

Senate Bill (SB) 1049 IAP (Member) Redirect began July 1

Starting July 1, for all currently employed PERS members earning more than \$2,500 a month, a portion of their 6% Individual Account Program (IAP) contributions (whether paid by the member or the employer) is now being redirected to a new account to help pay for the cost of their future pension benefits. This means less money will be going into each member's IAP account.

The IAP Redirect, part of [SB 1049](#), creates new Employee Pension Stability Accounts (EPSA) for each member. SB 1049 was passed by the Oregon Legislature in 2019 to address the increasing cost of funding Oregon PERS. The IAP Redirect, among other changes, is designed to provide relief to public employers for escalating PERS contribution rates.

- For [Tier One/Tier Two members](#), 2.5% of subject salary is now going into the member's EPSA. The remaining 3.5% of salary continues to go into the member's existing IAP account.
- For [OPSRP members](#), 0.75% of subject salary is now going into the member's EPSA. The remaining 5.25% of salary continues to go into the member's existing IAP account.

It is important for members to understand that the IAP Redirect does not affect the amount members will receive as a monthly pension when they retire, but it does affect the amount going into their IAP account. Full information is available on the [PERS website](#) and was sent out to members via GovDelivery.

No changes to employer reporting right now; voluntary contribution technology coming in late September

The IAP Redirect happens behind the scenes in the PERS system. Employers continue to report as usual – the PERS system recognizes if a member earns above the salary threshold. Therefore, **nothing is changing with employer reporting right now.**

In late September 2020, members will be able to elect, via PERS Online Member Services, to have an additional percentage of their salary contributed to their IAP (after tax) to equal a full 6% IAP contribution. These voluntary contributions would be deducted by you, the employer. We have updated our [Employer SB 1049 webpage](#) with additional information. Included on that page is a new FAQ with further details about [voluntary contributions](#), and we will

Continued

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COVID-19

- [PERS updates on novel coronavirus \(COVID-19\)](#)
- [Frequently asked questions about paid leave during COVID-19 pandemic](#)
- [Loss of work during the COVID-19 pandemic \(FAQs for members\)](#)

Senate Bill 1049

- [Information for PERS employers](#)
- [Information for members](#)
- [SB 1049 GovDelivery emails signup](#)

Employer Rate Relief Programs

- [Employer Rate Relief Programs webpage](#)

Other topics

- [Choose what GovDelivery emails you'd like to receive](#)

PERS EMPLOYER NEWSLETTER July 2020

continue to share more information in future employer newsletters.

As always, if you have any questions, please contact your [Employer Service Center account representative](#) and encourage your staff to contact PERS Member Services via [phone](#) or [email](#).

Information to share with your staff or that you may need to know

Members who have opted into receiving PERS emails were notified of the IAP Redirect in a GovDelivery message sent on June 23. However, most nonretired PERS members are not [signed up to receive information through GovDelivery](#), so we rely on you, our PERS-participating employers, to share important information with your employees.

The easiest way to share this information with your staff is to send the direct URLs of the two messages below so that members can read the full emails that reflect their membership:

PERS SB 1049: Member Contributions Change July 1 – Tier One/Tier Two members (hired before August 29, 2003)

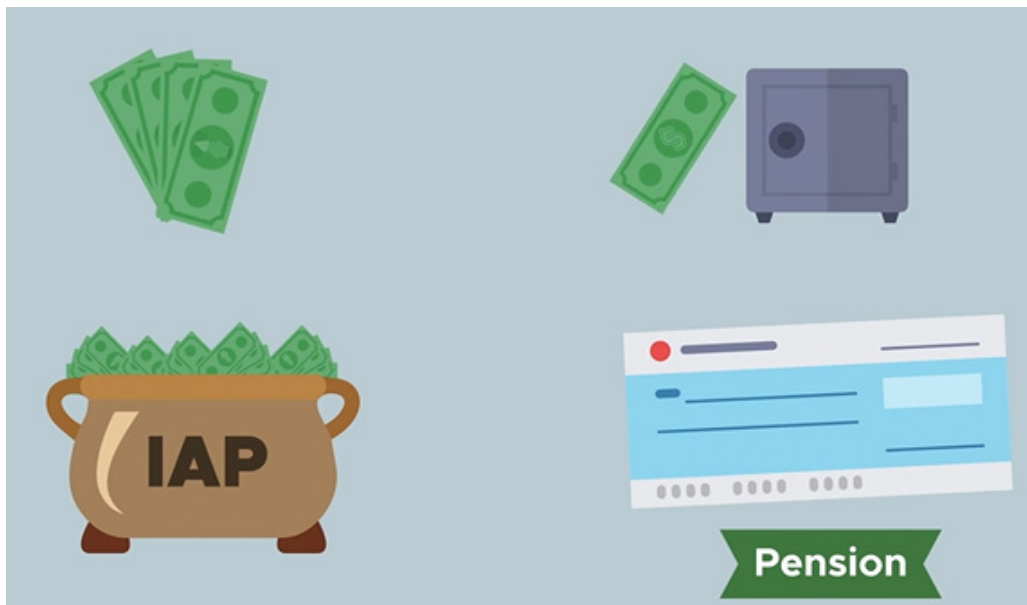
<https://content.govdelivery.com/accounts/ORPERS/bulletins/2900c83>

PERS SB1049: Member Contributions Change July 1 – OPSRP members (hired after August 28, 2003)

<https://content.govdelivery.com/accounts/ORPERS/bulletins/29080b4>

If you have not reviewed the GovDelivery messages yourself, please take time to do so, including watching new, animated videos that explain the IAP Redirect and the two parts to members' future retirement:

- [Tier One/Tier Two videos](#)
- [OPSRP videos](#)



A screenshot from the video "What is Changing with Senate Bill 1049?"

New EDX wage codes for rehired retirees coming this fall

This October, once we inform you, employers will begin using new wage codes to report hours worked by their employees who have already retired from PERS. The new codes, which will be available in EDX in late October, reflect changes to Work After Retirement rules established by [Senate Bill \(SB\) 1049](#). The new codes will be used to report salary and hours for service retirees with pay dates of January 1, 2020, and later.

Action you may need to take to prepare for the new wage codes

If you use an automated financial package to create .dat files for report uploads in EDX (or use a third-party reporter), you will need to begin to update your .dat file format this summer to be ready for the EDX update this fall.

For instructions, read the newly revised “[EDX File Format and Development Guide](#)” (page 25 contains the new wage codes — no other changes were made). You can also find this document from the PERS Employer website’s [Quick References](#) and [Employer Publications](#) pages.

If you use a third-party reporter or technical provider who creates .dat files for your PERS reporting, you will need to share the updated guide with them so they can update their .dat file format.

If you use the “copy forward” or manual method for adding records to reports, you will begin to use the new wage codes in the fall, once we have informed you. **You do not have to take any action at this time.**

The new retiree wage codes will be:

17 Retiree Wage-ER Rate	Use to report a service retiree who has a pay date of 1-1-2020 or later.
18 Negative Adjustment Retiree Wage-ER Rate	Use to negatively adjust Retiree Wage-ER Rate wages for a service retiree who has a pay date of 1-1-2020 or later.

Note: The 07 wage code will continue to be available for reporting service retiree wages **prior** to January 1, 2020, and for any disability retired members returning to work.

If you have any questions or need support, contact your [Employer Service Center account representative](#).

Reminders about Work After Retirement under SB 1049

Effective January 1, 2020, SB 1049 [simplified the rules](#) for PERS retirees coming back to work. Between 2020 and 2024, there are no limitations on the number of hours most retirees can work for a PERS-participating employer and still receive their PERS pension benefit.

SB 1049 also requires employers to pay your [PERS Employer Contribution Rate](#) on **any** service retiree’s wages (the “PERS rate,” which includes applicable Pension and Post-Retirement Healthcare rates, but not any IAP contributions) as if they were an active member. Because you will not be [invoiced for contributions](#) on rehired retirees until fall 2020, you may want to set aside estimated employer contributions for retiree wages. The first invoice will include contributions owed on retirees employed from January 1, 2020, through the date of the invoice.

Employer Incentive Fund (EIF) updates

Payment deadline extended

Because of the impact of COVID-19 on employer budgets, the PERS Board [approved](#) extending the payment deadline for the first full EIF application cycle to December 1, 2020. Approved EIF employers are not required to wait until December, but they have the option, if needed.

Any approved EIF employer can change their payment date at least five days prior to their current payment date by emailing Side.Account.Legislation@PERS.state.or.us.

PERS will inform employers if EIF funding changes

The EIF was originally allocated \$100 million from the General Fund. While the governor has recommended an 8.5% reduction in General Fund allocations due to the COVID-19 pandemic, these cuts are only proposed at this time. Additionally, the [Oregon Legislature](#) has not made any changes to EIF funding as of early July.

PERS is committed to remaining transparent and will inform employers if the EIF is affected. We cannot give financial advice, but we will let you know if budget cuts will affect you. If the EIF will be reduced, our plan is to rescind or reduce the matching funds that were promised most recently and work backward from there in order of application date.

For more information on the Employer Incentive Fund, the application process, or the UALRP, read the [EIF webpage](#).

Work Share program: How to report reduced or furlough hours to PERS

The following information was recently added to PERS' [FAQ on paid leave and employment status](#) during the COVID-19 pandemic public health emergency.

An employer participating in the [Oregon Employment Department Work Share program](#) should treat reduced or furlough hours as “leave without pay” (no salary or hours). Work Share program benefits are not considered salary for PERS purposes.

Please note that a 20% to 40% reduction of a full-time employee’s weekly hours under the Work Share program still allows the employee to work the major fraction of the month. As long as the employee works and is paid for at least 50 hours each month, the reduction in work hours due to Work Share program furlough should not reduce the member’s creditable service. However, salary would be reduced for those months with Work Share program furlough, with an impact to IAP contributions and a possible impact to final average salary.

If you have additional eligibility questions about the Work Share program, please visit the Oregon Employment Department’s [website](#), which contains additional frequently asked questions.

PERS Expo 2020 to be held online in October

Due to COVID-19, PERS Expo 2020 will be held as a digital event this year in October. We plan to launch a suite of educational resources during National Retirement Security Week, starting **October 19, 2020**.

PERS, the agency, is gathering educational resources and information to help members understand and plan for their retirement — whether they are new to public service or getting ready to retire.

Make sure you and your employees are signed up for the [“PERS Expo” topic in GovDelivery](#) to receive updates when the retirement education resources are live in October.

You can also share this [short survey](#) with your staff to let PERS know what retirement planning questions they would like answered and to opt into PERS Expo updates.

Reminder: July 1 was the OPSRP membership start date for December hires

Eligible employees who were hired into a qualifying position between December 2 and December 31, 2019, or eligible employees who were hired into non-qualifying positions but have worked 600 hours or more with all PERS employers in 2020, established their Oregon Public Service Retirement Plan (OPSRP) membership on July 1, 2020 (if they met all membership requirements).

Once an employee’s OPSRP membership is established, you are required to submit contributions on their salary earned as a member beginning July 1, 2020.

An employee establishes membership in the OPSRP Pension Program by meeting the following requirements:

- Be an eligible employee (i.e., work 600 hours or more per calendar year).
- Complete a “waiting time” of six full calendar months, which requires that the eligible employee:
 - Be employed for six months in a qualifying position with the same PERS-covered employer.
 - Have no break in employment greater than 30 consecutive working days (special rules apply to periods of official leave without pay taken during the waiting time).
- Be employed with the same employer on the last calendar day of the waiting time.
- Be employed with the same employer on the first calendar day of the month following completion of the waiting time.

Remember that restrictions on DTL2 records allow DTL2 wage code 01 (Regular Wages) records to post only to positions with an “Active Service” position type, and DTL2 wage code 02 (Regular/Non-Qualifying) records post only to positions with a “Non-Qualifying Service” position type.

Contact your [Employer Service Center account representative](#) if you have questions about using DTL2 wage codes, waiting time requirements, or other questions on this topic.

EDX tip of the month: Disappearing error records

Issue 1: Error record disappears from report error list.

You are looking at an error on your report error list and suddenly it is missing.

When you save an error record, EDX assumes you have fixed the error. It is removed from the error list until the next batch evaluation.

If you are only *viewing* a record, do not click the **Save** button. Click the “Work on Reports” link.

Issue 2: Flagged errors disappear from the error list, but the records have not been modified.

Flagged errors are only warnings.

A flagged error (preceded by “F”) is not a true error, but a warning that something about the record is unusual and should be checked for correctness. You are not required to edit these records, and the flagged records will post when all other suspended and bad format errors are cleared.

- [Employer Home](#)
- [View Your Statement](#)
- Work on Reports**
- [View Employee Info](#)
- [View Year-to-Date Wage and Contribution Summary](#)
- [Update My Profile](#)
- [Work List](#)
- [Request Information](#)
- [Eligibility Reports](#)
- [Status Check](#)
- [Inactive Employment Report](#)

Add/Edit a Member Record

The status of this member record is: **Suspended**

Error Messages For Member

- F - The Hours Worked (Regular) are greater than 200.
- S - Dates reported correspond to a Non-Qualifying Service segment on file; only wage codes of 02, 14 can be reported for Non-Qualifying Service segments.

Detail 2 - Wage and Service:

SSN:	<input type="text" value="111223333"/>
First Name:	<input type="text" value="JANE"/>
Last Name:	<input type="text" value="DOE"/>
Pay Date: (MM/DD/YYYY)	<input type="text" value="07/01/2020"/>
Work Period Begin Date: (MM/DD/YYYY)	<input type="text"/>
Work Period End Date: (MM/DD/YYYY)	<input type="text"/>
Hours Worked: (Regular)	<input type="text" value="240.00"/>
Hours Worked: (Overtime)	<input type="text" value="0.00"/>
Reported Wage Code:	<input type="text" value="01 - Regular wages"/>