



Montana Public Employee Retirement Administration (MPERA)

April 2011

OUR NEW LOOK!

Greetings from MPERA!
 2011 looks to be an exciting year here. We have created a new image not only for our newsletters, but for our website too! This new image is designed to make our website easier to navigate and information for our members and employers easier to find.

Below is an example of our new home page. The first thing you will notice is the color scheme changes from green to blue. The drop-down menu tabs under the MPERA banner are also changing. The tab categories will be divided into six clearly defined sections: Home, Members, Employers, Retirees, The Board, and About MPERA.

The screenshot shows the MPERA website layout with the following sections and annotations:

- Navigation Bar:** HOME, MEMBERS, EMPLOYERS, RETIREES, THE BOARD, ABOUT MPERA
- Left Column (Annotations):**
 - Press Room:** All the latest retirement news is here! (Points to PRESS ROOM menu)
 - Events Calendar:** (Points to EVENTS CALENDAR menu)
 - Quick Links:** to other important information (Points to QUICK LINKS menu)
- Main Content Area:**
 - EMPLOYERS:** Web Reporting, Employer Forms, Employer Handbook (Annotated with "Employers")
 - Members:** I want to... Withdraw my funds, Update my beneficiary, Purchase service (Annotated with "Members")
 - Retirees:** I want to... Change my address, Change my direct deposit, Work as a retiree (Annotated with "Retirees")
 - Retirement Systems:** Public Employees', Judges', Highway Patrol Officers', Sheriffs', Game Wardens' and Peace Officers', Municipal Police Officers', Firefighters' Unified, Volunteer Firefighters' Compensation Act (Annotated with "Retirement Systems")
 - Footer:** PRIVACY & SECURITY, ACCESSIBILITY, CONTACT US, SEARCH, mt.gov
- Right Column (Annotations):**
 - Employers:** (Points to EMPLOYERS menu)
 - Retirement Systems:** (Points to RETIREMENT SYSTEMS menu)
 - Link to our Facebook page:** (Points to Facebook icon)

- Governor
Brian Schweitzer
- Public Employees' Retirement Board**
- President
John Nielsen
Glendive
- Vice-President
Terrence Smith
Bozeman
- Darcy Halpin**
Belgrade
- Scott Moore**
Miles City
- Dianna Porter**
Butte
- Patrick McKittrick**
Great Falls
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Should any information in this newsletter conflict with statute or rule, the statute or rule will apply.

As an employer, you have your own "pod" and drop-down menu tab that will take you directly to pages that are important to you. You will still have access to the Web Reporting portal directly from the home page.

We appreciate all your hard work on behalf of our members and are in turn working toward making your experience easier in 2011. Watch for the launch of our new look on May 1st. ♦

Employer Audits

In May 2010, MPERA's auditor Renae Justice began visiting employers to identify possible issues including reporting non-contributing employees, treatment of insurance premiums paid through cafeteria plans, reporting compensation as well as identifying any other reporting problems.

In addition to the on-site visits, the first employer survey was developed and sent out to school districts. Future surveys will be directed toward select groups of employers to help address or identify issues or training needs specific to each group.

As issues are identified by Renae and our employers, MPERA will direct our education team to develop training to meet your needs. ♦



Forms On Our Website: A Good Resource!

Have you ever had a form returned because it was not the latest version? Try downloading it from the MPERA website. We are adding additional forms for your convenience. You can be assured that the forms on our website are always the latest version.

Please take a few minutes to review your forms to be sure they are filled out completely, including all signatures. Incomplete forms will be returned. If you have any questions, please contact us and we will be happy to help you. ♦

Information For Terminating PERS Employees

As an employer, at times you will have an employee terminate (as opposed to retire). Before they leave, please give them the [Retirement Fund Information for Terminating Employees](#), instead of the PERS Refund Application. It provides important information to terminating employees about their choices related to their retirement account and will help eliminate confusion between the Defined Benefit and Defined Contribution refund processes.

The PERS Refund Application is intended for members of Defined Benefit Retirement Plan only. Defined Contribution Retirement Plan (DCRP) members need to complete different paperwork in order to receive a refund or rollover. We must coordinate paperwork with Great-West Retirement Services for DCRP retirement distributions.

To avoid any confusion from members who do not know what plan they are in, simply give them the Retirement Fund Information for Terminating Employees. ♦

Reporting Your Working Retirees

If you employ working retirees in your PERS, SRS or FURS-covered positions, you may have received errors while trying to report them. Below are some helpful tips.

Before you get started, it is a good idea to verify that the person is indeed a working retiree. If you are unsure, check their status on the Eligibility Screen. Checking to make sure that your payroll source is reporting your Working Retiree information correctly will also help to eliminate errors.

Once you have verified that the person is a working retiree and their information is correct, you can report them on your non-contributing employee (NCE) payroll report, just like other NCEs.

After your NCE payroll posts, our system will create Working Retiree (WR) Certification forms for all your reported working retirees*. Once your report is marked as complete, we will post the report to history. **This occurs daily between 3:15-3:30 pm.** After the report has posted, you can access your certifications by clicking on the **blue link** that says "Action Required-Click Here" next to WR Certifications. Then:

- Choose an employee by clicking on their name.
- Select the report period you want to complete. Remember the report period is based on pay day not pay period.
- Once you have completed your certification, click on "Certification Summary" to make sure earnings and hours match what was reported on the payroll report.
- Mark the certification as complete.
- Use the blue arrow to go back to the previous screen.

Working Retirees are automatically sorted by the highest priority on your report. However, you may sort your working retirees by any of the header buttons. ♦

* Working retirees age 70½ and older must be reported on an NCE payroll but are not required to be certified.

Time For A New Membership Card?



Have any of your employees who are retirement system members had a life-changing event recently? Remind them to update that information by filing a new membership card. Members should update their card any time their information changes. They may complete a new card for any of the following reasons:

- ♦ marriage;
- ♦ birth or adoption of a child;
- ♦ divorce;
- ♦ name change for any other reason;
- ♦ change of a beneficiary.

After the member completes a new membership card and returns it to you, please send the card to us immediately. A beneficiary change will **not be** effective until the membership card is on file with us. ♦



Please do not use membership cards to update addresses. Member addresses are updated on the address files submitted when you report payroll.

Deciphering Non-Contributing Payroll Report Messages

By Shelly Pardis

Non-contributing payroll reporting can be confusing. The chart below helps to explain each message that you may encounter.



NCE Payroll Message	Action Needed
"Employee is within 160 hours of the maximum 960 hours allowed in the current fiscal year."	The employee is still within the 960 hour limitation. You should monitor hours closely on these individuals as they are nearing their limitation for the fiscal year.
"Membership is mandatory. Employee has exceeded the maximum 960 hours allowed in the current fiscal year."	Membership is mandatory. You should begin withholding contributions on these individuals immediately and have them complete a membership card.
"Employee is a member of the retirement system and must be reported on the contributing payroll."	Membership is mandatory. You should begin withholding contributions on these individuals immediately.
"Employee is a retiree of the retirement system and must be reported as a working retiree."	A retiree of PERS, SRS or FURS may return to work after a 30 day break in service (90 days after July 1st) and receipt of their first benefit payment. Contributions should not be withheld and the employees should be reported on your NCE payroll report. Additionally, retiree hours and earnings must be certified utilizing the online certification process.
"An optional membership election form for NCE reason _____ must be filed with MPERA."	A valid optional membership election form has not been received and the election window has not closed. Verify that you and your employee have completed the form and it has been submitted.
"NCE reason _____ does not match the NCE reason of _____ on the Optional Membership Election form submitted to MPERA."	The reason code reported on the NCE payroll report does not match what was selected on the Optional Membership Election form. Verify which is correct and contact MPERA for instructions on how to fix the error.
"Employee filed an Optional Membership Election form with MPERA electing membership and, therefore, must be reported on the contribution payroll."	An Optional Membership Election form electing membership was received by MPERA. Contributions must be withheld on all pay following the election. Contact MPERA for instructions on correcting any errors.
"Employee did not file the election within 90 days following the hire date and therefore has waived membership."	Verify that the hire date was reported correctly. If it was, no action is necessary. Employee has waived membership and may not contribute. Contact MPERA for instructions on correcting any errors.

Fiscal Year End Notes

MPERA's fiscal year end processing requires that all June 2011 payroll reports and contributions be received in our office in a balanced status no later than **July 8**, which is five working days after June 30. Reports received after July 8 **will not** be reflected on members' annual statements and late penalties will apply.

Please report each payroll according to the schedule you have provided to MPERA. Changes to this schedule are only allowed for extenuating circumstances.

Changing your regular reporting schedule can impact your employees' service credit and membership service. If you have additional paydays in any month, contact Diana Stitt prior to submitting any reports for that month. She will work with you on coordinating the consolidation of paydays within your regular reporting schedule.

Do not submit extra buyback payments with your June payroll. A buyback contract allows only one full payment per month. Buyback contracts do not require payments in months when no compensation is received.

Summer Reporting

If you are an employer who uses our web reporting system, you will need to file a 'No File for Report Period' for any period in which a report will not be filed. For instructions, please refer to the MPERA Reporting Handbook for Employers available on our website or contact our office. Paper reporters must notify MPERA of any changes prior to the final report of the fiscal year.



Please do not withhold PERS contributions from lump sum payouts of vacation, sick and compensatory leave paid **without termination of employment**. (See §19-3-108(1)(a)(v), MCA, effective in 2001.)

Contribution Rate Changes

As of the time of publishing, any possible legislative changes to contribution rates have not been finalized. We will keep you updated. In the meantime, please continue to report your payrolls on the schedule you provided to us. ♦

We Rely On You!

MPERA relies on the files you send to us for the current addresses of our active members. Please remember to go in to your address file and validate the addresses every month.

**If there are any errors in your address file,
your address changes will not post! ♦**



MPERA Is Going GREEN!

The best way to receive information from MPERA is to be on our email list to receive notices. If there is anyone in your department, such as a Human Resource person that would like to receive updates, please have them go to <http://mpera.mt.gov/NewsletterEmplr.asp> and sign up.

Thank you for helping us save money and the environment! ♦

The MPERA website is <http://mpera.mt.gov/>

USERRA – What You Need to Know

At some point, your agency might employ a member who must leave for military duty for a period of time. If they return to work at your agency and if their retirement contributions were left on deposit, according to the Uniformed Services Employment and Re-Employment Rights Act (USERRA)*, that member must be treated as if they did not have a break in service.

For retirement purposes, this means that the re-employed member is entitled to pension benefit rights. However, those rights are contingent on making employee contributions.

In order for a re-employed member to qualify or maintain entitlement to benefit rights for the period of uniformed service under USERRA, missed contribution payments to the plan must be made during a certain period of time beginning with the date of re-employment. This period is equal to three times the period of the qualified military service, not to exceed five years.

For example, if a member is absent for one year, their make up contributions are due within three years. If the member is absent for three years, the make up contributions are due within five years. No interest will be charged and the member's contributions may be made up on a tax-deferred basis through a payment plan, rollover or lump-sum payment.

If the member pays their contributions, the employer must also make all the employer's contributions to the pension plan that would have been made for the member as if they had not been absent. No interest will be charged.

To calculate the contributions that would have been made during the member's absence, you will need to determine the compensation the member would have received during that time. You can do this by calculating the salary rate the member would have received, if not for the absence due to military duty.

This includes any pay raises the member may have received. If you cannot determine the hourly rate with reasonable certainty, the cost can be calculated on the member's average rate of compensation during the 12-month period preceding their absence. ♦

* USERRA applies to members of the Army, Navy, Marine Corps, Air Force, Coast Guard, Public Health Services Commission Corps. It also applies to the reserve components of each of these services. In addition, training or services in the Army National Guard or the Air National Guard also qualifies as USERRA services.



MPERA is now on Facebook! If you have a Facebook account you can find us by typing MPERA in the search feature. If you do not have a Facebook account, you can still find us! Just go to our website and click on the Facebook icon. See you there! ♦

Reduction In Force (RIF)

Is your agency affected by a Reduction In Force (RIF)? This is when some of your employees who are active members of certain retirement systems are involuntarily terminated. Possible position eliminations can result from:

- ◆ privatization;
- ◆ reorganization of an agency;
- ◆ closure of or a reduction in force at an agency; or
- ◆ other actions by the legislature.

If that happens, the member may be entitled to three years of One-for-Five service credit. If you are a state or university system employer, you are required to pay a portion of the cost.

In order to purchase this service, the member must already be eligible for service retirement or early

retirement. If they choose to purchase service, they will waive the rights and benefits under the State Employee Protection Act.

The member may decide to purchase less than three years of service, but that decision may not reduce the amount of your required portion. You may pay your required portion in installments for up to 10 years, interest will be charged at a rate set by the Public Employees' Retirement Board.

A member who is RIF'd and purchases the One-for-Five service credit may return to work for the same jurisdiction (agencies of the state, including the university system) for 959 hours in a calendar year. If the member works for 960 hours or more, your payment minus any retirement benefits already paid, will be credited to you, the employer. ◆

Optional PERS Members - Who Are They?

Do you know which of your new employees are optional PERS members? This can be a confusing issue but here is some helpful information.

Remember: Membership in PERS is mandatory for a) full-time employees in covered positions and b) new part-time employees who already have contributions on file with MPERA.

Optional membership applies only to new employees in the following positions:

- ◆ A new employee who is not already a member of PERS from another job, who works 960 hours or less during the fiscal year. If an employee works more than 960 hours, they must be a member of PERS (they do not have a choice).
- ◆ An employee directly appointed by the Governor.
- ◆ A legislative branch employee working 10 months or less to perform work related to the legislative session.
- ◆ A Chief Administrative Officer of a city or county.
- ◆ A new employee of a county hospital or rest home.
- ◆ Elected officials.

If you have a new employee who falls into one of the above categories, they must be given the option to join PERS. If a new employee does not fit into one of the above categories, they do not have an option. They must be members of PERS.

Local Elected Officials have their own special set of circumstances. Here are some examples:

- ◆ If a person elected to a local office (like a city commissioner) is already participating in PERS, they can decline membership for that position if they work less than 960 hours in that position during the calendar year. However, if they go over the 960 hours, they must start participating in PERS.
- ◆ If a person is a retired member of PERS when they are elected to office (mayor, councilman, etc) they can decline membership and continue receiving their retirement benefit. If they choose to be an active participant, their retirement benefit will stop and they need to start making contributions.
- ◆ If the person elected is not a member of PERS, they can join and start making contributions, or decline membership altogether.

If you have any questions about optional members, please contact us. We are here to help! ◆



A new employee in an optional position must complete an Optional PERS Membership Form and return it to you to send to MPERA. Please remember to attach the employee's membership card to the form if they elect to join PERS.

And Finally... If you have any questions about retirement, please contact us. We are here to help you and our members get the best retirement experience possible. ♦

Directory Of MPERA Contacts

Questions about Benefits:

Jennifer..... 444-5460
 Margaret..... 444-3953
 Sheri..... 444-1274
 Angie 444-3978

Disability Benefit Questions

Julie..... 444-5444

Family Law Orders

Dena 444-2578

Payroll Questions

Diana.....444-9171
 Roberta444-5452
 Jeanette444-3147
 Kim 444-9683

DBRP Refund Information

Vacant.....444-3154

Employer/Employee Education

Jenny444-2996
 Joel.....444-0199
 Armando444-9139
 Ursula.....444-9172

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