% and DC 7.5% of pay. The required employer DC contribution of 2% for Class T-H and DC participants or 2.25% for Class T-G participants will be paid each pay period to satisfy requirements that these funds be in the participant’s DC account as early as possible.

There is still one blended employer contribution rate that will be provided to employers annually. The difference between what has been paid by employers through their payroll submissions to Voya will be deducted from the total amount owed and that information will be supplied to employers through their employer statement of account provided by PSERS.

**Where can I find the defined contribution file layout?**

The defined contribution file layout is available on the PSERS website.

Your work report to PSERS will remain the same. Remember, the salary you report to Voya must match the salary you report to PSERS.

**Sites currently submit contract and new hire reporting to PSERS. Will Voya need new hire, contract files, etc. for the DC participants? If yes, what frequency? Or will this be combined with the existing PSERS reporting?**

No, you will not submit separate contract and new hire reporting to Voya. You must continue reporting all contracts and new hires to PSERS, regardless of membership class. PSERS will send a weekly file to Voya with all of the new hire and demographic information.

Because reporting for the DC component will be done on a per pay period basis, reporting units will need to input new hire demographic and contract information more frequently as well. PSERS will need to have the information to transmit to Voya, prior to the first payroll submitted for the new employee.

**Does the defined contribution file need to be sent on a biweekly basis, whereas the defined benefit files will be sent on a monthly basis? Is it possible to submit the defined benefit on a biweekly basis as well to PSERS?**

DC files must be submitted to Voya per pay period.

The defined benefit file to PSERS must continue to be reported on a monthly basis.

**When should contributions be remitted in relation to the pay date?**

Employers should upload their file to Voya on the payroll date. The DC Plan contributions need to be posted to the participant’s account on or as close to the payroll date as possible.

Voya will process the contributions for files received in good order as follows:

- Files loaded by 4:00 p.m. ET on a normal stock market day will be processed that same business day.
- Files loaded after 4:00 p.m. ET (or on a non-stock market day) will be processed the next business day.

**Will both employee and employer contributions come in on the same file?**

**Yes.** Both mandatory employee and employer contributions and any employee voluntary after-tax contributions should be reported each pay period to Voya along with the required corresponding compensation. Voya will have a built-in edit process to ensure the mandatory employee contributions and the corresponding employer contributions are consistent with the class election rates and reported compensation. The per pay period compensation will be used as part of the verification process. If there are variances, the file upload will be rejected and the employer will be required to make a correction to the payroll file.