Montana Public Employee Retirement Administration (MPERA)

Reporting Handbook for Employers

who participate in MPERA-administered retirement systems

TABLE OF CONTENTS

If any of the information in this handbook differs from statute or rule, statute or rule will apply.

Welcome to the MPERA Payroll Reporting Handbook for Employers. This handbook explains what is required of employers for reporting members of retirement systems administered by MPERA. If you do not find the answers in this handbook, please contact us at MPERACommunications@mt.gov.

INTRODUCTION

The *MPERA Reporting Handbook for Employers* is a reference for payroll reports and other information required by the Montana Public Employee Retirement Administration (MPERA). This Handbook also provides additional information that may be useful to payroll clerks when dealing with retirement issues. This Handbook is available on our website at *mpera.mt.gov* for all agencies that report employee information for the following retirement systems:

- Public Employees' Retirement System (PERS)
- Judges' Retirement System (JRS)
- Highway Patrol Officers' Retirement System (HPORS)
- Sheriffs' Retirement System (SRS)
- Game Wardens' and Peace Officers' Retirement System (GWPORS)
- Municipal Police Officers' Retirement System (MPORS)
- Firefighters' Unified Retirement System (FURS)

Part I includes general requirements that apply to all payroll reports and systems.

This Handbook is divided into two parts. Part I includes general requirements that apply to all payroll reports and systems. Part II includes requirements for each specific retirement system.

The information in Part I is general in nature because it applies to all systems or payroll reports. If you need more specific information about a system, look under the chapter covering that system in Part II. Information is repeated in the various sections so users need not search throughout the Handbook for related information.

Revisions and other information for employers will also be updated regularly on MPERA's web site at: *http://mpera.mt.gov.*

This Handbook is a complete reference and a useful tool for payroll clerks when preparing reports for MPERA. If you do not understand some material or can't find what you need in the Handbook, please contact us. Comments on how we might improve this Handbook are welcome.

Address any comments or suggestions you have concerning this Handbook to MPERA.

Contacting MPERA

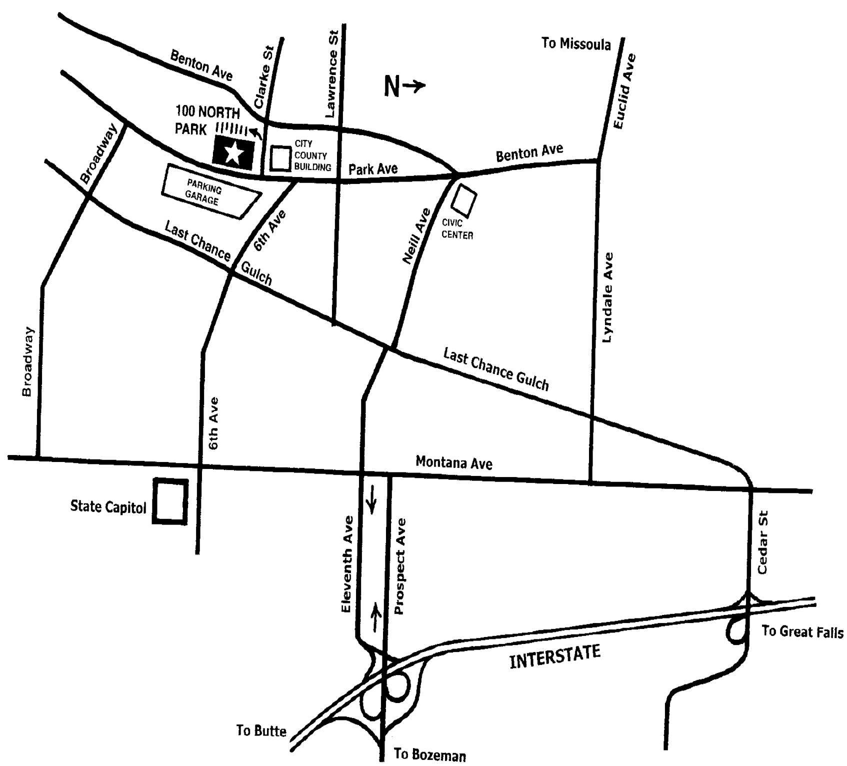
If you have any questions, call or e-mail us. Our office hours are Monday through Friday, 8:00 a.m. to 5:00 p.m. except on designated state holidays.

Telephone	*Mailing Address*	*Office Address*
(877) 275-7372	P.O. Box 200131	100 North Park Ave.
(406) 444-3154	Helena, MT 59620-0131	Suite 200
		Helena, MT 59601

<u>Email</u>
mpera@mt.gov

A *Recommended Changes* form is on the next page. You may use this form to send any suggested changes to this Handbook. If you need additional forms, you may request them from MPERA. This form is also on our web site for you to provide comments on this publication. The MPERA web site address is *http://mpera.mt.gov*

If you wish to visit our office, our street address is:
100 North Park Avenue
Suite 200
Helena, Montana



Recommended Changes to the MPERA Reporting Handbook for Employers			
Your Name		Agency	
Brief description of the problem you found, such as a typo, missing material, or an incomplete description.			
Part	Chapter	Section	Page
Solutions, if any, that you recommend:			

> The report and contributions are due within five working days after each regularly occurring payday.

Retirement statutes require your agency to send a payroll report and retirement contributions to us within **five working days** after each regularly occurring payday. If a payroll is late, § 19-2-506, MCA provides for a penalty of 9% or $10.00 a day, whichever is greater.

Reporting agencies use the MPERA's Web Reporting system and remit payment via automated clearing house (ACH). The two ways of reporting using the MPERA's Web Reporting system are: (1) the Create Report method; or (2) the Transfer Report method.

Detailed descriptions of each reporting method are provided in this chapter.

ALL REPORTS REQUIRE THE SAME INFORMATION.

> Agencies must report all employees even if they are not a member of a retirement system.

The report should list every employee in your agency.

Retirement statutes exclude certain employees from membership and membership may be optional for others. If a new employee is already receiving a monthly retirement benefit from MPERA, they are considered to be a working retiree and must be reported as a non-contributing employee.

Payroll Report Information

The payroll report should contain the following information for each employee, even if not a member of a retirement system.

- **SSN** – Employee's social security number.
- **Last Name** – Employee's last name. Should be the same as the membership card.
- **First Name** – Employee's first name. Should be the same as the membership card.
- **MI** – Employee's middle initial.
- **Term Box** – Must be checked if this is the employee's last reported earnings.
- **Earnings** – Gross salary, wages, or compensation paid to the employee for the pay period. Depending on the specific retirement system, you might have to include pay for regular, overtime, sick leave and annual leave used.

- **Contrib.** – Contributions are deducted pre-tax from the employee's salary. Use the employee's gross salary to calculate contributions. Depending on the specific retirement system, contributions **should not** be withheld on payouts of sick, annual or compensatory leave unless the employee is terminating. Withhold contributions before federal and state taxes. The contribution rate is dependent upon the employee's retirement system.

- **Hours** – All hours for which the employee received pay, salary, or compensation. Include all regular, overtime, sick leave and annual leave hours. You must report hours for all paid compensation so that service can be credited properly.

- **Zero Earn Box** – Must be checked if you are reporting an employee with zero earnings during the pay period.

- **Hourly Rate** – Hourly rate of pay the employee receives.

- **Service Purchases** – Type and amount of service purchase. If you pay your employees more than once a month, the withholding can be reported in a full payment once a month or half of a payment (+/- $.01) twice a month. If you have three paydays in a month, do not withhold service purchase contributions on the third payday.

- **Full/Part Time** – Indicate whether the employee is (Y) part time or (N) full time.

- **NCE Status** - Indicate whether the employee is Excluded (PERS only), Optional (PERS only), or a Working Retiree (PERS, SRS, JRS and FURS only).

- **Position Type** – Indicate whether the contributing employee is (P) permanent, (S) seasonal or (T) temporary. If an employee has a gap of three or more months between pay checks list them as 'seasonal'. Use the appropriate value for all of your non-contributing employees (employees who are not retirement system members). The non-contributing value chart is available on our website at http://mpera.mt.gov/docs/NCNTRBValues.pdf.

- **Date of Hire** – The first day the employee reports to work with your agency.

PAYROLL SUMMARY INFORMATION

The payroll summary must reflect the following on your contributing employees only.

- **Count –** Number of contributing members listed on report.
- **Hours –** Total hours of all contributing members reported.
- **Earnings –** Total earnings of all contributing members reported.
- **Employee Contributions –** Total contributions withheld from all employees reported.
- **Service Purchase Contrib –** Total service purchase contributions withheld from all employees reported.
- **Employer Contributions –** The total earnings for contributing members multiplied by the current contribution rate for the employer. The contribution rate is dependent upon the retirement system.
- **Penalty Paid –** Amount of any penalty paid. (Currently not an active field for web reporting)
- **Total Due This Report –** Total Employee, Service Purchase and Employer Contributions due this report. For Paper Reporters this would also include any penalties being paid.
- **Over/Under Balance (Web Only) –** Indicates any amounts owed MPERA or credits due your agency outside of this report.
- **Remitted This Report (Web Only) –** Amount paid this report. This may be different from your total due if other amounts owed MPERA are being paid or credits issued are being used.
- **Over (+)/Short (-) (Web Only) –** Any remaining balance after completing the payroll report.

WEB REPORTING

To start MPERA Web Reporting, agencies will need access to the internet and Microsoft Internet Explorer (version 5.0 or higher).

The following information addresses:

1. System Startup
2. Login
3. Reporting using the Create Report and Transfer Report methods.

See Electronic Reporting section for file specifications.

System Startup

Bookmark the MPERA website or add it to your favorites list!

Open Microsoft Internet Explorer and go to the MPERA Web Site at *http://mpera.mt.gov.* Click on the WEB REPORTING link located in the EMPLOYERS pod on the home page.

If you are having trouble connecting, you may need to reconfigure your Internet Explorer. To reconfigure, click on the CONTACT AND BROWSER INFORMATION button. Follow the instructions that appear.

Security Warnings

You may or may not get security warning screens depending on your computer configuration. Always accept security warnings from 'Oracle Corp'.

Login Screen

You will need to change your password the first time you log into the application. To change your password click on the CHANGE PASSWORD button on the Payroll Clerk Main Screen. Three unsuccessful attempts to enter your password will lock you out. Contact MPERA at 406-444-3154 or toll-free 1-877-275-7372 to have your password reset.

Login with the user name and password assigned by MPERA.

Upon successful login, MPERA's Payroll Clerk Main Screen will be displayed.

PASSWORD CRITERIA

The need for online security and the threat of identity theft is very real. The following criteria should be used when creating/changing passwords used to access our online reporting website.

- Passwords must be changed every 180 days or whenever there is a change in the person utilizing the user name and password.
- Passwords must be at least 6 characters in length.
- Your user name will always stay the same. The user name cannot be part of the password.
- Passwords must begin with a character (A, B, C…)
- Passwords must have at least one character and one number.
- Passwords cannot have any punctuation marks (*,!, $,etc…) or spaces.
- Passwords cannot have any of the following reserved words within the password:

'ACCOUNT'	'ALTER'
'CONNECT'	'DEFAULT'
'EXTERNALLY'	'GLOBALLY'
'IDENTIFIED'	'LOCK'
'PASSWORD'	'PROFILE'
'QUOTA'	'REVOKE'
'ROLE'	'TEMPORARY'
'UNLIMITED'	

- New passwords must be at least 3 characters different than the current password.
- Passwords cannot be reused.

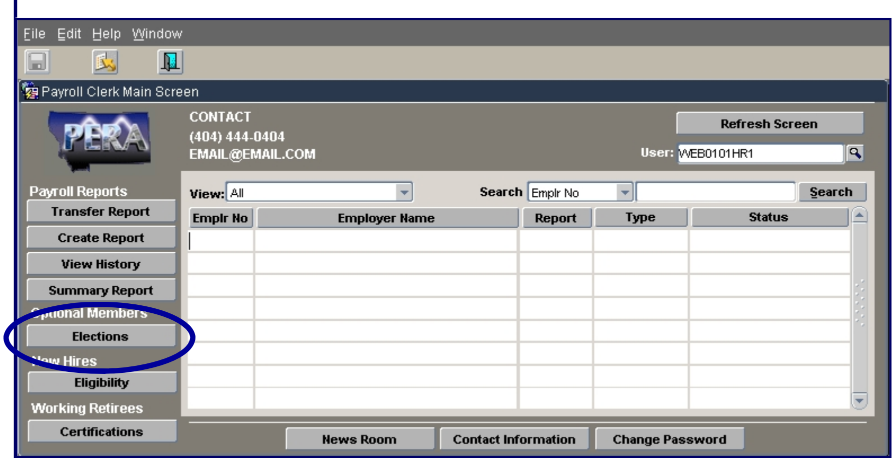
Fill in your new employee's information on their first day of work. It will prevent problems in the future!

NEW HIRE EMPLOYEES

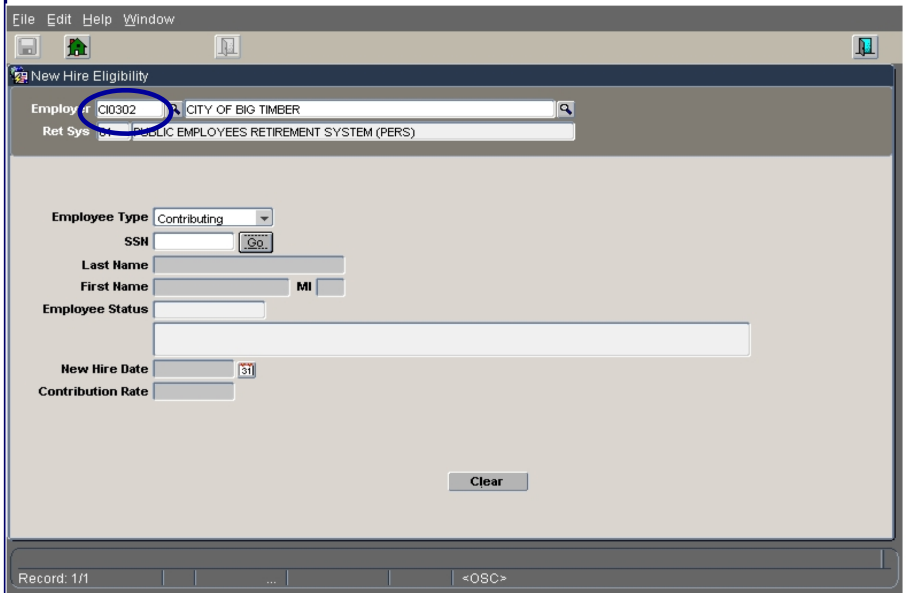
The eligibility screen provides the current status of your new employee with the retirement system. It will assist you in determining if that employee, who may normally be optional, is actually mandatory. Or if the employee is mandatory, it will provide the correct contribution rate. If the new employee is optional, whether or not they are eligible for an new optional member election. You can also tell if your employee is optional and a valid election already exists, what the election was (declined or elected). If your employee is currently a retiree with the retirement system, you must be report them as a working retiree. Or if your employee is a retiree and is not eligible to return to work. Some of the reasons you must do this on the first day are:

- To determine how to set them up correctly in their payroll software (contributing vs noncontributing; correct contribution rate)
- To determine if an optional employee is actually mandatory due to already being a member
- To determine if an optional employee is eligible for a new optional membership election (election forms should not be given to those not eligible)
- If not eligible, what the valid election was (declined or elected) so they know whether to set them up as contributing or non-contributing
- To determine if an employee is a retiree of the retirement system
- To determine whether or not a person is eligible to return to work as a working retiree (has not received first retirement check; has not met the 90 day waiting period)

This screen is retirement system specific. It will tell you whether or not an employee is a member of a specific retirement system, but only that system. From the Main Screen, click on the ELIGIBILITY button.



The New Hire Eligibility screen will open.



Enter your employer number in the **Employer** box. The employer name will populate in the **Name** box. The Retirement code and system will populate the boxes below.

Select the Employee Type: Contributing; Excluded; Optional or Working Retiree. Enter the new employee's social security number. Click "Go".

The different types of statuses are:

- Active- Employee is an active member of the associated retirement system. Withhold contributions at the displayed rate.
- Retired - Employee is retired from the associated retirement system. Report as an non-contributing employee (NCE).
- Inactive - Employee is an inactive member of the associated retirement system. Withhold contributions at the displayed rate.
- Non-member - Employee is not a member of the associated retirement system. Enter name and hire date. Withhold contributions at the displayed rate or report as a non-contributing employee (NCE) depending on position type.
- Any other status. Please contact MPERA.

Once all information is complete, click on "Save".

The Change Contact Information screen may be displayed to update contact information. When you have made any necessary updates click OK.

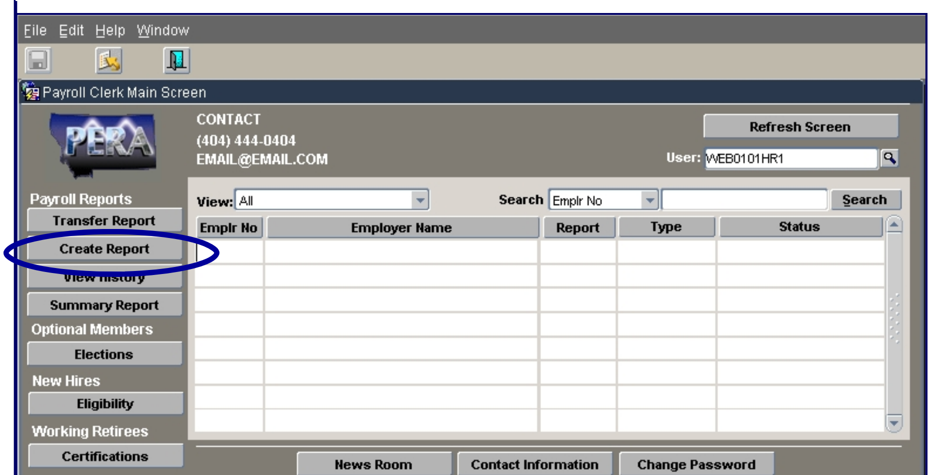
At the MPERA Payroll Clerk Main Screen, choose the method of reporting you wish to use. There are two methods of reporting available on the web; the Transfer Report method and Create Report Method. The following information is the process for the Create Report method. For information regarding the Transfer Report method, see page 19.

New Reporting Agencies

Only agencies new to MPERA should create a new payroll report period. The option to create a new payroll report period can be found in the Payroll box located on the left hand side of the MPERA Web Reporting homepage. Unless a new agency is using the Transfer and Load File method, this option must be used to submit the initial payroll report. All future reports will be reported using the Copy From Previous Report Period method.

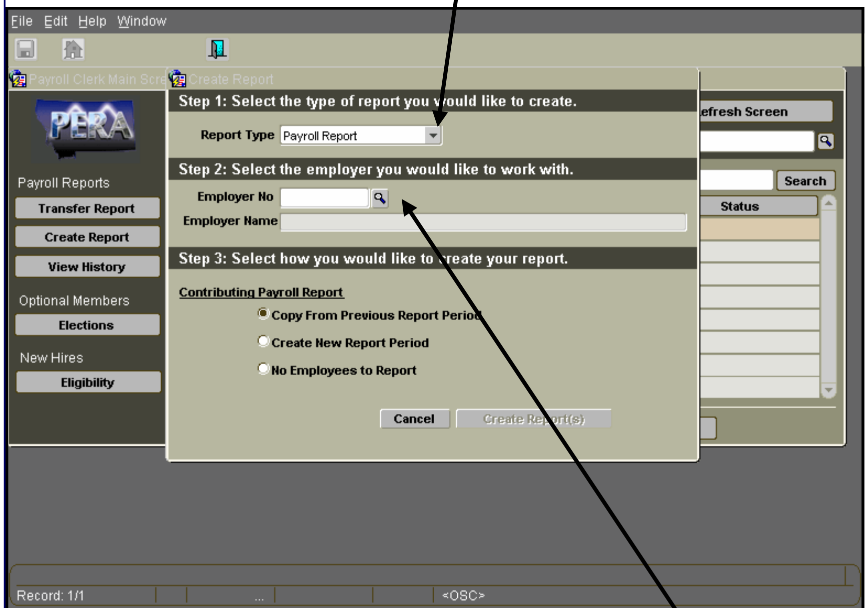
CREATE REPORT METHOD

Click on the CREATE REPORT button on the left hand side of the screen.



The CREATE REPORT box will open.

Step 1: Select the type of report you would like to create by clicking on the drop down menu.



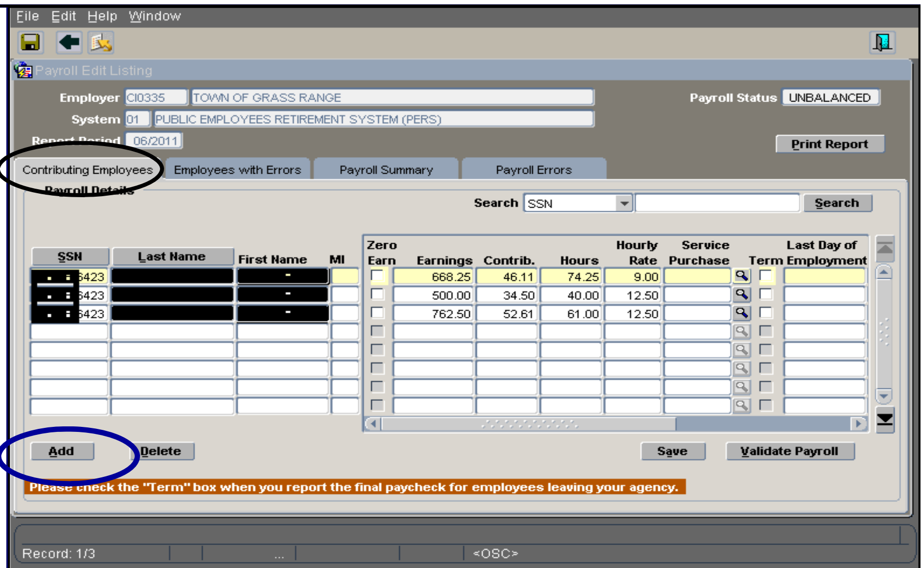
Step 2: Select the employer you would like to work with.

Step 3: Select how you would like to create your report. There are three possible ways you can create a report.

- Copy from Previous Report Period - lists all employee records that were reported on the last report filed.
- Create New Report Period - creates a blank form for entering employee records.
- No Employees to Report - creates a no file report when there are no employees to report for the report period. Only certain types of employers may file a no file for their contributing payroll report.

Be sure to check the TERM box for any employee leaving your agency.

If a payroll report is created that requires editing, the report will open to the **Contributing Employees tab** of your Contributing Report. A reminder message will appear at the bottom of the screen highlighted in yellow that says ‘Remember to check the TERM check box for any employee leaving your agency’. It is critical this box is checked the last time you report earnings for your employee. You will also be required to fill in the last day of employment as well as the final pay date for this employee.

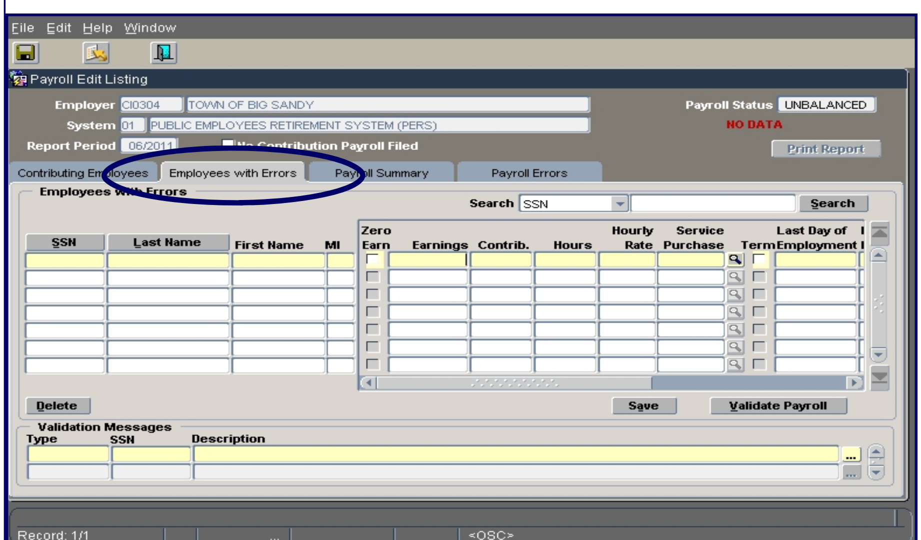


Contributing Employees tab: Provides the ability to view, add, update and delete payroll and contribution information for all <u>contributing</u> employees. You can access additional employee information by sliding the scroll bar at the bottom of the listing. Refer to page 1 of the Payroll Reports chapter for a description of each field.

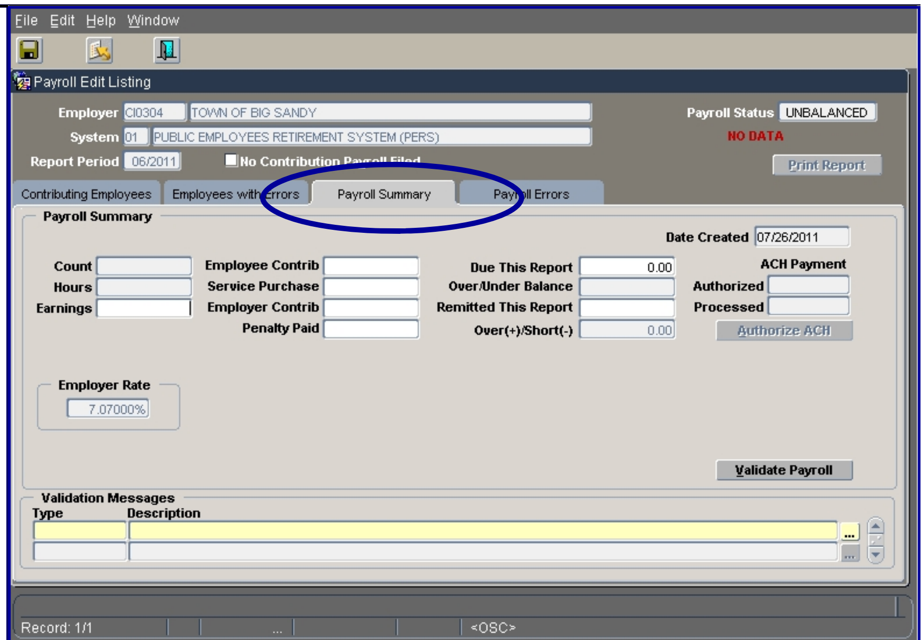
Adding a New Employee

To add new employees, click on the ADD button located on the bottom of the **Contributing Employees tab.** This will create an open line for entry.

- Enter all required information.
- Review the selected entries and click on Save

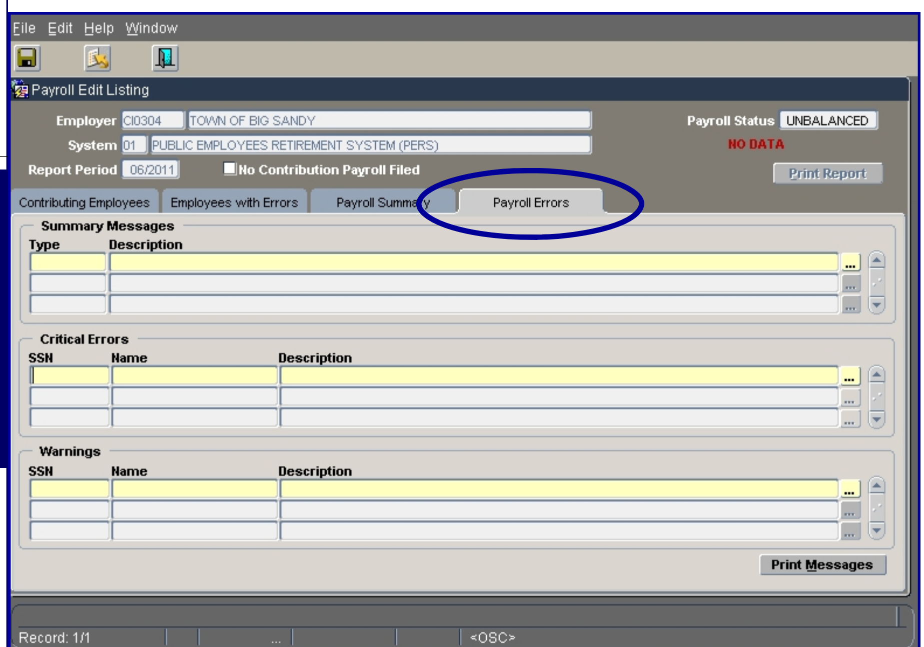


Employees with Errors tab: Lists all contributing employees with errors. Corrections can be made from here or on the **Contributing Employees tab.**



Payroll Summary tab: Allows you to view and update the employer summary information as well as view the error messages, if any, associated with the summary.

Review all errors listed on your report. CRITICAL errors must be corrected for your report to process.

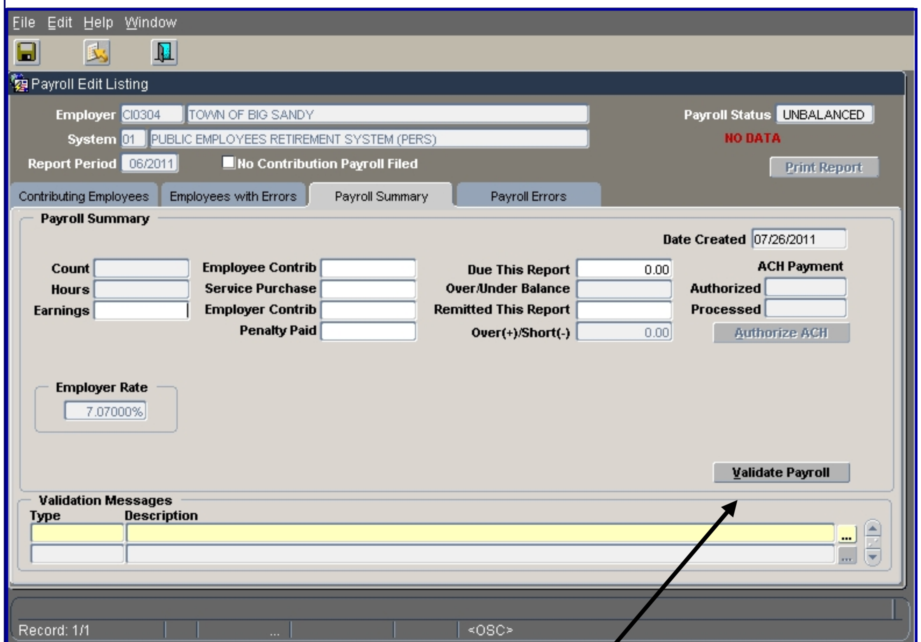


Payroll Errors tab: Lists all employee and employer error messages associated with this report.

Completing Your Payroll Report

Click on the **Payroll Summary tab**. Enter the totals for Earnings and Contributions for contributing employees only. Enter the amount of check/payment in the 'Remitted This Report' box. This should match the Total Due field unless there is an over/under balance.

Validate Payroll



Click on the VALIDATE PAYROLL button.

A message will pop up that says '**Payroll is error free – authorize ACH payment'** or **'Payroll is error free – awaiting payment to be BALANCED. Next report period is ________.'** Click OK. Any other messages indicate there are errors that still need to be corrected.

NOTE: Payroll reports cannot be printed until payment has been posted by MPERA.

Error Messages

To review error messages, click on **Payroll Errors tab.** The top section refers to errors within the Payroll Summary tab. The middle section refers to critical errors on the **Contributing Employees tab.** The bottom section refers to warnings on the **Contributing Employees.** Correct all critical errors to finalize your payroll report. Revalidate after making the corrections.

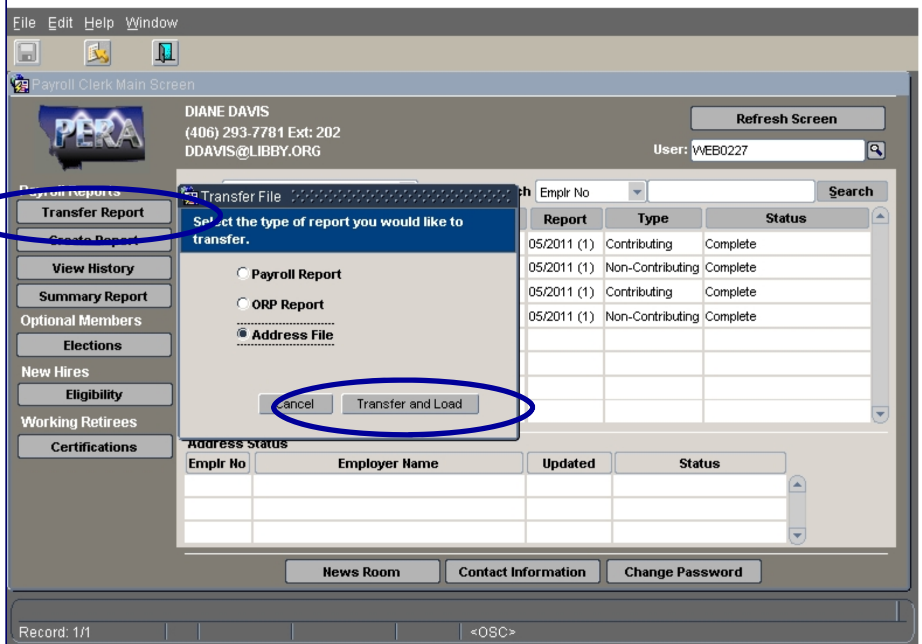
The payroll will process if the WARNING error types are not corrected. This does not mean that the warning does not require attention. Review all warning messages to determine if immediate action is necessary.

Revalidate after making the corrections. If you need assistance, contact MPERA.

- If you pay by ACH, go to page 24.
- To submit payment by check, go to page 25.

TRANSFER REPORT METHOD

The following information is the process for the Transfer Report method. From MPERA's Payroll Clerk Main Screen, click on the TRANSFER REPORT button on the left hand side of the screen. The following box will be displayed:



You will need to know where your electronic file is located on your PC or network.

Select the type of report to be transferred and click on the TRANSFER AND LOAD button. The following window will be displayed.

Select the BROWSE button. Navigate through the directory structure and locate the payroll file for transfer. Select the file by double clicking on it. The file path will appear in the Browse window.

If you have 500 or more employees to report, the payroll file will take some time to load.

NOTE: If you are reporting more than 500 members, a window will appear requesting an e-mail address. Enter your e-mail address and click SUBMIT to validate your file. You will receive an e-mail from MPERA when the validation is complete. You may then verify your payroll.

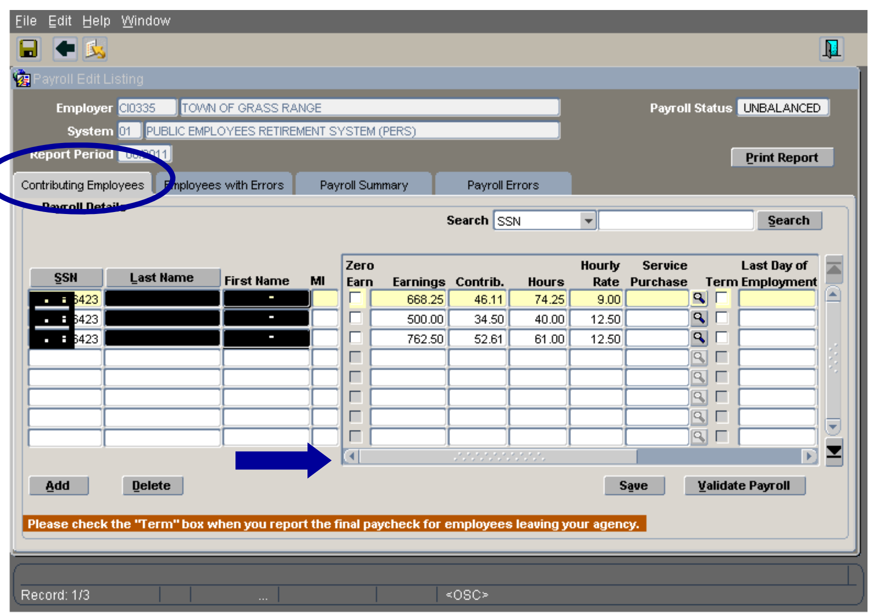
Verify Contributing Payroll Report

To verify the information on the transferred payroll file, click on the REFRESH SCREEN button on the Payroll Clerk Main Screen. Select the report you wish to view by clicking on the blue “Action Required - Click Here”.

Be sure to check the TERM box for any employee leaving your agency.

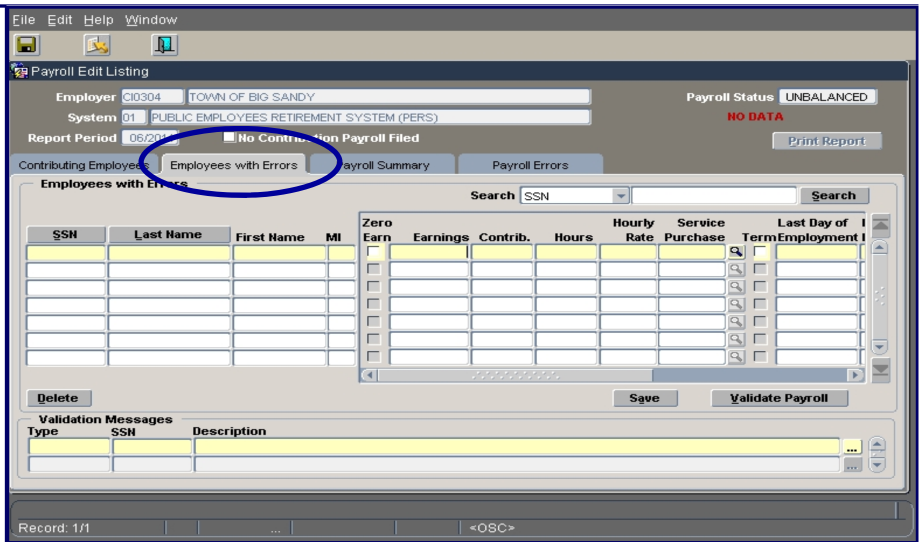
The payroll report will open and a reminder message will appear at the bottom of the screen highlight in yellow that says ‘Remember to check the TERM check box for any employee leaving your agency’. It is critical this box is checked the last time you report earnings for your employee. You will also be required to fill in the last day of employment as well as the final pay date for this employee.

There are four tabs within the contributing payroll report area.

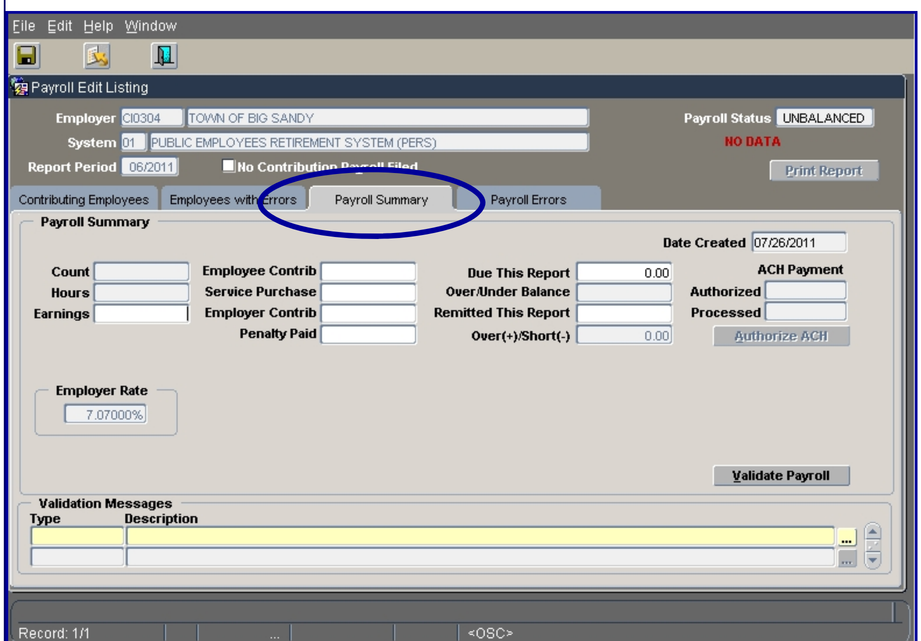


Additional information is accessible by sliding the scroll bar at the bottom of the listing.

Contributing Employees tab: Provides the ability to view, add, update and delete payroll and contribution information for all contributing employees. You can access additional employee information by sliding the scroll bar at the bottom of the listing.

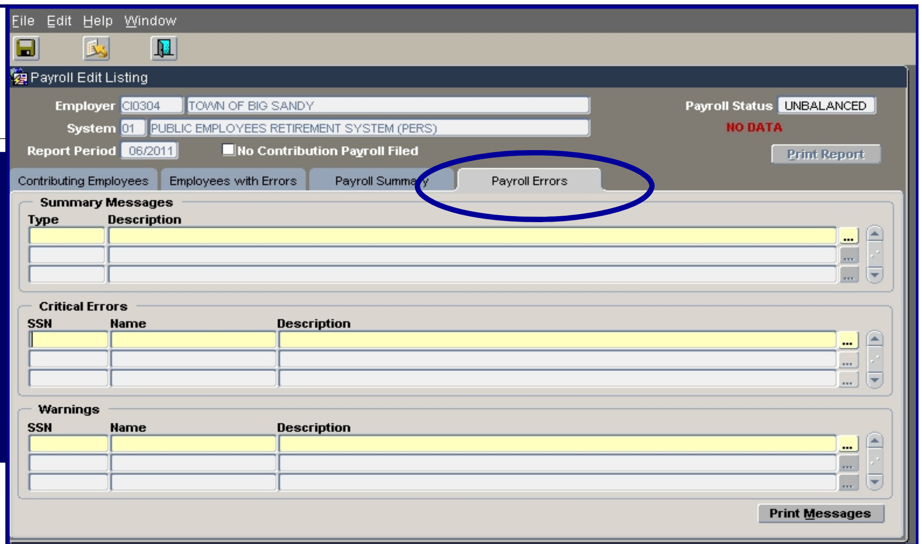


Employees with Error tab: Lists all contributing employees with errors. Corrections can be made from here or on the **Contributing Employees tab.**



Payroll Summary tab: Allows you to view and update the employer summary information as well as view the error messages, if any, associated with the summary.

Review all errors listed on your report. CRITICAL errors must be corrected for your report to process.



Payroll Errors tab: Lists all employee and employer error messages associated with this report.

Completing Your Contributing Payroll Report

IMPORTANT: Verify that you have transferred the correct payroll file by checking your summary totals. If errors are detected based on editing requirements, a message will appear in the upper right corner that say “Critical Errors Exist”.

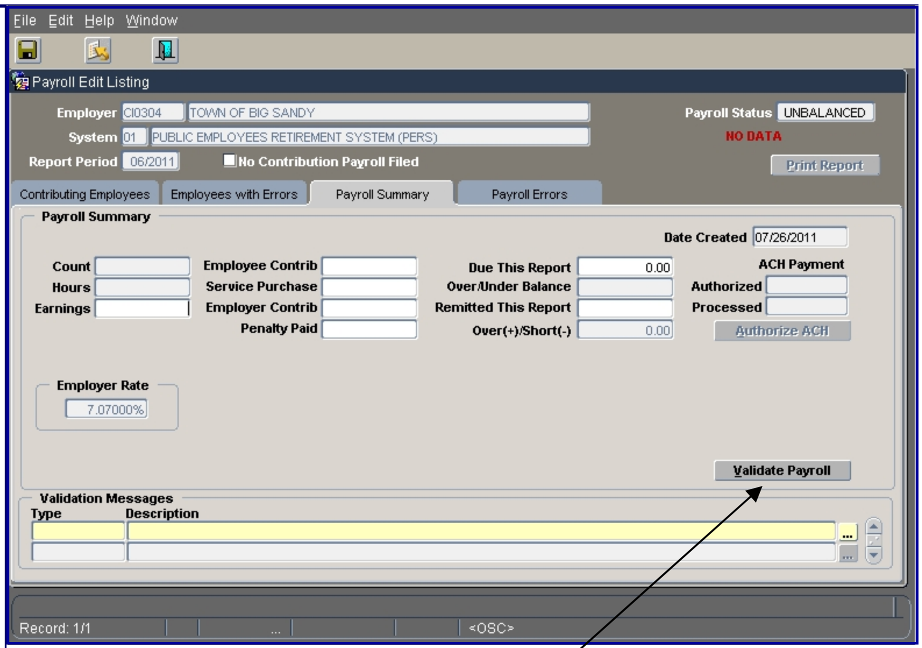
Error Messages

To review error messages, click on **Payroll Errors tab**. The top section refers to errors within the Payroll Summary tab. The middle section refers to critical errors on the **Contributing Employees tab**. The bottom section refers to warnings on the **Contributing Employees**. Correct all critical errors to finalize your payroll report. Revalidate after making the corrections.

The payroll WILL process if the WARNING error types are NOT corrected. This does not mean that the warning does not require attention. Review all warning messages to determine if immediate action is necessary.

Validate Payroll

Once all critical errors have been corrected, click on the **Payroll Summary tab** to verify the totals for Earnings, Contributions and Total Due for contributing employees only. If the totals are correct, enter the amount of check/payment in the ‘REMITTED THIS REPORT” box. This should match the Total Due unless there is an over/under balance.



Click on the VALIDATE PAYROLL button.

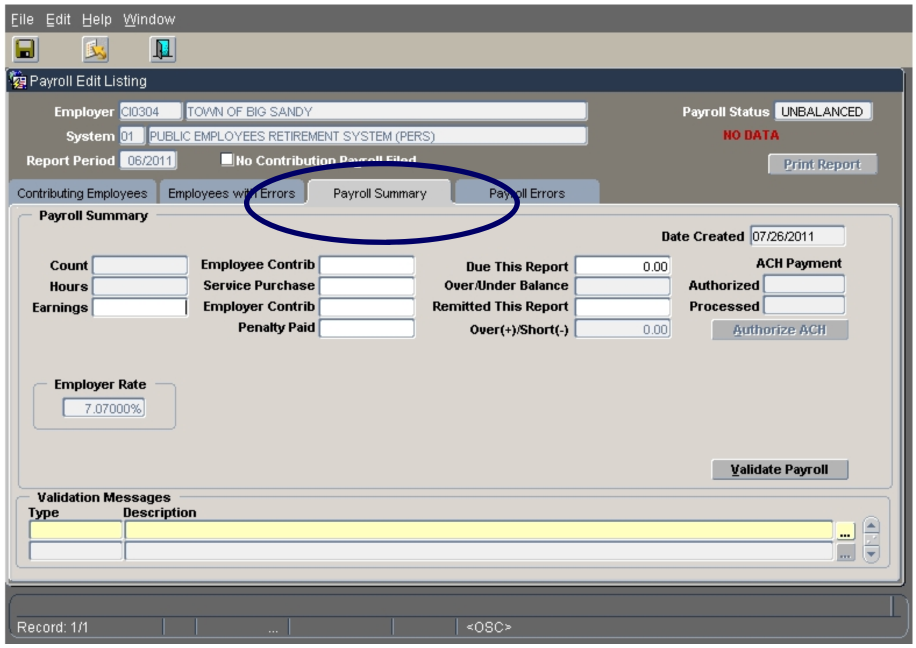
A message will pop up that says 'Payroll is error free – authorize ACH payment' or 'Payroll is error free – awaiting payment to be BALANCED. Next report period is ________.' Click OK. Any other messages indicate errors that need to be corrected.

- If you pay by ACH, go to page 24.
- To submit payment by check, go to page 25.

ACH authorization forms may be printed from the Employer Forms web page on the MPERA website. Complete the form and return it to MPERA.

ACH AUTHORIZATION

Once a Payroll is error free, select the AUTHORIZE ACH button on the right side of the **Payroll Summary tab.**



IMPORTANT: Be sure the funds are in the correct account before submitting your ACH payment.

If you are authorizing your payment prior to your due date (five working days after each regularly occurring payday), a message will pop up allowing you to select the date on which your ACH Payment will be authorized. Select the date you wish the payment to be authorized and click on the AUTHORIZE ACH button. If you are processing your payment on the due date or later you will not be given this option.

A message will pop up stating your ACH payment has been successfully authorized and payroll is ready to be posted. Click OK.

If the ACH payment has not been postponed, the status field in the upper right hand corner of the screen will indicate “Balanced”. If the ACH has been postponed, the status will read “Unbalanced”.

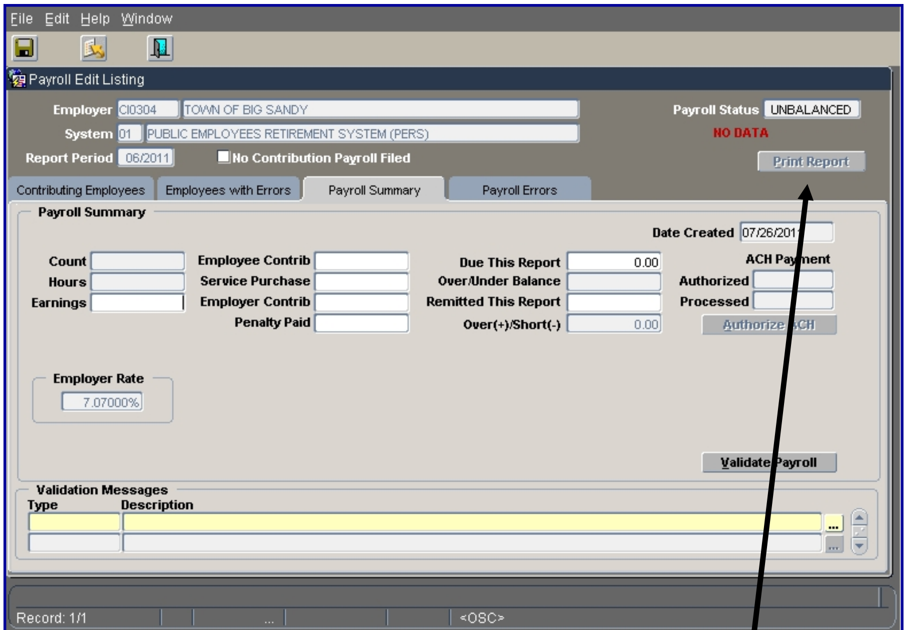
Payroll reports cannot be printed until payment has been posted by MPERA.

Return to the Payroll Clerk Main Screen to complete your Non-Contributing Payroll Report.

Submitting Payment by Check

To submit payment by check, go to the **Payroll Summary tab** and take a screen print of the total page.

Attach check to screen print. Make sure the amount of the check matches the remitted amount indicated on the **Payroll Summary tab**. Mail the check and screen print to MPERA.



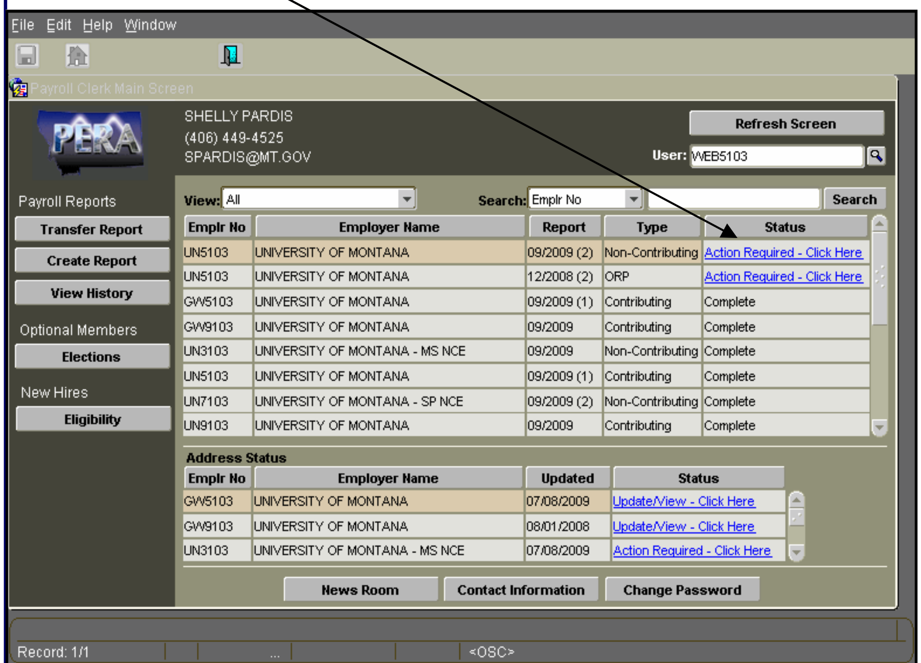
Printing the Payroll Summary Screen

At the **Payroll Summary tab**, press the PRINT REPORT button on the upper right corner of the screen. It will open your report in Adobe Reader and can be printed out from there.

REPORTING NON-CONTRIBUTING EMPLOYEES

NOTE: If your payroll software is not set up to include non-contributing employee payroll information in the file, you will need to manually enter the information the first time you report non-contributing employees. For subsequent payrolls, you will be able to use the Copy Forward feature to copy the non-contributing employee payroll data from the previous report period.

At the Payroll Clerk Main Screen, select the report you wish to complete by clicking on the blue "Action Required-Click Here" next to that report.



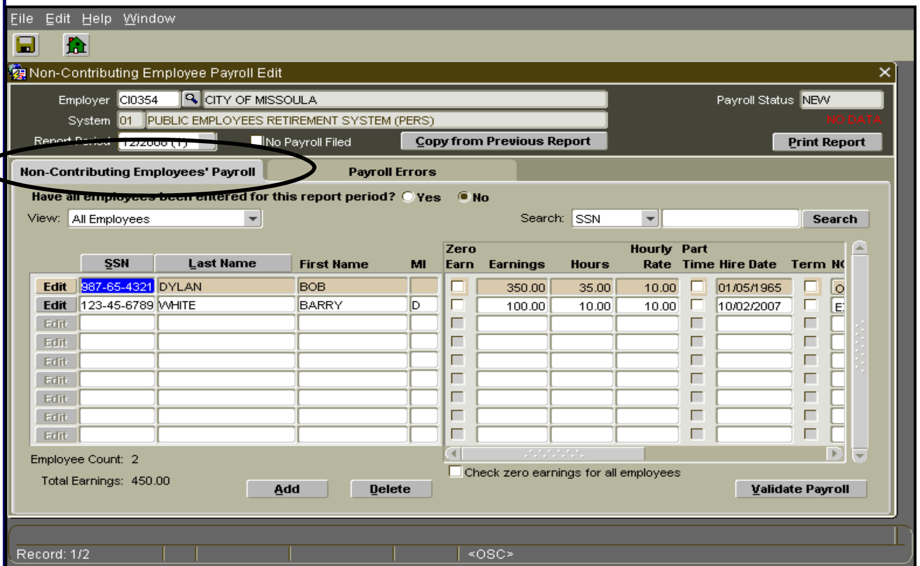
When the report opens, a reminder message will appear at the bottom of the screen highlighted in yellow that says 'Remember to check the TERM check box for any employee leaving your agency'. It is critical this box is checked the last time you report earnings for your employee. You will also be required to fill in the last day of employment as well as the final pay date for this employee.

- When you load a payroll file that **does not** include non-contributing employees or select Create New Report, a blank form will be created.

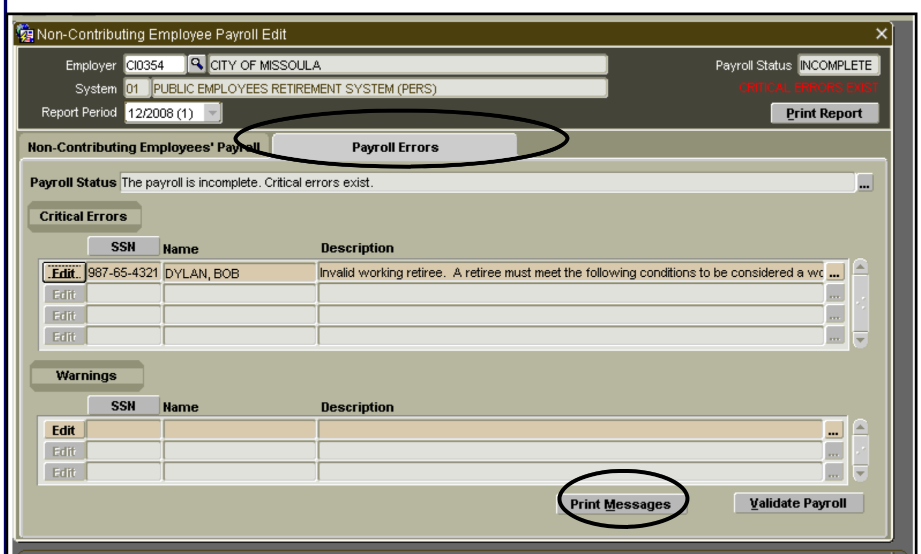
- When you load a payroll file that **includes** non-contributing employees, the information will appear in the form.

- If you do not have non-contributing employees to report that report period, check the “No Payroll Filed” checkbox.

- If you select Copy From Previous Report Period, information from your previous report will be populated into the new report.



Non-Contributing Employees’ Payroll tab: Provides the ability to view, add, update and delete payroll information for all non-contributing employees. You can access additional employee information by sliding the scroll bar at the bottom of the listing.

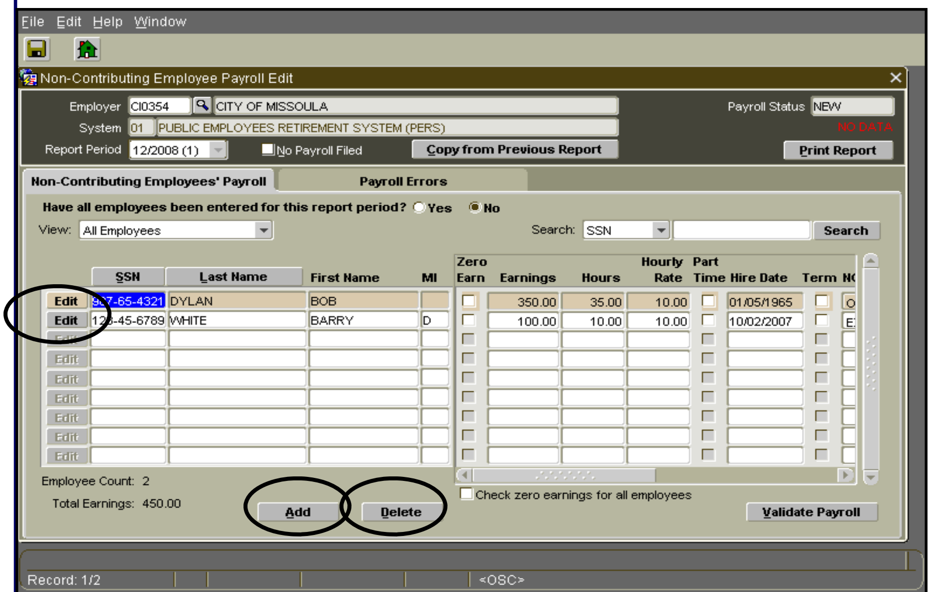


Payroll Errors tab: Lists the first few employee error messages associated with this report. To view all errors, click on the Print Messages button.

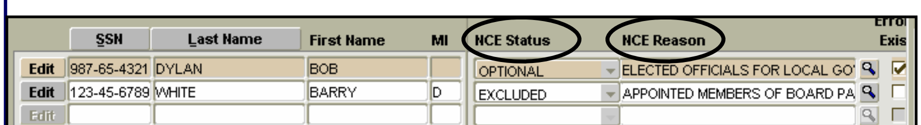
Completing Your Non-Contributing Payroll Report

To update information on the **Non-Contributing Payroll tab**:

- Click on the EDIT button to edit an existing employees information.
- Click on the ADD button to add a new employee.
- Click on the DELETE button to delete an existing employee.



Use the appropriate NCE Status and Reason for all of your non-contributing employees. The non-contributing value chart is available on our website at [http://mpera.mt.gov/docs/NCNTRBValues.pdf.](http://mpera.mt.gov/docs/NCNTRBValues.pdf)



Once all updates are complete click on the VALIDATE PAYROLL button. View errors on the **Payroll Errors tab.** All <u>**critical**</u> errors must be corrected.

When all corrections and updates are complete, click on the YES radio button to answer the question "Have all employees been entered for this report period?". The status in the right hand corner will say "Complete when all critical errors are resolved.

TO RETURN TO THE MPERA PAYROLL CLERK MAIN SCREEN, CLICK ON THE MAIN MENU ICON.

SERVICE PURCHASES

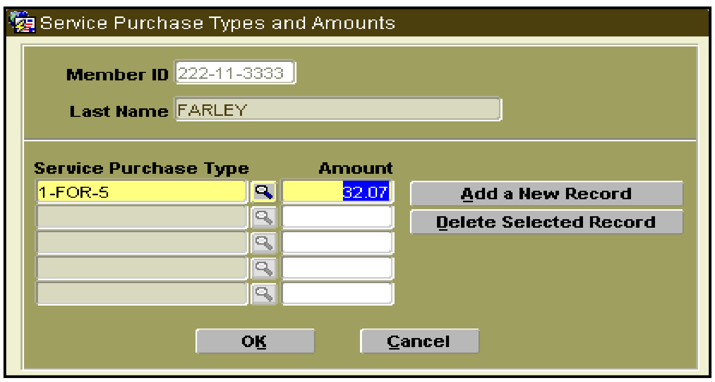
To receive a cost statement and for information about initiating a service purchase contract, advise your employees to contact MPERA in writing.

IRS rules allow employees to purchase service by making additional contributions. The additional contributions needed to purchase service may be made in two methods:

- After-tax payments made directly to MPERA by the member; or
- Pre-tax payments through payroll deduction. (This method may only be used by active members.)
  - A service purchase contract cannot be terminated except by death or termination of employment.
  - Payment schedules cannot be less than three months or more than 60 months (five years).
  - Employees and employers need to complete a *Payroll Deduction Form* to authorize the service purchase deductions.

Please do not begin deducting payments without an approved service purchase contract. The completed contract must be received by MPERA prior to reporting.

To Add or Change Service Purchase Data, click on the **Members tab.**
- Highlight the record of the affected employee.
- Click on the magnifying glass to the right of the Service Purchase field. The below window pops up.



To add a service purchase:
- Click on the magnifying glass and highlight the service purchase type being reported. Click OK.

- Enter the full or half-payment amount withheld for the service purchases. The amount entered must be the same as the contract signed by the employee. Please <u>do</u> <u>not</u> enter service purchase information until you receive an approved contract from MPERA. Click OK.

To add another service purchase, click on the Add a New Record button. Follow previous instructions.

To delete a service purchase:

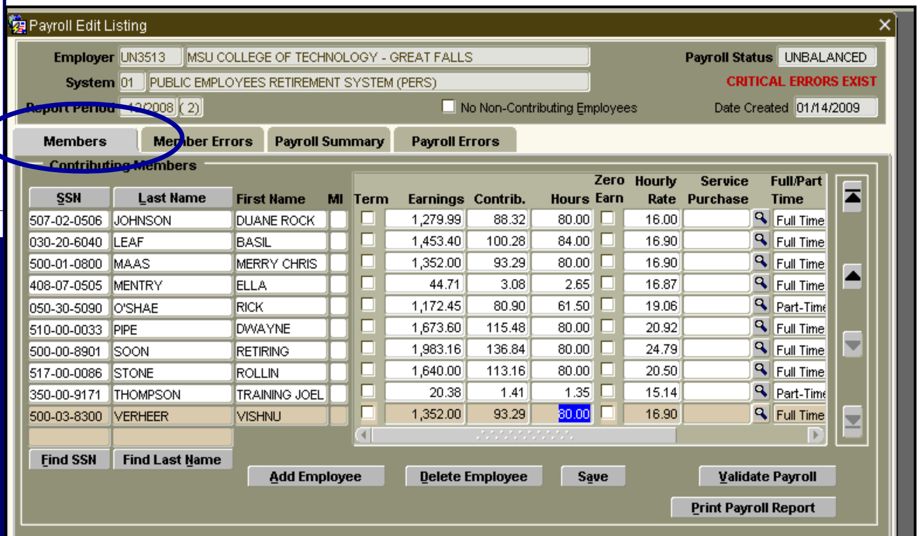
- Highlight the service purchase record and click on the DELETE SELECTED RECORD button. A message will pop up: '**Are you sure you want to delete the buyback type of ______.**' Click Yes.
- Do not delete service purchase contracts until you receive notification from MPERA.
- Once the change is complete, click OK.

To exit this area without saving, click on Cancel.

CORRECTING SOCIAL SECURITY NUMBERS ONLINE

If an incorrect social security number has been reported for an employee, use the following steps to correct the information.

Copy Forward Users



If MPERA is not contacted directly regarding incorrect social security numbers, the employee's payroll information will remain in two separate accounts causing potential problems for the employee at a later date.

Locate and highlight the employee with the incorrect social security number on the **Members** tab.

Click the ADD button on the bottom left hand side of the screen. This will create a blank line below the highlighted member.

You may need to update enrollment information if that was also submitted wrong.

Type in the correct social security number. Verify entry before tabbing to new field.

Use the above line to verify remaining data that needs to be input for the employee. The hire date will need to be the same. Be sure to use current payroll information for earnings, contributions and hours. If necessary, you may need to update the employee's enrollment information if that was also submitted incorrectly.

Click on Save Data.

Highlight incorrect employee information and click the Delete Selected Member button.

Notify us of the error so we can combine accounts. If we are not notified, the employee's information will remain in two separate accounts. This may cause potential problems for the employee at a later date.

Complete payroll report and submit payment.

Transfer and Load Users

Correct the social security number in your internal system prior to creating your payroll file.

Complete payroll report and submit payment.

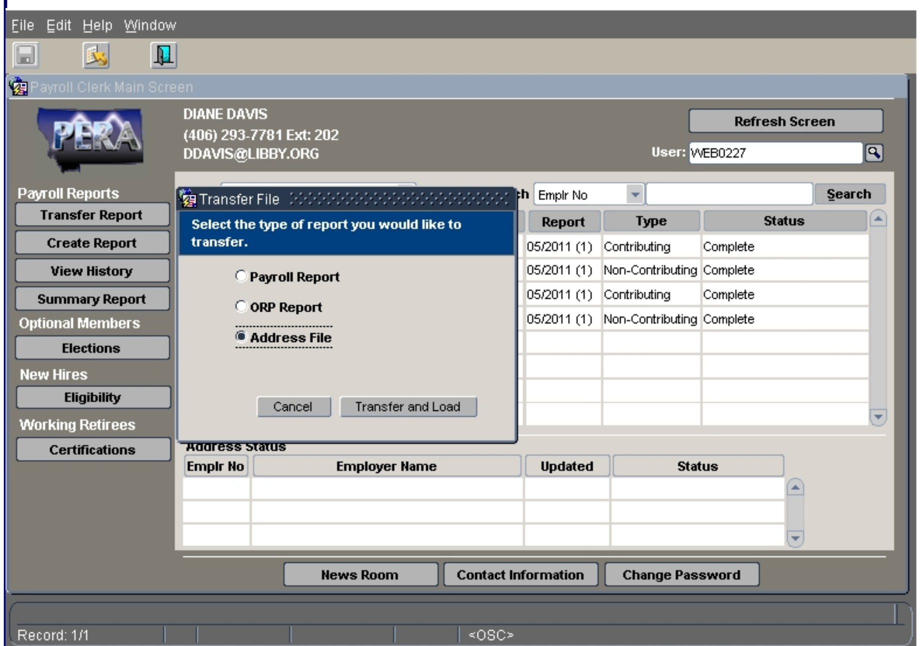
Notify us of the error so we can combine accounts. If we are not notified, the employee's information will remain in two separate accounts. This may cause potential problems for the employee at a later date.

Once the corrected payroll is posted, we will combine the accounts under the correct social security number.

Reporting Addresses

Maintaining current employee addresses allows MPERA to provide retirement information to members, and ease the burden on you, the employer. MPERA's Web Reporting allows the input of member addresses which updates our internal database. **Only report address for contributing employees.**

Using MPERA's Web Reporting, you can both transfer and upload an electronic file and edit addresses directly on the website.



To upload an address file, click on GO to the right of the Transfer and Load Address file. The following window will be displayed:

Select the BROWSE button.

Please do not use membership cards for address changes.

Navigate through the directory structure and locate the address file for transfer. Select the file by double clicking on it. The file path will appear in the BROWSE window.

Click on the SUBMIT button and wait for the screen which confirms the file has been successfully transferred, loaded and validated. If your address file loads successfully with no errors, you are done and no further action is required.

If you receive any error messages, you must correct the errors and revalidate your address file. To correct errors, follow the instruction below on editing addresses directly on the web.

Edit Addresses Directly on the Web

From the Payroll Clerk Main screen, click on the blue "update/view/click here". Click on the Edit button to the left of the members SSN. After you have edited all addresses, click on Validate Addresses. You may view errors by clicking on the Validation Messages by the Member Tab. Correct any errors and validate the address file. Continue until all errors are corrected.

If an employee terminates his or her employment, you will need to delete them from your address file. Highlight the member and click on Delete Selected Member. Once deleted, validate your file.

Addresses have been successfully submitted when the Status box reads "Ready to be Posted".

For agencies who do not report online, send written notification to MPERA of any employee address change.

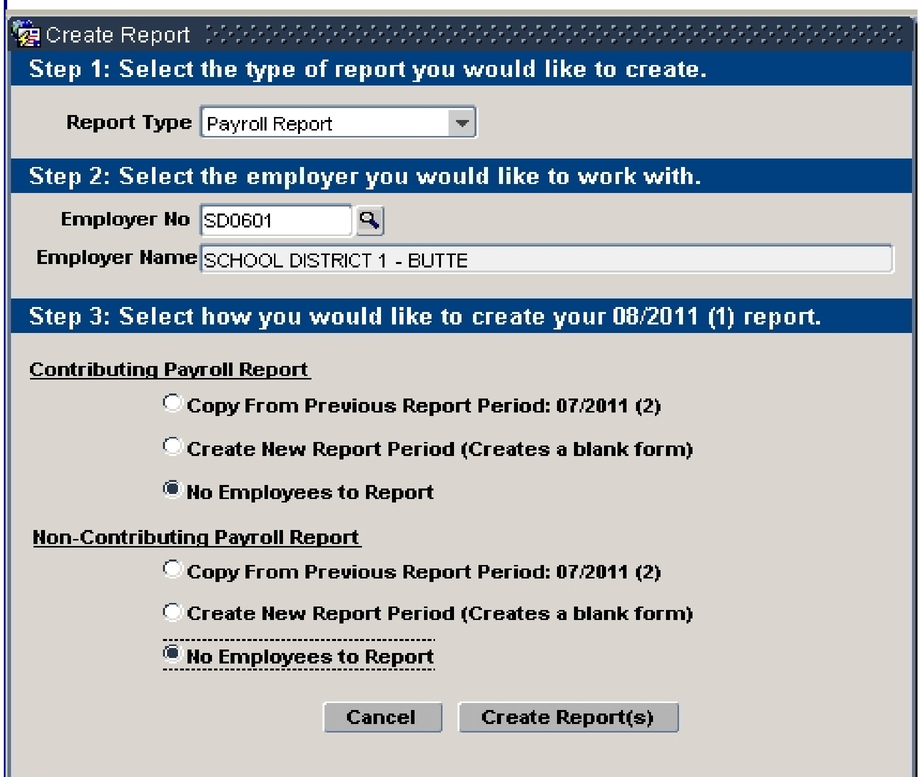
If you need assistance, contact MPERA.

DELETING MEMBERS FROM REPORTS

To Delete Members from a payroll report, highlight the member to be deleted, and select the Delete Selected Member button at the bottom of the screen on either the **Member** or **Member Errors tabs.**

SUMMER REPORTING

Some agencies, such as School Districts and Special Ed Co-ops, do not have paydays during certain times of the year. Agencies are still required to send notification for those paydays. This can be done by checking the No File for Report Period checkbox after clicking Create Report.



Paper reporters must notify MPERA of any changes prior to the final report of the fiscal year.

Please DO NOT combine reports or change your payroll reporting period without pre-approval from MPERA

REPORTING OUTSIDE NORMAL SCHEDULE

Agencies **must** report each payroll according to the schedule they initially provide. Changes to this schedule are only allowed for extenuating circumstances and pursuant to pre-approval by MPERA. If your payroll frequency will vary from the normal schedule, contact MPERA for the pre-approval prior to submitting any payrolls.

PAYROLL HISTORY

Previous payroll reports submitted can be accessed using the Payroll History option. All payroll reports from 12/2001 may be accessed from the MPERA Web Reporting site.

- Highlight the list item Payroll History and click ‘Go’.
- The most current filed payroll report will open. To choose prior months, click the Report Period drop down menu in the upper right hand corner of the window. Using the scroll bar on the right, locate the report period you wish to access and click on it.
- You may view and print reports from the Payroll History section.
- These are records of reports submitted and may not include adjustments done at a later date.

SYSTEM EXIT

To exit MPERA Web Reporting, choose one of the following options:

- Click on the “open door” button on the toolbar.
- Click on the “X” button in the upper right corner of the screen.
- Click ‘File’ on the toolbar and select ‘Exit’ from the drop down menu.

TO RETURN TO THE MPERA PAYROLL CLERK MAIN SCREEN, CLICK ON THE MAIN MENU ICON.

Introduction

The information in the Electronic Reporting section is intended for vendors who develop software used for MPERA's Web Reporting.

Transfer Medium Specifications

MPERA can accept data files through: (1) the MPERA Web Reporting website; or (2) by other electronic media, such as diskette, compact disc or flash drive.

1. FILE TRANSFER

Employers can electronically transfer their payroll file directly to the MPERA Web Reporting website. To transfer payroll files, employers will need Microsoft Internet Explorer (version 5.0 or higher). Contact MPERA to acquire security to access the website.

Contact MPERA for secure access to the Web Reporting website.

2. DISKETTE/CD/FLASH DRIVE

A. External label
   1) Sender: agency name, employer number, and phone number
   2) Description: MPERA payroll - pay day and year reported

Employers reporting by diskette must also send a computer-generated copy of the report to MPERA. Employers reporting via the Web Reporting website, but not paying by ACH, must include a screen print of the Payroll Summary along with their payment to MPERA. Refer to Additional Reporting Information Section for print instructions.

Data Input Formats

This section describes the format, data input requirements, edit criteria, and specifications for Web Reporting and diskette.

You will use three different record types to format data in a payroll report file. Every report requires all three types. A payroll report file is needed for each retirement system for which contributions are withheld and reported. (See Table 1 in this chapter for specific format.)

Record Type 1: Employer header and total record.

Record Type 2: Employee general information record.

Record Type 3: Employee earnings, employee contributions, and service purchase payment record.

Unless otherwise specified, all fields in each record type must contain characters.

Record Type 1 – Employer Summary Record
Include one Type 1 record for each employer in the file. A Type 1 record contains summary data about the employer for all contributing employees. This record must cover the entire reporting period. Do not include non-contributing information within the summary data. All fields are required.

Record Type 2 – Employee Details Record
Include one Type 2 record for each contributing employee and non-contributing employee being reported to MPERA. A Type 2 record contains general data about each employee being reported. All fields are required.

Record Type 3 – Employee Earnings Record
Every Type 2 record is immediately followed by a Type 3 record to report earnings, contributions, and service purchase payments. All fields are required except the SERVICE PURCHASE AMOUNT and TYPE fields. Use the SERVICE PURCHASE AMOUNT and TYPE fields **only** if the employee is purchasing service. If the employee is non-contributing, enter zero for the contribution amount.

Transactions File Format

Table 1 describes the specific data format for each record type. The table includes the following items:

- Field Description including any edit criteria associated with the field.
- Type: Whether the data is alphanumeric or numeric.
  - **Alphanumeric** (A/N) fields are left justified within a field and contain alphabetic or number characters, or spaces.
  - **Numeric** (N) fields are right justified within a field and contain only the digits 0-9. Numeric fields cannot contain spaces. For example, to enter seven in a two-digit numeric field, you must enter "07" not " 7".
- Size: field length.
- Position: Position number of the first character in the field.

Computer Generated Report

Agencies who report by other media must also send a computer-generated copy of the report to MPERA. Review this report to ensure that:

- The report is correct and complete.
- The report is signed and dated.

Table 1 - Transactions File Format

FIELD DESCRIPTION	TYPE	SIZE	POS
Record Type 1			
RECORD TYPE - always “1” Must be the first record in the file	N	1	1
RETIREMENT SYSTEM NUMBER	N	2	2
EMPLOYER TYPE - see Table 2	A/N	2	4
EMPLOYER IDENTIFICATION NUMBER - Assigned by MPERA	N	4	6
PAYROLL REPORT PERIOD (YYYYMM)	N	6	10
COUNT OF EMPLOYEES REPORTED - No decimal, 5 positions before and none after the decimal	N	5	16
TOTAL EARNINGS REPORTED - Implied decimal, 7 positions before and 2 after the decimal	N	9	21
TOTAL HOURS REPORTED - Implied decimal, 7 positions before and 2 after the decimal	N	9	30
TOTAL EMPLOYEES CONTRIBUTIONS REPORTED - Implied decimal, 7 positions before and 2 after the decimal	N	9	39
TOTAL EMPLOYEES SERVICE PURCHASE CONTRIBUTIONS REPORTED - Implied decimal, 7 positions before and 2 after the decimal	N	9	48
TOTAL EMPLOYER CONTRIBUTIONS REPORTED - Implied decimal, 7 positions before and 2 after the decimal	N	9	57
TOTAL MEMBERSHIP FEE REPORTED—*(Field not used after 12/99.)* Implied decimal, 5 positions before and 2 after the decimal—*(Zero fill this field.)*	N	7	66
TOTAL PENALTY REPORTED -*(Field not currently in use)* Implied decimal, 5 positions before and 2 after the decimal—*(Zero fill this field.)*	N	7	73

Table 1 - Continued

FIELD DESCRIPTION	TYPE	SIZE	POS
Record Type 2			
RECORD TYPE - always “2”	N	1	1
EMPLOYEE SOCIAL SECURITY NUMBER	N	9	2
EMPLOYEE LAST NAME	A/N	22	11
EMPLOYEE FIRST NAME	A/N	17	33
EMPLOYEE MIDDLE NAME INITIAL	A/N	1	50
HOURS - Implied decimal, 5 positions before and 2 after the deci-	N	7	51
HOURLY RATE - Implied decimal, 5 positions before and 2 after the decimal	N	7	58
HIRE DATE (YYYYMMDD)* -	N	8	65
TERMINATION INDICATOR - Y - Yes N - No	A/N	1	73
PART TIME INDICATOR - N - no *(Full time - greater than or = to 160 hrs per mo./12 mo. per year.)* Y - yes *(Part time - less than 160 hrs per mo. /12 mo. per year.)*	A/N	1	74
SEASONAL INDICATOR - P - Permanent (Use your agency’s definition) S - Seasonal (Use your agency’s definition) T - Temporary (Use your agency’s definition) New Non-Contributing Values http://mpera.mt.gov/docs/NCNTRBValues.pdf	A/N	4	75

* The Hire Date is defined as the date the employee first started work with the MPERA contracted employer

Table 1 - Continued

FIELD DESCRIPTION	TYPE	SIZE	POS
Record Type 3			
RECORD TYPE - always “3”	N	1	1
EARNINGS FOR PERIOD - Implied decimal, 7 positions before and 2 after the decimal	N	9	2
EMPLOYEE CONTRIBUTION - Implied decimal, 5 positions before and 2 after the decimal	N	7	11
EMPLOYEE ADDITIONAL CONTRIB. - (*Field not used after 4/93,)* Implied decimal— (***Zero Fill this Field***) 5 positions before and 2 after the decimal	N	7	18
SERVICE PURCHASE TYPE - 1 See Table 3	N	3	25
SERVICE PURCHASE AMOUNT - 1 Implied decimal, 5 positions before and 2 after the decimal	N	7	28
SERVICE PURCHASE TYPE - 2 See Table 3	N	3	35
SERVICE PURCHASE AMOUNT - 2 Implied decimal, 5 positions before and 2 after the decimal	N	7	38
SERVICE PURCHASE TYPE -3 See table 3	N	3	45
SERVICE PURCHASE AMOUNT - 3 Implied decimal, 5 positions before and 2 after the decimal	N	7	48
SERVICE PURCHASE TYPE - 4 See Table 3	N	3	55
SERVICE PURCHASE AMOUNT - 4 Implied decimal, 5 positions before and 2 after the decimal	N	7	58
SERVICE PURCHASE TYPE - 5 See table 3	N	3	65
SERVICE PURCHASE AMOUNT - 5 Implied decimal, 5 positions before and 2 after the decimal	N	7	68

Example File

Below is an example payroll file. The example contains 2 Type 1 Records. The first employer has 4 employees, 1 of which is contributing and 3 that are non-contributing. The contributing employee is reported twice since they work in multiple positions at different hourly rates. The second employer has 4 employees, 1 contributing and 3 non-contributing. This employer is included in the example to clearly illustrate how multiple employers can be reported in one file.

Note that the summary totals in the Type 1 Record do not include the counts and summaries of non-contributing data.

```
         10        20        30        40        50        60        70        80
----+----|----+----|----+----|----+----|----+----|----+----|----+----|----+----|----+
101CO999920080600002000150000000015000000019535000015800000205050000000000000000
2999999999LASTNAME              FIRST            M0008000000110019991108NNP
30000800000008738000000099900100000000000000000000000000000000000000000000
2999999999LASTNAME              FIRST            M0007000000100019750204NNP
30000700000010797000000088800050000000000000000000000000000000000000000000
2777777777LASTNAME3             FNAME            R0016000000100020080229NNOPEO
30001600000000000000000000000000000000000000000000000000000000000000000000
2666666666LASTNAME4             FINAME           D0015000000100020080229NNWR
30001500000000000000000000000000000000000000000000000000000000000000000000
2555555555LASTNAME5             FIRNAME          L0014000000100020080229NNEPCC
30001400000000000000000000000000000000000000000000000000000000000000000000
101SR8888200806000010000800000000800000000107970000150000000101010000000000000000
2333333333LASTNAME7             FIRSTNAME         0008000000100019750204NNP
30001564800010797000000000000000000000000000000000000000000000000000000000032404
2222222222LASTNAME8             FNAME            R0019500000100020080229NNOPEO
30001316250000000000000000000000000000000000000000000000000000000000000000
2111111111LASTNAME9             FINAME           D0019500000100020080229NNWR
30001316250000000000000000000000000000000000000000000000000000000000000000
2123456789LASTNAME10            FIRNAME          L0019500000100020080229NNEPCC
30001316250000000000000000000000000000000000000000000000000000000000000000
```

Table 2 - Employer Types

CODE	EMPLOYER TYPE	CODE	EMPLOYER TYPE
CO	County	OA	Other Agency
CP	Central Payroll	PG*	Municipal Police
FG*	Firefighters Unified	PM**	Municipal Police
FU**	Firefighters Unified	PN***	Municipal Police
GW	Game Wardens and Peace Officers	PO****	Municipal Police
HG*	Highway Patrol Officers	PP*	Part-Paid Firefighters
HP**	Highway Patrol Officers	GP**	Part-Paid Firefighters
HS	High School	SD	School District
JG*	Judges	SR	Sheriffs
		UN	University

FG* Firefighters hired after June 30, 1997 and those who selected the GABA.
FU** Firefighters hired before June 30, 1997 and did not select the GABA.
HG* Highway patrol officers hired after June 30, 1997 and those who selected the GABA.
HP** Highway patrol officers hired before June 30, 1997 and did not select the GABA.
JG* Judges hired after June 30, 1997 and those who selected the GABA.
JR** Judges hired before June 30, 1997 and did not select the GABA.
PG* Municipal police officers hired after June 30, 1997 and those who selected the GABA.
PM** Municipal police officers hired on or after July 1, 1975 and before July 1, 1979, and who did not select the GABA.
PN*** Municipal police officers hired after June 30, 1979 and before June 30, 1997 who did not select the GABA.
PO**** Municipal police officers hired before July 1, 1975 who did not select the GABA.
PP* Part-paid firefighters hired before June 30, 1997 and did not select the GABA.
GP** Part-paid firefighters hired after June 30, 1997 and those who selected the GABA.

Table 3 - Coding for Additional (Service Purchase) Contributions

Code	Type Service Purchase	Code	Type Service Purchase
025	Refund	045	Industrial Accident/Work Comp
026	Military or Reserve	046	Retro Coordination
040	1-for-5	047	Refund Coordination
041	Retroactive	048	Active Account Coordination
042	Other Public Service	049	TRD on Account Coordination
043	Elected Official	050	TRD Refund Coordination
044	Legislator		

Some service purchases may not be available to all retirement systems. Each specific retirement system chapter provides general information about which service purchases are available in that system.

Member Address Data Input Formats

The following information is the file format, data input requirements, and edit criteria for the addresses. **Only report addresses for contributing employees of MPERA.** You will use one record type to format data in a member address update file. A member address record is needed for each retirement system for which contributions are withheld and reported.

Unless otherwise specified, all fields in each record type must contain characters.

Table 4 describes the specific data format for each record type. The Table also lists the following items for each record type:

- Data name
- Whether the data is alphanumeric or numeric*
- Field length
- Position number of the first character in the fields
- Any edit criteria associated with the field

*NOTE: The MPERA definition of alphanumeric versus numeric:

Alphanumeric (A/N) fields are left justified within a field and contain alphabetic or number characters, or spaces.

Numeric (N) fields are right justified within a field and contain only the digits 0-9. Numeric fields cannot contain spaces. For example, to enter seven in a two-digit numeric field, you must enter “07" not " 7".

Quick Reference Guides for Online Reporting are available at the end of this section for your convenience.

MPERA can accept data files using one of the following media types:

1. File Transfer to the MPERA Web Reporting site;
2. By other electronic media.

If you have questions about electronic reporting of member addresses, contact MPERA.

Table 4

FIELD DESCRIPTION	TYPE	SIZE	POS
RETIREMENT SYSTEM NUMBER	N	2	1
EMPLOYER TYPE - see Table 2	A/N	2	3
EMPLOYER IDENTIFICATION NUMBER - Assigned by MPERA	N	4	5
DATE FILE CREATED (YYYYMMDD)	N	8	9
EMPLOYEE SOCIAL SECURITY NUMBER	N	9	17
EMPLOYEE LAST NAME	A/N	22	26
EMPLOYEE FIRST NAME	A/N	17	48
EMPLOYEE MIDDLE INITIAL	A/N	1	65
ADDRESS LINE 1	A/N	30	66
ADDRESS LINE 2 (IF EXISTS)	A/N	30	96
ADDRESS LINE 3 (IF EXISTS)	A/N	30	126
CITY	A/N	22	156
STATE (ABBREVIATION)	A/N	2	178
ZIP CODE (5)	N	5	180
ZIP CODE (4) (SPACES IF UNKNOWN-NUMERIC IF ENTERED)	A/N	4	185

Table 5

CO	County	OA	Other Agency
CP	Central Payroll	PG*	Municipal Police
FG*	Firefighters Unified	PM**	Municipal Police
FU**	Firefighters Unified	PN***	Municipal Police
GW	Game Wardens and Peace Officers	PO****	Municipal Police
HG*	Highway Patrol Officers	PP*	Part-Paid Firefighters
HP**	Highway Patrol Officers	GP**	Part-Paid Firefighters
HS	High School	SD	School District
JG*	Judges	SR	Sheriffs
		UN	University

FG* Firefighters hired after June 30, 1997 and those who selected the GABA.
FU** Firefighters hired before June 30, 1997 and did not select the GABA.
HG* Highway patrol officers hired after June 30, 1997 and those who selected the GABA.
HP** Highway patrol officers hired before June 30, 1997 and did not select the GABA.
JG* Judges hired after June 30, 1997 and those who selected the GABA.
JR** Judges hired before June 30, 1997 and did not select the GABA.
PG* Municipal police officers hired after June 30, 1997 and those who selected the GABA.
PM** Municipal police officers hired on or after July 1, 1975 and before July 1, 1979, and who did not select the GABA.
PN*** Municipal police officers hired after June 30, 1979 and before June 30, 1997 who did not select the GABA..
PO**** Municipal police officers hired before July 1, 1975 who did not select the GABA.
PP* Part-paid firefighters hired before June 30, 1997 and did not select the GABA.
GP** Part-paid firefighters hired after June 30, 1997 and those who selected the GABA.

REFUNDS

General Information

A vested member who **ends covered employment** other than by death or retirement is eligible for a refund or direct rollover of their accumulated contributions (employee contributions plus interest).

Be sure to report both vested and non-vested employees as 'terminated' on payroll reports when they leave your employment.

When a member with five years or more of membership service (vested) terminates all employment covered by the retirement system, we do not automatically refund the member's account. Because the member is vested, he or she has the right to maintain membership and can request retirement benefits when becoming eligible. The member may request a distribution (refund) of his or her account.

When a member with less than five years of membership service (non-vested) terminate all employment covered by the retirement system, refunds are required under the following conditions:

- Members with less than $200 in accumulated contributions will automatically receive a lump-sum refund
- Members with $200—$1000 in accumulated contributions must receive a refund, but may request how they wish to receive it.

We will automatically send refunds or refund applications to non-vested members when they are terminated on their final payroll report.

Refunds for all defined benefit retirement plan members include the accumulated employee contributions (contributions and interest). **Employer contributions are not part of the member's account and are never refunded.**

Employer contributions are never refunded to a Defined Benefit Retirement Plan member.

Refunds for PERS Defined Contribution Retirement Plan (DCRP) members will include all accumulated employee contributions and, if the member is vested, a portion of the employer contributions. Non-vested members forfeit the employer contributions. DCRP members must contact us to receive additional refund paperwork.

Upon receiving a refund, the employee is no longer a retirement system members and gives up all rights to any future benefit.

Upon receipt of all necessary paperwork and final contributions, MPERA will process the refund. Any errors in the payroll report or the application will delay the refund process.

We process defined benefit refund applications each week. Before a refund will be processed, a member must be terminated from all covered employment for 30 days or more, and we must receive the final payroll information, including all accumulated sick and annual leave and any severance pay.

When a member terminates, contributions from **all** compensation paid to the member must be withheld. Except in MPORS and FURS, compensation includes payout of vacation and sick leave. Though the member may be applying for a refund, the contributions must still be withheld. If the employer does not withhold the contributions, we will not process the refund.

It may take **up to four weeks** from when the member receives the final paycheck to process the refund. Any errors in the payroll report or the application will delay the process. If the member accepts a position covered by the same retirement system during the refund process, we will cancel the refund.

Refund Application Process

Please do not provide a Defined Benefit Refund Application to terminating members. Instead, give them a Retirement Fund Information for Terminating Employees form. The form may be found on our website under Employer Forms. We recommend that you check the website occasionally for the most current version.

MPERA will not accept photocopied refund applications.

A member can choose one of three options to withdraw money from his or her retirement account. The following paragraphs describe the three options.

1. *Direct Roll-Over*. This option avoids the mandatory 20% withholding for federal taxes on the untaxed portion and any penalty for early withdrawal. MPERA will disburse the pre-tax contributions and tax-deferred interest directly to an IRA, a Roth IRA* or other eligible plan the member selects.

The member may request a lump-sum payment of the refund or a direct roll-over to an IRA or a eligible plan. If requesting a direct rollover, the financial institution must also complete Section A of the refund application.

2. *Lump-sum Payment*. A member may elect to receive direct payment of the refund. Under this option, MPERA must withhold 20% of the pre-tax contributions and tax-deferred interest for federal tax purposes. **State taxes will not be withheld.** Depending on the member's tax status, the IRS may require the member to pay a 10% penalty for early withdrawal. The penalty is paid when the member files their annual or quarterly tax return.

3. *Lump-sum Payment of Taxed Contributions/Direct Rollover of Pre-Tax Contributions and Tax-Deferred Interest.* Under this option, MPERA will disburse taxed contributions directly to the member in a lump-sum payment. MPERA will roll a member's pre-tax contributions and tax-deferred interest directly into an IRA, Roth IRA* or another

eligible retirement plan. The member is not required to pay federal and state taxes or a penalty on the pre-tax contributions and tax-deferred interest at this time.

*Roth IRAs have specific rules. MPERA encourages the member to consult with a tax professional regarding Roth IRAs.

Reduction in Force (RIF)

A member whose covered employment with the State ends due to a reduction in force (RIF) is eligible for a refund (MCA, 19-2-706). Other than the reason for terminating, the refund method will be the same as previously stated.

Rather than requesting a refund, RIF'd employees may be eligible for benefits in accordance with the Employee Protection Act (MCA, 2-18-208).

Seasonal & School District Employees

A seasonal or school district employee is an employee who may not work the entire year. These employees do not receive a refund at the end of each season or school year. The employee must be coded as seasonal on the payroll report. If the employee has no intention of returning to work for the next season or school year, the payroll report must show the employee as terminated and the employee must receive a payout of vacation and sick leave. This employee may then be eligible for a refund. The procedures for requesting a refund are the same as previously stated.

Service Purchase Contributions

When a member receives a refund, MPERA will refund any additional service purchase contributions the member has made.

SERVICE RETIREMENT

General Information

All retirement systems administered by MPERA have at least one type of retirement and some have as many as four. The four types of retirement are: **service**, **early**, **involuntary** and **disability.** In some systems, four options are available for each type of retirement. All systems provide some type of death payments for the member's beneficiaries. Eligibility varies with each system. Members who want more information about retirement should contact MPERA.

Estimate of Benefits

A member who plans to retire should ask MPERA for an estimate of their retirement benefits **at least** three to six months before the planned retirement date. For example, a member planning to retire on July 1 should make the request between January and March. The factors used in an estimate change with time, and the estimate may not be accurate after six months.

A member should ask for estimates three to six months before the planned retirement date.

An estimate of benefits calculated by anyone besides MPERA may not be correct and are not considered valid.

A request for an estimate of benefits must be in writing and include:

- Member's full name
- Social security number (the last four digits only if the request is sent by email)
- Mailing address
- Date of birth
- Contingent Annuitant's name
- Contingent Annuitant's date of birth
- Planned date of retirement

MPERA will provide an estimate for each type of monthly benefit available in the member's system. Once completed, MPERA will send the estimates along with a Retirement Application.

Prospective retirees need to carefully read and sign the forms before returning them to MPERA. They must also inform MPERA if they want taxes or insurance premiums withheld. All completed forms need to be returned to MPERA.

After receiving their completed application, MPERA will send to you, the employer, a Certification of Final Salary*.* Employers need to verify the termination date and final salary. This data will be used to calculate the member's retirement benefit.

You will need to complete and return the form to MPERA within 30 days after the member terminates employment, or within 30 days of receipt of the form (if the member terminated at an earlier date). A retiree initially receives a benefit based on the estimated monthly benefit for a period of no longer than three months. The final retirement benefit is based upon your certification of final salary. If the final salary details are not timely received, the retiree's benefit may be stopped.

Employer Certification of Final Salary

> To insure they receive their first benefit on time, the member should complete and return all forms without delay.

The Final Salary form needs to specify details through the last day of the member's employment. A member's last day of "work" may not be the last day of "employment". For example, if a member worked until March 10 and used vacation or sick leave until March 31, then the last day of employment is March 31. You need to certify the number of hours of regular, overtime, vacation, and sick leave. Total hours must match total payment for the reported period. (In other words, the total hours times the rate must equal the total payment.)

Each retirement system has its own definition of final salary or compensation. Because of the differences, each system has a separate Certification of Final Salary form. Questions about this form should be referred to MPERA.

Medical Insurance

A retired employee may be eligible to continue coverage under their former employer's group health insurance plan. Using the appropriate form, retirees may authorize MPERA to deduct the monthly premium from their monthly benefit. MPERA will deduct the premiums and remit the premiums to the employer. As the former employer, you will need to send all details about the health plan to MPERA with the deduction form.

MPERA does not monitor the rates of any insurance plan but offers withholding as a service to retirees. MPERA will refer all retirees with questions about coverage to the former employer. All agencies are responsible for notifying MPERA if the premiums change. When the premiums change, make a copy of the Insurance Premium Change Worksheet MPERA sent you for the previous month and note the rate changes as follows:

- Draw a line through the current monthly amount for each retiree's premium you are changing.
- Clearly print the new amount next to the old amount.

Sign, date, and add your phone number to the list and send to MPERA. If the change arrives by the 15th of the current month, we will change the deduction for the next month. Please DO NOT send changes to our office more than 30 days before the effective date.

Premium Change

To authorize premium deductions from retirement checks, retirees from agencies other than the State must obtain a Authorization for Deduction of Health Insurance Premiums form from MPERA. Both the employer and the retiree need to complete the form. If the form is received by MPERA by the 15th of the month, MPERA will deduct the premium from the next month's benefit. For example, to deduct the November premiums, MPERA must receive the form by October 15. The retiree must pay the premiums directly to their former employer until MPERA can deduct them from the monthly benefit.

For State agencies, the Health Care and Benefits Division supplies the withholding form titled Retiree Election Form. State agencies may request the form and instructions by contacting the Health Care and Benefits Division at (406) 444-3947.

Most retirement benefits are subject to federal and state income tax. The IRS does not require withholding from a retiree's benefit but may require the retiree to pay quarterly estimated taxes. MPERA offers the withholding service to retirees but only at the retiree's request.

A retiree may change or cancel withholding anytime. The Withholding Certificate can be downloaded from the MPERA website at *mpera.mt.gov*. They should not use a W4 or W4P.

Taxes will not be withheld until we receive the completed form. In January, MPERA will send all retirees a distribution form (Federal Form 1099-R) which is similar to a W2 form. The 1099-R will list:

- the gross benefits the retiree received during the calendar year,
- the taxable amount, and
- any taxes withheld.

Retirees will need this information to file their income tax forms.

Disability Retirement

Employers and members should refer any questions they have about disability to MPERA.

Disability retirement benefits may be available to a member who becomes disabled. Disabled means the member cannot do the essential elements of the member's job even with reasonable accommodation. A disability may be either physical or mental, but must be permanent or of an extended and uncertain period. The disability does not need to be duty related, but it must occur while the member is in active service. All retirement systems administered by MPERA have some type of disability benefit. Some systems have different benefits for duty and non duty related disability. Also, eligibility and the level of benefits vary from system to system.

A member who wants to apply for disability must contact us. We will send the member a packet that includes:

- an application,
- an estimate of benefits,
- an Employers Job Duty Questionnaire, and
- other forms the member may need.

Employers and members should refer any questions they have about disability to MPERA. If the disability prevents the member from applying, another person or the employer may apply for the member.

The member's immediate supervisor or personnel officer needs to complete and return the Employers' Job Duty Questionnaire directly to MPERA. The employer needs to define the essential elements of the member's job and provide a position description. Employers also need to explain any reasonable accommodations that were or can be made and their effectiveness. The Board must receive all requested material, including the questionnaire, before considering a request for disability retirement.

Members are not required to terminate employment prior to applying for disability benefits but must terminate employment prior to receiving benefit payments. Termination of employment is defined in statute under section 19-2-303 (47).

DEATH OF A MEMBER

Refer any questions about death benefits to MPERA.

Employers should contact MPERA by phone at 406-444-3154 or toll free at 877-275-7372 upon the death of an active member. If possible, please provide the name and address of a family member, beneficiary, or agent whom MPERA may contact about death benefits.

Benefits are paid to the beneficiary designated on the membership card on file at MPERA. If your employee changes beneficiaries on a membership card, please remit this card to MPERA immediately. Changes of beneficiaries on membership cards filed with MPERA after the death of a member are not valid.

All systems provide some type of death payment for the member. The payments vary with each system. Refer any questions about death benefits to MPERA.

GLOSSARY

ACCUMULATED CONTRIBUTIONS - are regular and additional service purchase contributions a member pays to a system and interest those contributions earn. Federal and state income taxes are deferred on all interest and some contributions. Employees who became members of a retirement system before 1985 have taxed regular contributions in their account.

ADDITIONAL SERVICE PURCHASE CONTRIBUTIONS - are contributions a member pays (in addition to regular contributions) to purchase various types of optional service credit as allowed by the retirement system. The member can initiate a service purchase contract to purchase service through pre-tax payroll deduction. The service purchase contract cannot be terminated except by death or termination of employment. Additional service purchase contributions which are not through payroll deductions are taxed. These contributions earn interest and MPERA accounts for them separately. When the service purchase is complete, the member will receive appropriate service credit.

AGENCY - is an employer with positions covered by one of the retirement systems. For state and some local government agencies, the law requires coverage. All others must contract with the Board for coverage. This manual refers to employers with required or contracted coverage as covered agencies or employers.

AGENCY NUMBER - is an alphanumeric code (zz 9999) assigned by MPERA to all agencies with retirement coverage.

BENEFICIARIES - must be natural persons, charitable organizations, or trusts for the benefit of natural living persons. A member designates beneficiaries on a membership card and may change beneficiaries by filing a new card with MPERA. The beneficiary will receive any payment owed the active or inactive member and any remaining amount in the member's account upon the active or inactive member's death. A beneficiary eligible for a lump sum payment may exercise an option to receive the amount as an annuity; however, any benefit increases passed by the legislature will not increase the annuity. A contingent beneficiary is a beneficiary designated to receive any benefits if no living primary beneficiary exists. When a member of HPORS, MPORS, or FURS dies, designated beneficiaries receive death benefits only if the member has no surviving spouse or dependent children. See also contingent and primary beneficiary.

BENEFIT - is a monthly payment from a retirement system to a member or the monthly survivorship payment to a member's survivor.

BOARD - the Public Employees' Retirement Board or PERB.

COMPENSATION - is the pay an employee receives before deducting taxes or social security. Each of the eight public retirement systems has its own meaning for compensation.

CONTINGENT ANNUITANT - is the person a member designates to receive a continuing retirement benefit after the member dies. Contingent annuitants are designated under options 2-4 in PERS, JRS, GWPORS, and SRS. Initially, the retired member receives the benefit, then it continues to the contingent annuitant after the member's death. The duration and amount of the continuing benefit varies depending on the option the member selected. The contingent annuitant is not designated until the member selects a

retirement option. Current law allows the member to change the contingent annuitant under very limited circumstances.
CONTINGENT BENEFICIARY - in PERS, JRS, SRS, and GWPORS, is a beneficiary who receives death benefits if no living primary beneficiaries exist. The member must designate the contingent beneficiaries. See also beneficiaries and primary beneficiary.

CONTRACTED SERVICES - is employment governed by a written agreement. Independent contractors may not receive coverage from a retirement system.

CONTRACTING EMPLOYER - is any political subdivision or government entity that contracts with the Board for retirement system coverage. Employers may only contract for coverage under the PERS. See also agency.

CONTRIBUTION - see accumulated, additional service purchase, or regular contributions.

COVERED EMPLOYEE - is an employee of the state or a political subdivision in covered employment. Employment in the position requires the employee to become a member of a retirement system and pay contributions.

COVERED EMPLOYER - is the state government or a political subdivision participating in a retirement system to provide coverage for its employees. For state and some local government employers, the law requires coverage, but all others must contract with the Board for coverage. This manual refers to employers with required or contracted coverage as covered employers or agencies. See also agency.

COVERED EMPLOYMENT - is employment with the state or a political subdivision that requires the employee join a retirement system. This manual uses covered employment and covered position to mean the same thing.

DEPENDENT CHILD - is a minor or dependent child (as defined by specific statute) who is incapable of self-sustaining employment. For HPORS, MPORS, and FURS, a dependent child is an unmarried child of a deceased member, who is either:

1. Less than 18 years of age.
2. Less than 24 years of age, unmarried, and a full-time student attending an accredited institution for post secondary education in anticipation of receiving a certificate or degree.

DD 214 FORM - is a certificate of military service.

DISABILITY - is the member's total inability to do the essential elements of the member's job because of physical or mental incapacity. The member must become disabled while an active member, and the disability must be permanent or of extended and uncertain duration. The Board will determine disability based on competent medical opinion.

DISABILITY BENEFIT - is the monthly benefit paid to members who become disabled. Only the Board may determine a member's disability status. All retirement systems provide some type of disability benefit, but the benefits are different for each system.

EARNINGS - are periodic payments for work done.

ELECTED OFFICIAL - is an individual hired by a public vote.

ELECTRONIC REPORTING - is a computer file of payroll information sent to MPERA on diskette or transferred online.

EMPLOYEE - is a person employed by an employer or agency in any capacity and paid a salary by the employer. See also covered employee.

EMPLOYER - is the state government or a political subdivision participating in a retirement system to provide coverage for its employees. See also covered employer and agencies.

EMPLOYER CONTRIBUTIONS - are payments that employers make to the trust fund of a retirement system. The amount an employer pays depends on the total payroll and the employer's contribution rate. Current law sets the employer's contribution rate. In some systems, the state contributes to the trust fund beyond that paid by the employer and employees. In the Defined Benefit Retirement Plan, (DBRP) employers contributions are not part of a member's account.

EXCLUDED EMPLOYEE - Excluded employees are employees whom by statutes may not contribute to the retirement system. Employees excluded from membership are applicable to PERS only, (§ 19-3-403, MCA).

FISCAL YEAR - is any year commencing with July 1 and ending the following June 30.

FULL-TIME EMPLOYMENT - is any period in which an employer compensates a member for at least 160 hours during each calendar month.

FURS - Firefighters' Unified Retirement System.

GWPORS - Game Wardens' and Police Officers' Retirement System.

HPORS - Highway Patrol Officers' Retirement System.

INACTIVE MEMBER - is a member who has not contributed to a retirement system for three or more months. An inactive member may be a vested or non-vested member. Vested inactive members are eligible for retirement benefits or will be in the future. Non-vested inactive members who have terminated employment are only eligible for a refund of their retirement account. The accounts of vested and non-vested inactive members will continue to earn interest. See also vested member.

INTEREST - All retirement systems pay interest to members on the money (contributions plus interest) in their accounts. Each year the Board sets the interest rate based on the interest paid on short term treasury bills and notes. The Board will charge 8% interest to members who purchase service using a monthly installment plan.

IRA - is an individual retirement account.

JRS - Judges' Retirement System.

LEGISLATORS - are people whom the voters empower to make, amend, or repeal laws.

LUMP SUM - is the total amount of a refund or payment of contributions and interest.

MEMBER - is anyone with accumulated contributions and service credited to a retirement system. A member is also a person who is receiving benefits from a retirement system based on their service. A vested member has attained the minimum membership service and is entitled to benefits from the system. The vesting period in all systems is five years.

MEMBERSHIP CARD - is a form for recording pertinent information necessary on all members. MPERA provides the card to all employers. The member's payroll clerk must send the cards to MPERA immediately. Beneficiary designations are not valid until the card is on file with MPERA.

MEMBERSHIP SERVICE - is service a member earns during the months the member works in covered employment and makes contributions. Membership service determines a member's eligibility for vesting, retirement, or other benefits. Eligible members may receive membership service when they make a service purchase.

Total membership service may not match employment service for purposes of granting longevity pay increases or for accelerating annual leave accrual. The laws and rules governing the membership service are separate from those used for other employee benefits. See also service credit.

MILITARY SERVICE - is time served on active duty in the US armed forces.

MPERA - Montana Public Employee Retirement Administration.

MPORS - Municipal Police Officers' Retirement System.

NEW MEMBER - is a person joining a retirement system and not previously reported on a contributing payroll report.

OPTIONAL MEMBER - Optional members are employees who by statute may either elect or decline membership. Optional membership is applicable to PERS, (§ 19-3-412, MCA), and FURS, (§ 19-13-301 (3), MCA) and may have working limitations depending on the optional member reason.

OTHER PUBLIC SERVICE - is public service with the federal government or with a state other than Montana.

PART-TIME EMPLOYMENT - is any period in which the employer pays a member for less than 160 hours during a calendar month.

PAYROLL REPORT - Payroll Report - is a form (web based, electronic or paper) used by an agency to submit records to MPERA that summarize employee data including salary information and contributions due.

PERB - Public Employees' Retirement Board or Board.

PERS - Public Employees' Retirement System.

PRIMARY BENEFICIARY - is a person designated by a member to receive payment of any death benefits from an active or inactive member's account. A member may designate more than one primary beneficiary. Primary beneficiaries will receive payment before any other beneficiaries the member may have designated. See also beneficiaries and contingent beneficiary.

REDUCTION IN FORCE (RIF) - is involuntarily ending a member's employment to reduce the number of workers.

REFUND - is the payment of all the money in a member's retirement account to the member. A refund of a member's accumulated contributions will include all contributions and interest in the account. To receive a refund, the member must end covered employment and request the refund.

In the DBRP, MPERA must refund the entire account, since current rules prohibit partial refunds. A person who receives a refund is no longer a member of the system and is no longer eligible for benefits. Former members who later accept covered employment must join the retirement system, but without credit for the refunded service. The member may purchase the refunded service after rejoining the retirement system. if they elect the DBRP once again.

In the DCRP, the member will receive a portion of the employer contributions if the member is vested. Partial refunds in the DCRP are allowed.

Any member purchasing service will have contributions placed in a separate account. These contributions are combined with regular contributions when the service purchase is complete. If a member receives a refund of accumulated contributions, MPERA will also refund the members service purchase contributions which have been paid toward the service purchase.

REGULAR CONTRIBUTIONS - are an employee's payments to a retirement system for future benefits. Law sets the rate which the employee contributes and the rate is a percent of the member's gross pay. Employers deduct the contributions from the employee's pay and send it to the trust fund. Since the 1980's, IRS and state rules require deferring income tax on all regular contributions.

REMITTANCE - is payment of money for any purpose.

RETIREMENT or RETIRED - is the status of a member receiving a retirement benefit from a retirement system.

RETIREMENT BENEFIT - see benefit.

SALARY - is compensation paid periodically for work done. See also compensation and wages.

SEASONAL EMPLOYMENT - employment of a permanent employee who is designated by an agency as seasonal, who performs duties interrupted by seasons, and who may be recalled without loss of rights or benefits accrued during the preceding season.

SERVICE - means employment of an employee in a position covered by a retirement system.

SERVICE PURCHASES - is the qualification of other employment or additional service into a retirement system by paying the required cost.

SERVICE CREDIT - are the periods a member serves in a covered position and pays the required contributions. The MPERA uses service credit to calculate retirement or survivorship benefits payable under a retirement system. See also membership service.

SPOUSE - is a member's husband or wife.

SRS - Sheriffs' Retirement System.

STATUTE - is a law passed by the legislature.

SYSTEM - in this manual means a retirement system administered by the Board.

TAX-DEFERRED - means temporarily exempted from taxation.

TERMINATION OF EMPLOYMENT - means that there has been a complete severance of a covered employment relationship by the positive act of either the employee, the employer, or both for at least 30 days. The member is no longer receiving compensation for covered employment, and the member has been paid all compensation for compensatory leave, sick leave, or annual leave to which the member was entitled.

TERMINATION OF SERVICE - means there has been a complete severance of a covered employment relationship by the positive act of either the employee, the employer, or both for at least 30 days. The member is no longer receiving compensation for covered employment and has been paid all compensation for compensatory leave, sick leave, or annual leave to which the member was entitled.

TRS - Teachers' Retirement System.

TRUST FUND - is a fund established to hold the contributions, income, and assets of a retirement system in public trust.

VESTED MEMBER - is a member who has attained the minimum membership service and is entitled to benefits from the system. The vesting period in all systems is five years.

WAGES - compensation paid periodically for work done. See also compensation and salary.

WORKER'S COMPENSATION - is payment to an employee who is temporarily unable to work because of an injury. Worker's compensation payments are not retirement benefits.

WORKING RETIREE - Working Retirees are employees who are currently receiving a monthly benefit from the DBRP and have returned to work for an employer covered under the same retirement system. Working Retirees are applicable to PERS, (§ 19-3-1106, MCA), SRS, (§ 19-7-1101, MCA), and FURS, (§ 19-13-301(8), MCA), and have working limitations depending on age of the employee. There are no working retiree provision for the DCRP.

PUBLIC EMPLOYEES' RETIREMENT BOARD (PERB)

PERB Mission Statement

The Montana Public Employees' Retirement Board will fiducially administer its retirement plans and trust funds, acting in the best interest of the members and beneficiaries.

Name	Statutory Designation (§ 2-15-1009, MCA)	Location	Term Expires
President John Nielson mperb.jnielsen@gmail.com	Active Public Employee	Glendive	3/31/12
Vice President Terrence Smith mperb.tsmith@gmail.com	Active DC Plan Member	Bozeman	3/31/09
Timm Twardoski mperb.ttwardoski@gmail.com	Member At Large	Helena	3/31/11
Dianna Porter mperb.dporter@gmail.com	Member at Large	Butte	3/31/13
Darcy Halpin mperb.dhalpin@gmail.com	Retired PERS Member	Belgrade	3/31/13
Patrick McKittrick mperb.pmckittrick@gmail.com	Investment Experience	Great Falls	3/31/14
Scott Moore mperb.smoore@gmail.com	Active Public Employee	Miles City	3/31/15