

PSERS Employer Bulletin

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## Public School Employees' Retirement System

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## Will Class DC Participants be Eligible for School Health Insurance Plans?

### Class DC Participants are not "PSERS Annuitants"

Many public school employers permit someone who retires from the district to continue to participate in their employer-provided health insurance plan. Sometimes this participation even includes some of the employee's expense being offset by the employer for a period of time. Typically, the collective bargaining agreement wording requires the employee to be a PSERS annuitant. As more employees enroll in a class of membership under Act 5 of 2017, not all career employees who retire will be an "annuitant" of PSERS.

Act 5 of 2017 introduced new membership classes which include a Defined Contribution (DC) component to the retirement benefit. Class DC members only contribute to PSERS DC Plan, and their retirement benefit is comprised solely of their DC account value. Upon terminating, participants of PSERS DC Plan can choose to leave their funds in PSERS DC Plan, to begin receiving partial distributions from the Plan, or to receive all of their funds from within PSERS DC Plan. Class T-G and Class T-H members can separately choose when to receive a benefit from the defined benefit plan and when to request a distribution from the PSERS DC Plan. A Class DC member, however, cannot "retire" and is, therefore, not an annuitant of the system. Instead, when they terminate, a Class DC member may request to withdraw all or a portion from their DC account. If they withdraw a portion of their DC account, then their status changes to a "participant receiving distributions." If they withdraw their entire DC account, then they have terminated their participation in the PSERS DC Plan and are not considered a participant or a participant receiving distributions. Please keep this new terminology and the potential impacts of the selected wording in mind as you move forward with incentives and agreements for your retiring employees.

## Reminder Regarding Termination Dates

Employers are starting to report termination dates in August. Although you may have just been notified of an employee terminating, the termination date must reflect the last day of paid school service, unless the employer enters a LEAVEN record to hold a later date

## Introducing Your New ESC Representative

PSERS is pleased to introduce Daniel Tapia-Ortiz as the new Employer Service Center Representative for Region 3. Daniel graduated from Millersville University with a double major in International Studies and Spanish. Before joining ESC, Daniel spent six years as an Income Maintenance Caseworker with the Commonwealth. He is excited about his new position and looks forward to helping schools become well trained in the Employer Self-Service (ESS) Portal.

Outside of work, Daniel is an avid hiker and enjoys the great outdoors. One of his goals in life is to see all 62 National Parks, 3 of which he has already hiked. He also enjoys rooting for his favorite team, the Philadelphia Flyers.

### *His advice for employers:*

*"Please reach out to me with any issue you may have. We can work together to find the solution to any problem that may arise."*



## Fiscal Year 2020 Summary Reports

A Summary Report is a comprehensive report of salary and service earned and reported by the end of the fiscal year. Summary Reports allow you to check the accuracy of all salary and service information reported to PSERS for each member during the 2019-2020 school year. Using this report to review year end totals and make adjustments to correct information previously reported, if needed, is the first step in providing accurate member Statements of Account.

Your August 2020 Work Report must be uploaded and approved before your Summary Report can be generated for your review of the 2019-2020 school year. Your August 2020 Work Report was due by September 20, 2020. Delaying the posting of the August Work Report will delay your employees' receipt of their member Statement of Account.

When PSERS sees that your August Work Report has been received, your ESC representative will send you an email with instructions for generating your Summary Report and reviewing and making any adjustments needed. The employer has 30 days from this notification to generate and review their Summary Report in the Employer Self-Service (ESS) Portal and make any necessary adjustments to correct employees' accounts. Once your review and/or corrections have been successfully completed, you must confirm to your ESC representative that you have completed your review of the year's reporting and acknowledge that PSERS may move forward with generating member Statements of Account for your employees.

If you cannot complete the review and/or corrections within 30 days, you must notify your ESC representative. If the review and/or corrections are not made within the 30-day period and you do not contact your ESC representative, PSERS will not be able to generate statements of account for your employees. If you cannot accommodate this time frame, please contact your ESC representative.

The employer is responsible for identifying and correcting data. PSERS will provide districts with a template to identify potential salary and/or service issues. You will copy and paste the information in your generated Summary Report into the template, so any issues can be highlighted. This template will be provided to each district as part of the Summary Report email upon the posting and release of the August Work Report.

### **Generating a Summary Report from ESS**

Generate and review your Summary Report frequently to ensure that salary, service, and contributions have been properly reported for all of your employees. If you see discrepancies between your payroll information and your PSERS reporting, investigate the differences and make changes as needed.

The Summary Report does not include DC contributions and reporting. Please ensure that any corrections you make to a member's account in ESS who is also a PSERS Defined Contribution (DC) Plan participant is reflected in your reporting to PSERS DC Plan with Voya.

## Senior Tax Reduction Incentive Volunteer Exchange (STRIVE) Program

The Senior Tax Reduction Incentive Volunteer Exchange (STRIVE) Program was enacted earlier this year through Act 20 of 2020. The Retirement Code requires the enrollment of any qualifying school employee or PSERS retiree who renders school service to a public school, absent a statutory exception. Such individuals rendering service under the STRIVE Program may qualify as active members of PSERS and will need to be reported.

The STRIVE Program authorizes Pennsylvania's public school districts to implement a program that allows taxpayer residents 60 years of age and older, who own real estate in the participating school district, to "volunteer" in schools and, in exchange for such service, receive a real property tax credit. Payment under the STRIVE Program is valued at no less than the required minimum hourly wage for each hour of service rendered and constitutes income subject to federal taxation, regardless of whether such income is diverted for use as a tax credit. Accordingly, payment earned under the STRIVE Program is retirement-covered compensation under the Retirement Code and the service rendered is school service that must be reported to PSERS.

If you have additional questions regarding hiring PSERS retirees under a STRIVE Program or a similar program, you may contact your PSERS ESC representative for assistance.

You can also refer to the *Return to Service Exceptions* publication on the PSERS website and "Chapter 8-Retirement Covered Compensation" of the Employer *Reference Manual* for more information.



## Introducing Your New ESC Administrator

PSERS is pleased to introduce Heather Seilhamer as the new Employer Service Center Administrator. Heather graduated from Pennsylvania State University with a Bachelor's in Psychology. She was the first retirement counselor at the Pennsylvania Municipal Retirement System (PMRS) and brings with her nearly 10 years of experience at PMRS! She started her career as a case manager in Lebanon County and then helped implement the Interstate Compact on Adoption and Medical Assistance (ICAMA) at the Department of Human Services.



## Employer Service Center Staff

**Michael Chappuis**  
Regional Office Administrator  
michappuis@pa.gov

**Heather Seilhamer**  
Regional Office Administrator  
heaseilham@pa.gov

**Region 1 - Vacant**  
*Erie, Crawford, Warren, Forest, Venango, Mercer, Lawrence, Butler, Beaver, Jefferson, Clarion*

**Region 2 - Deanna Brown**  
deabown@pa.gov  
*Mckean, Potter, Tioga, Bradford, Cameron, Elk, Clearfield, Centre, Clinton, Union, Snyder, Northumberland, Schuylkill, Carbo, Lehigh, Montour, Columbia, Sullivan, Lycoming*

**Region 3 - Daniel Tapia-Ortiz**  
dtapiaorti@pa.gov  
*Susquehanna, Wayne, Wyoming, Pike, Lackawanna, Luzerne, Monroe, North Hampton, Bucks, Montgomery*

**Region 4 - Scott Rainey**  
scorainey@pa.gov  
*Allegheny, Washington, Greene, Fayette*

**Region 5 - Katie Pajtis**  
kpajtis@pa.gov  
*Armstrong, Indiana, Westmoreland, Somerset, Cambria, Bedford, Blair, Huntingdon, Mifflin, Fulton.*

**Region 6 - Rachael Riddle**  
rariddle@pa.gov  
*Juniata, Perry, Franklin, Cumberland, York, Adams, Dauphin, Lancaster, Lebanon, Berks*

**Region 6 - Lynn Wadley**  
lwadley@pa.gov  
*Chester, Delaware, Philadelphia*

## Missing Employees when Reporting to Voya

You've completed the first school year reporting to Voya! We know there was a lot to keep track of so here are a few reminders and reporting mistakes that we saw this past year.

Remember, all full-time positions, regardless of wage type, and all part-time salaried employees are qualified for PSERS membership from the first day they render school service. If the employee is also a participant in PSERS Defined Contribution (DC) Plan, then they must be reported to both PSERS and Voya. Employees who immediately qualify will not show up on your Class/Rate or Obtaining Qualification (CROQ) report.

Don't forget that if you have an employee who is coming from another school employer, then you must check their member contribution rate, membership class, and qualification status to know what to withhold when they begin employment. This can be found in the banner of the newly created contract record when opened from inside the Roster tab of ESS. Here is a screen shot of what that banner looks like:

| Member Contract                 |                     |                  |                           |
|---------------------------------|---------------------|------------------|---------------------------|
| Change                          |                     |                  |                           |
| Employer:                       | Withhold:           | Required:        | DC Contrib Rate: 2.75 %   |
| SSN:                            | Current Class:      | TG               | DC Employer Share: 2.25 % |
| Name: ITARK, ARYA BLAYLOCK-TEST | DB Contrib Rate:    | 5.5 %            | After Tax Defn: 0 %       |
| Member Contract                 |                     |                  |                           |
| Job Title:                      | SAFETY & SECURITY M | Employment Type: | Full-Time                 |
| Wage Type:                      | Salaried            | Work Status:     | ACTIVE - Actively Work    |
| Class Status:                   | RESERVING           | Exit Status:     | None                      |

A status of "Withhold Required" indicates the member is qualified.

**Please note: Employees, who have already qualified for membership or made a class election through a previous employer, will not appear on your CROQ report.**

When reporting to Voya, you must report all qualifying employees per pay period. You must also submit separate work orders for each payroll date. Multiple payroll dates can be submitted on the same day, but they must be on separate work orders. You should also submit one line item per social security number per work order. If you have a negative adjustment to process for a participant, you will need to net the total and enter the net total on one line item under one payroll date so that the work order is a positive amount.

Some other common misreporting is having multiple open contract records for the same position but with different start dates. This often appears for members who are only employed in one position. Be careful to enter accurate contract records into the system. Multiple open contracts records and/or differing start dates for a member who is only employed in one position will cause reporting discrepancies and adjustments.

## Reminders from PSERS Office of Financial Management

1. Member Contribution and Employer Contributions due dates are listed in the yearly Planning Calendar posted on psers.pa.gov.
2. Your subsidy reimbursement is dependent upon reporting, so if reporting is late, your subsidy reimbursement will be late as well.
3. Check your Account tab at least once a month to make sure everything is in order.
4. Employer Purchase of Service Contributions are paid via check and not PNC Cash Con.
5. Defined Contribution (DC) Plan-related questions should be sent to VOYA at 877-806-5652 or ID-PSERSS@VOYA.COM.
6. If you have questions about uploading work reports or have problems logging into Employer Self-Service (ESS), please contact your ESC representative.
7. If you have a problem logging into PNC's Cash Concentration system, please contact PSERS' Employer Accounting section at RA-PSERSEMPACCT@pa.gov.
8. If you have questions about a subsidy deduction or delinquency notice, please contact PSERS' Delinquency section at RA-PSERSDELINQUENCY@pa.gov.
9. DC payments (credits) can only be recognized for the quarter in which the payroll occurred. *For example, DC payments from Oct-Dec are applied against the Oct-Dec work reports. This affects your March Employer Contributions payment. It does not affect your December Employer Contributions payment. Although you see the credit on your statement when you are ready to make your December Employer Contributions payment, you cannot "net" your DC payments for Oct-Dec against your July-September Employer Contributions which are due in December.* This will cause you to be delinquent and a subsidy deduction could occur.

## New to Employer Self-Service: Secure Messaging

We are pleased to introduce the Secure Messaging function in your Employer Self-Service (ESS) account! Secure Messaging allows you to contact PSERS directly in the ESS Portal. Your conversations with PSERS retirement representatives are confidential and retained for your convenience.

### Why Secure Messaging?

- Messages Stored in ESS – Your district's correspondence with PSERS will be stored in ESS. This allows other employees of your district to see PSERS-related correspondence.
- Enhanced Security – Conversations in Secure Messaging are tied to your PSERS ESS account. You will not have to provide any personally identifiable information of employees through email.

### How will Secure Messaging Work?

You can access Secure Messaging from any tab in ESS. After submitting the message, you will receive an email once you receive a response.

**More information will be provided before Secure Messaging launches in the ESS Portal.**