



Directions For Employers

Montana Public Employee Retirement Administration (MPERA)

January 2009

Governor
Brian Schweitzer
Public Employees' Retirement Board
President
JOHN PAULL
Butte
Vice President
JOHN NIELSON
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TERRENCE SMITH
Bozeman

RAY PECK
Helena

DIANNA PORTER
Butte

DARCY HALPIN
Belgrade

LOREN BOUGH
Big Sky



Roxanne Minnehan
Executive Director

MPERA
100 North Park Avenue
Suite 200
PO Box 200131
Helena MT 59620-0131
Phone (406) 444-3154
Toll Free (877) 275-7372
Fax (406) 444-5428
E-mail: mpera@mt.gov

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*Should any information in this
newsletter conflict with statute
or rules, the statute or rules
will apply.*

This annual newsletter provides information to agencies who are covered under the following retirement systems administered by the Montana Public Employees' Retirement Board (PERB):

- Public Employees' (**PERS**)
- Highway Patrol Officers' (**HPORS**)
- Game Wardens' and Peace Officers' (**GWPORS**)
- Firefighters' Unified (**FURS**)
- Judges' (**JRS**)
- Sheriffs' (**SRS**)
- Municipal Police Officers' (**MPORS**)
- Volunteer Firefighters' Compensation Act (**VFCA**)

Happy New Year!

The new year has started and MPERA wishes you all a safe and happy 2009. We are starting the new year with new board president John Paull, new vice president John Nielson, and welcoming new board member Loren Bough.

The 2009 legislative session has started and MPERA has proposed limited retirement legislation. Our bills are: HB12 which would require employer contributions on working retirees, HB 109 which generally revises and clarifies retirement statutes, and HB 170 which brings Montana statutes into compliance with federal law.

We are continuing to work with vendors and employers on the Employers Reporting All Employees (ERAE) project. Phase I was successfully completed as of July 1, 2008, and now Phase II is underway. See page 2 for a full overview.

Be sure to take the time to complete and return your MPERA Training survey before January 16, 2009. The survey is available online at http://www.surveymonkey.com/s.aspx?sm=2bbGY30UrZ36_2fUY5egH8kZw_3d_3d. Answering the survey will help ensure that your training needs are being met and determine what locations will host the training. After the survey closes, MPERA training specialist Angel Molyneaux will establish the training schedule and notify employers. Attendance at this class will be **necessary** in order to use the online reporting website's new functionality. All employers must be trained by June 30, 2009, when the new website will be fully implemented. The updated Reporting Handbook for Employers will also be distributed at the training.

As always, you are encouraged to contact MPERA if you have any questions or concerns regarding reporting your employees. A list of contacts is provided on the back of this newsletter.

Finally, a big thank you for all you do to help us successfully serve our members.

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Employers Reporting All Employees (ERAE) Phase I

ERAE Phase I modified the existing MPERA Employer WEB Reporting web application to provide employers the ability to report non-contributing employees. Employers were allowed to begin reporting all non-contributing employees on April 1, 2008 and mandatory reporting began on July 1, 2008. The type of non-contributing employee and the reason the employee was a non-contributing employee were not required during this phase.

During Phase I, MPERA gathered information from employers to clearly define non-contributing employees, assisted employers in identifying non-contributing employees, and worked closely with Central Payroll and the university systems to resolve unique reporting challenges involving their payroll reporting systems.

MPERA, with the help of our employers, successfully implemented Phase 1 of ERAE on July 1, 2008.

Phase II

ERAE Phase II requires employers to report more detail for non-contributing employees. Employers must identify a non-contributing employee as an optional member, excluded employee or working retiree.

Information regarding the Phase II reporting requirements and file format changes was sent in November 2008. You may access this information online at <http://mpera.mt.gov/erae.asp>.

If an employer has an employee who works in multiple positions or for different wage rates, functionality will be available to report the employee in multiple lines. This will save payroll clerks' time when reporting payroll and, in the future, when MPERA requests job information specific for an employee.

The ERAE Phase II new reporting requirements will be mandatory for all employers as of the first

payroll reported in fiscal year 2010 (July 2009).

To make this change as easy as possible for employers, MPERA will implement improved payroll reporting web screens. MPERA will provide training and assistance to payroll clerks to help them understand and accurately report non-contributing information and multiple lines.

ERAE training for all employers will begin February 2009. The employers will be approved to access the new non-contributing functionality after they have received that training. Watch for messages in the newsroom, contact MPERA or check our website for training schedules and locations.

If you have questions regarding your file layouts, contact June at (406) 444-3990. If you have other questions relating to the Employers Reporting All Employees Project, contact Shelly at (406) 444-5458 or Barbara at (406) 444-5457.

Other ERAE News

MPERA's proposed HB109 contains changes that may affect the reporting of non-contributing employees. This legislation will eliminate the need of reporting employees who are:

- a) optional in TRS pursuant to section 19-20-302(4), MCA;
- b) employees reported to **and** paying contributions to TRS; and
- c) university system employees (academic and professional staff) that are eligible only for the ORP.

We will keep you updated throughout the legislative session on any changes that will affect our members and agencies that report to MPERA.

PERS and TRS members

Should a part-time employee, such as a substitute, be reported to Teachers' Retirement System (TRS) or PERS? Reporting a substitute can be confusing. All persons employed in an instructional position under 210 hours are not mandatory in TRS but may **not** contribute to PERS. They do **not** need to be reported to MPERA either as contributing or non-contributing employee. This may include part-time coaches, substitute teachers, and part-time para-professionals. However, if you have an employee who is working part-time as a substitute teacher and part-time as an office clerk in both TRS and PERS positions, you must report the hours and compensation for the PERS covered position to MPERA.

Positions of an instructional nature that are eligible for membership with the TRS are determined by the TRS Board. (Ref: §19-20-205, MCA.) TRS membership is mandatory for all persons employed in an instructional position for at least 210 hours during a school year. An instructional position can include the following positions:

- Teacher
- Teachers' Aide
- Librarian
- Speech Therapist
- School Nurse
- School Psychologist
- Guidance Counselor
- Principal, Vice-Principal
- Superintendent
- Physical Education Director
- any other member of the teaching, coaching or professional staff.

The TRS does not require certification as a condition for membership. However, all positions requiring certification as provided under Title 20 are covered under the TRS.

Please call or write the TRS if you have any questions regarding membership in TRS.

Optional Members

An employee cannot be an optional member if he or she is already a member of the retirement system. What can the employer do to determine whether the employer is properly withholding contributions?

1. Ask all new hires and rehires if they are already a member of the retirement system. If they have not had a 30 day break in service and have not withdrawn their contributions prior to starting employment, they cannot elect to decline membership, regardless of scheduled and planned working hours.
2. Is the new hire/rehire receiving a monthly retirement benefit from the same retirement system? Special rules apply to working retirees. Please contact our office.
3. If there is any question whether or not you should withhold contributions, contact MPERA. We are happy to look up the employee to help you make a determination.

Note: Once the optional member works more than 960 hours, they must become a member. You must begin withholding contributions.

Optional Members versus Excluded

What is the difference between an optional member and an excluded employee? Optional members have the choice to accept or decline membership in the retirement system. Excluded employees may not become a member or contribute to the retirement system. Very few positions are actually excluded from membership. Contact MPERA if you have any questions regarding excluded employees.

Starting on January 1, 2009, MPERA will no longer accept refund applications dated prior to July 2008. For the most up-to-date forms, check our website at <http://mpera.mt.gov/forms.asp>.

Payroll Clerk Backup

Unexpected events in life are some of the most common causes for delinquent payroll reports. It is vital to have basic instructions available for people who are able to step in when the unexpected occurs especially at fiscal year end. Instructions should include:

- 1) how to access the MPERA website,
- 2) MPERA contacts (see below),
- 3) software vendor contacts,
- 4) reporting requirements,
- 5) time frames for your payroll reporting.

And finally, **never** share passwords. MPERA staff will reset the password for back-up users.

<p><u>DIRECTORY OF MPERA CONTACTS:</u></p> <p><i>Benefit Questions</i></p> <p>Marjorie..... 444-5454 Kathy H 444-3978 Margaret..... 444-3953 Sheri..... 444-1274 Jennifer..... 444-5460</p>	<p><i>Disability Benefit Questions</i></p> <p>Julie..... 444-5444</p> <p><i>Family Law Orders</i></p> <p>Melanie 444-9174</p> <p><i>Payroll</i></p> <p>Shelly 444-5458 Diana 444-9171 John 444-9683 Ann 444-5452</p>	<p><i>DBRP Refund Information</i></p> <p>Shani 444-2953</p> <p><i>DC & 457 Plans</i></p> <p>Kathy S..... 444-2996 Jacquie 444-9172</p> <p><i>Education</i></p> <p>Joel 444-0199 Angel 444-9139</p>
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**MONTANA PUBLIC EMPLOYEE
 RETIREMENT ADMINISTRATION (MPERA)
 PO BOX 200131
 HELENA MT 59620-0131**