OREGON PERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

EMPLOYER NEWSLETTER

April 2020

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How COVID-19 is affecting PERS

Stay updated on how the COVID-19 pandemic is affecting PERS.

More information will be added to the PERS website as we have additional details to share.

PERS Updates on Novel Coronavirus (COVID-19)

Message from Oregon State Treasurer Tobias Read about COVID-19 and your PERS investments

Keeping your employees informed about PERS

As PERS continues to improve how we engage with our PERS-participating employers, we need your help to get relevant PERS information to the right people. Here's what you can do:

1. Share this newsletter with your HR, benefits, and finance teams.

   Note: If you are in HR, benefits, or internal communications, you'll also receive a copy of our three-times-a-year member newsletter, which we ask you to share with all your internal employees.

2. Share relevant information in this newsletter in your staff meetings.

3. Encourage your employees to sign up to receive PERS information directly by going to https://public.govdelivery.com/accounts/ORPERS/subscriber/new.

Q&A: Preparing for Work After Retirement contributions due this fall

PERS will not be able to invoice employers for 2020 Work After Retirement contributions until this fall because of new system functionality. Therefore, your first invoice may include several months of contributions (at least nine months, at minimum) accrued prior to fall 2020.

Here are questions employers are asking, answered by PERS' Work After Retirement team.

Q: **Should I wait to see an invoice from PERS before I pay contributions on a retiree's salary?**

A: Deciding when to pay contributions on a working retiree's salary is entirely up to your management. Based on your cash flow, you may do either of the following:

- Prepay by sending an estimate of the contribution(s) before you are invoiced.

- Pay when you receive the invoice in fall 2020.

Because of the invoice functionality delay, employers won't be charged any late penalties, interest, or fees. Therefore, you may elect to **set aside funds** on your own based on estimates and then pay when PERS invoices you.

Employers who decide to **prepay** retiree contributions should indicate with your payment remittance how those additional funds break down between your reserves (i.e., pension), Retirement Health Insurance Account (RHIA), and Retirement Health Insurance Premium Account (RHIPA), as applicable. The PERS cashier will manually apply the prepayment based on your request. (Note that PERS automatically applies the payment to the oldest invoice on file, which may result in a statement credit until invoicing functionality is available in the fall.)

Once the invoicing functionality is available in the fall, you will receive one of the following types of **invoices**:

- The full amount due: If you **did not prepay** your estimated contribution, you will get an invoice for at least nine months of accrued retiree contributions.

  If you are set up for automatic payments (debit), you will need to be prepared for an ACH payment deduction of the entire sum. Employers who send us payments (credit) can send the full payment when the invoice is due.

- A portion of the amount due: if you **prepaid, but your estimate was less** than the actual required contribution, you will get an invoice for the remainder due.

- A credit: If you **prepaid more** than the actual required contribution, your invoice will show a credit. PERS will apply the credit to your next invoice (potentially your November invoice).

Q: **How do I estimate what I will owe?**

A: Employers who are required to report unrecorded liabilities as of June 30, 2020, should be able to estimate the amount of contributions you owe to PERS for retirees employed between January 1, 2020, and June 30, 2020, regardless of whether PERS has invoiced you yet.

You can calculate your estimated liability by multiplying your

Rate for active members
(not including IAP)
([click here to see current rates](#))

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Retiree wages paid
January 1–June 30, 2020
(see example at right)

Depending on the basis of accounting you use for financial reporting purposes, you may need to report the amount of estimated employer contributions owed on retired employees' salaries on your **fiscal year-end financial statements** as a liability.

You may want to consider contacting your municipal audit firm if you have any questions about correctly reporting a liability for contributions that are owed to PERS but have not yet been invoiced as of the end of the fiscal year.

Q: **I see how to approximate my contributions, but ultimately employers don't owe it until we get an invoice from PERS, correct?**

A: Correct. Under PERS administration, contributions are calculated as an actuarially determined percentage of payroll expenses and are considered

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Example: XYZ agency has Tier One, Tier Two, and OPSRP general service retirees

XYZ's rates

	Tier One/Two		OPSRP	
	Rate	Owed	Rate	Owed
Pension	20.04%	$7,615.20	14.59%	$6,784.35
RHIA	0.06%	$22.80	-	-
Contributions due		$7,638.00		$6,784.35
Total estimated contributions due	$14,422.35			

XYZ's salaries

Pay date	Tier One	Tier Two	Tier One+Two	OPSRP
1/31/2020	-	$5,000	$5,000	$7,750
2/29/2020	-	$5,000	$5,000	$7,750
3/31/2020	-	$5,000	$5,000	$7,750
4/30/2020	$2,500	$5,000	$7,500	$7,750
5/31/2020	$2,500	$5,000	$7,500	$7,750
6/30/2020	$3,000	$5,000	$8,000	$7,750
Total salary			$38,000	$46,500

GASB Interpretation No. 6 Summary

In the absence of an applicable accrual modification, governmental fund liabilities and expenditures should be accrued. Liabilities that governments normally pay in a timely manner and in full from expendable available financial resources (e.g., salaries and utilities) should be recognized when incurred, without regard to the extent to which resources are currently available to liquidate the liability.

to be "owed" as soon as applicable wages are paid to members. However, employers do not have to pay the owed contributions to PERS until receiving an invoice from PERS.

Generally Accepted Accounting Principles (GAAP) require accrual of expenses when they are incurred, even if they are paid later on. Most employers use the full accrual or modified accrual basis of accounting, which would fall under the GAAP principles. Some employers use the cash basis of accounting, which means they would record expenses only when cash has been paid.

Recording an estimate for contributions owed as of fiscal year end is each employer's decision, and you may need to consult your auditors to verify that they agree with those estimates.

PERS does not provide tax, legal, or accounting advice. This material has been prepared for informational purposes only and is not intended to provide, nor be relied on, for tax, legal, or accounting advice. You should consult your own tax, legal, and accounting advisors before engaging in any transaction.

Other Senate Bill (SB) 1049 updates

PERS continues to add details and new information to our Senate Bill 1049 employer and member webpages.

New: Read a two-page summary for employer reporters on what you need to know about Senate Bill 1049.

Sign up for our SB 1049 GovDelivery email list (and encourage your employees to do the same) to be informed when new updates are added.

Heads up—employer survey coming next month

The annual PERS Employer Satisfaction Survey is coming to you in May. Please take a few minutes between May 1 and May 31 to tell us how we can support you better. You'll receive an email link through GovDelivery, and the survey link will also be available on the PERS Employer homepage and in the May Employer Newsletter.

We will use your feedback to prioritize our greatest needs for improvement in areas such as:

- The employer website, including ease of finding information and understanding the information.
- Training sessions and other employer tools.
- Online resources, such as instructional documents.

Remember, we want to hear from anyone at your agency or organization who interacts with PERS. Feel free to forward your copy of the survey to any coworker who interfaces with PERS, including:

- Payroll specialists or EDX reporters who submit member data.
- HR, benefits, or internal communications specialists who help your employees understand PERS.
- Budget officers, finance officials, or other accounting roles.
- Agency heads, executives, or administrators.

Member statements are also coming next month

Help your members understand their PERS statements by sharing the FAQs and examples on our Member Annual Statement FAQs webpage.
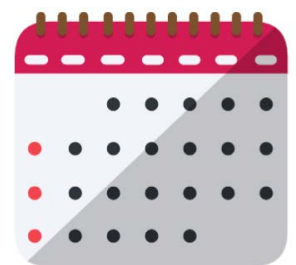
EDX tips of the month

1. Use Internet Explorer for best performance

EDX is the tool employers use to report payroll and employment information to PERS. If you experience problems with EDX, such as system crashes, screen view not displaying properly, or error messages like the one below, it might be because of the browser you're using.

Server Error

502 - Web server received an invalid response while acting as a gateway or proxy server.

There is a problem with the page you are looking for, and it cannot be displayed. When the Web server (while acting as a gateway or proxy) contacted the upstream content server, it received an invalid response from the content server.

Instructions

For best results with EDX, use Internet Explorer 5.5 or higher (not Chrome, Firefox, or Microsoft Edge). If you still have problems, ensure your firewall/router port 443 is enabled for HTTPS communication.

2. How to reset an expired password

Are you having trouble logging into EDX or has your password suddenly stopped working? Sometimes EDX user passwords expire before the 90-day default. When this happens, you receive an error message that reads, "Please correct the following error(s) before proceeding: Verify the User ID and/or Password you entered are correct."

Instructions

Employer reporters: Contact your agency's PERS web administrator to request a password reset. Web administrators have full access to reset any employer reporter password. If you can't reach them, contact PERS as shown below.

Web administrators: Contact PERS to request a password reset by calling 888-320-7377 or emailing PERS.edx. support@pers.state.or.us.