OREGON PERS

75 years of serving those who serve Oregon

EMPLOYER NEWS

APRIL 2022
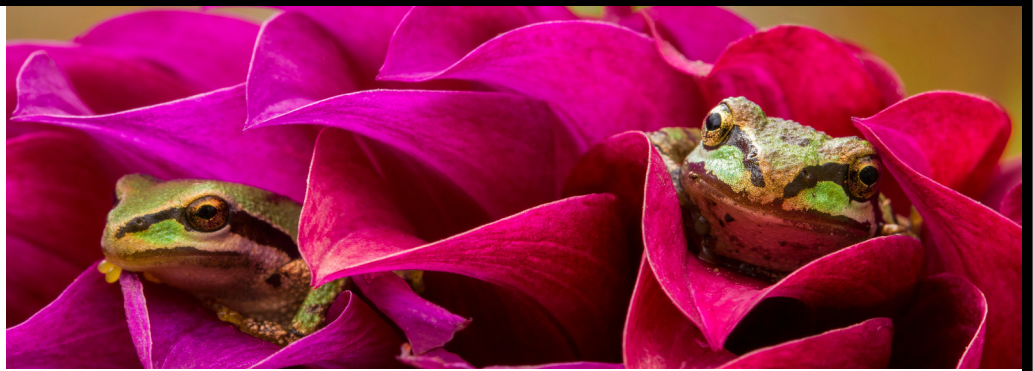
QUICK LINKS

COVID-19 and paid leave

SB 1049 programs

PERS employer website

SUPPORT

Employer support email

Contact PERS

Pacific Tree Frog

Help with suspended records

Status
Suspended
Suspended
Suspended
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Suspended

If you did not get all your reports posted by year-end 2021, let the Employer Service Center (ESC) help you reach that goal this year.

Working together with you, your ESC representative can:

- Identify and correct old, suspended reports.
- Root out the cause of reporting errors.
- Train your team in proper reporting methods.

For example, last year ESC helped one employer go from nearly 15,000 suspended records down to about 1,500 in six months. By year end, they were down to zero.

By clearing out all that old work, the employer gained valuable benefits:

★ Employee retirements posted more quickly.

★ Member annual statements were more up to date.

★ They did not accrue prior-year earnings, which was a huge financial savings.

Contact ESC to talk about clearing up your suspended records.

2021 Gold Star Awards

Congratuations to 453 PERS-participating employers for submitting **100%** of their Regular reports by their due dates throughout 2021.

We know how much work goes into achieving this accomplishment.

Fantastic job!

PERS ESC Team

Final earnings crediting

At the March 28, 2022, PERS Board meeting, the board approved 2021 earnings crediting, shown in the table below.

Final earnings vary slightly from the preliminary earnings, which were reported to the Oregon Legislature in early March 2022.

Fund	Rate
Tier One Member Regular Accounts Reserve and Judges	7.20%
Tier Two Member Regular Accounts	20.14%
Employer Reserves and Benefits in Force	20.14%
OPSRP Pension Plan Member Accounts	20.43%
Individual Account Program (IA) Accounts	16.18%
Employee Pension Stability Accounts (EPSA) — Tier One/Tier Two	20.14%
EPSAs — OPSRP	20.43%
Side accounts **(established before 1/1/2021)**	20.76%
RHIA	20.98%
RHIPA	18.19%
Standard Retiree Health Insurance Account (SRHIA)*	−0.04%
Variable Annuity Account	18.88%

As a reminder, earnings crediting is an annual process of adding the amount of interest earned (and deducting losses) to the various reserves within the Oregon Public Employees Retirement Fund, based on the accounts' totals on December 31.

To learn more

For more information about how these strong returns are affecting PERS' funded status, read "Update on 2021 PERS Fund Returns" in the March 2022 *Employer News*. To compare final earnings crediting rates with preliminary rates, see the article "Preliminary Earnings Crediting Update," also in the March newsletter.

*SRHIA covers all administrative services related to the PERS Health Insurance Program that are not specific to RHIA and RHIPA.

2022 legislative session wrap-up

The legislature adjourned its business for the 2022 legislative session on March 4, 2022. PERS was not the main focus of any bills during this session, but three bills that passed affect PERS and PERS-participating employers.

House Bill 5202
This is the annual budget bill. Although state agencies do their budgets every two years, a budget bill is still needed every year to incorporate things that happened during the interim.
Due to high revenues flowing into the state, the legislature allocated more than **$17 million** in general funds to the **Employer Incentive Fund** (EIF). The EIF also received **$2 million** more from lottery revenues than was originally expected (Senate Bill 5703 Section 7).
PERS will provide a schedule, process, and final numbers for the next round of the EIF when we receive the funds from the legislature.

| Senate Bill 1522	Senate Bill 1525
This education bill contained a provision to narrow the fix for **charter schools** contained in SB 111 (2021). This will ensure that out-of-state salary for charter school employees back to 2003 will only be considered subject salary for those employers who promised PERS benefits to their employees in writing and made contributions on their behalf.	This is the yearly federal tax reconnect bill. This bill aligns references in PERS statutes to the latest provisions in the **Internal Revenue Code**. This year, this bill aligned to the Internal Revenue Code as it looked on December 31, 2021 (for some provisions) and January 1, 2022 (for other provisions).

Updated UAL Resolution Program educational guides

PERS Actuarial Activities and Communications sections are working together to update the UALRP educational guides to reflect the 2020 advisory valuations from Milliman.
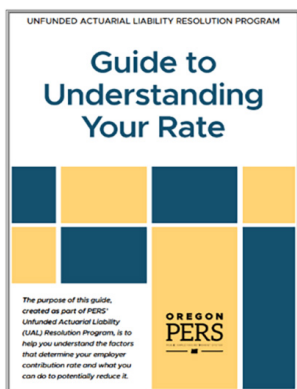
We invite you to download or print new versions of the following:

Guide to Understanding Your Rate

Guide to Understanding Your Valuation:

- State and Local Government Rate Pool (SLGRP) version
- School District Pool version
- Independent employer version

Coming soon

Guide to Understanding Pooling

EDX tip: Reporting average overtime for a new employee

For each job classification in your organization's workforce, you need to establish an average number of overtime hours per calendar year and report that rate to PERS. Even if that employee or position is not expected to work any overtime, **the average overtime rate must be filled in on a DTL1 demographics record for the new-hire record to post**.

This article explains the purpose of recording average overtime for new employees, how that number is used when they retire, and circumstances that may require you to change the number.

About average overtime

Average overtime (OT) is an estimate of the number of overtime hours a position might be expected to work in a calendar year. It is determined at the class or position level, not on an individual employee level.

It does not affect how much overtime an OPSRP member can work or how much the person is paid for overtime.

What reporting average overtime does

The average overtime rate puts a limit on how much of an OPSRP employee's reported overtime can be applied toward their final average salary (FAS). When an OPSRP member works more overtime hours than the average overtime rate reported by their employer, the salary earned in excess of the average overtime cap is excluded from their FAS.

Tier One/Tier Two: There is no cap applied to OT hours for these tiers; however, you must enter a number in the Average OT field for the new-hire record to post.

Example

At Alphabet County, all OPSRP employees in an accounting role are assigned an average overtime of 100 hours in EDX. When an accountant retires, the overtime hours/salary included in calculating their FAS is capped at 100. The accountant was paid for all the hours they worked, but no more than 100 hours of the overtime salary they earned per year is included in the FAS calculation.

Year	OT worked	OT hours included for FAS	OT salary for FAS
2022	148	100	$4,350.42
2021	112	100	$3,857.00
2020	82	82	$2,642.07
		Total	$10,849.49

This produces overtime salary of $10,849.49 to be added to the member's FAS.

How to report average overtime

Instructions

1. Predict average expected overtime hours for that position per calendar year.

Employees in the same job classification (e.g., teacher, firefighter, receptionist, payroll specialist) have the same number of expected overtime hours.

2. Add a demographics record.

Choose the type of record to create from the list below, then click **Add New Record**.

Add New Record
- ● Detail 1 - Member Demographics.
- ○ Detail 2 - Wage and Service.

Add New Record

3. Fill in the required fields:

1. Status Code: 01
2. Status Date (first day in job classification)
3. Name
4. Address (in all caps)
5. Date of Birth
6. Gender
7. Job Class Code
8. **Average Overtime Hours**
   Click the pull-down menu and choose the expected overtime for that position from the list of options.

Detail 1 - Member Demographics:

Field	Value
SSN:	
Status Code	01 - Qualifying New Hire
Status Date: (MM/DD/YYYY)	04/25/2022
Last Day Service (MM/DD/YYYY)	
Old SSN:	
First Name:	First
Last Name:	Last
Middle Name:	
Name Change Indicator:	N
Address - 1:	1234 N. STREET
Address - 2:	
Address - 3:	
City:	CITY
State:	OREGON
Zip - 1:	97025
Zip - 2:	
Province:	
Country Code:	USA
Postal Code:	
Date Of Birth: (MM/DD/YYYY)	07/31/1968
Gender:	Female
PERS Job Class Code:	01 - General Service
Average Overtime Hours	
Unused Sick Leave Hours	
Contract No. of Months	00
Employer Site Distribution Code	
Non PERS Data Memo	

Dropdown options: 0, 100, 200, 300, 400, 500, 600, 700, 800, 900, 1000, 1100, 1200, 1300, 1400, 1500, 1600, 1700, 1800

When to report average overtime

There are three circumstances for which you need to report or change an employee's average overtime:

1. **Upon hiring.**

   Once the employer submits the Detail 1 record and it posts to the system (as explained on the previous page), the hiring will be reflected on the member's account along with the average overtime associated with the position.

2. **After a change to job classification or to the average overtime rate.**

   Employers should review average overtime when an employee's position changes or the average overtime associated with the classification group changes. If a reporting change is required, you may report the change to PERS by doing either of the following:

   - Submit a Detail 2 – Wage and Service record.
   - Submit a Demographic Correction Request (DCR). Once the DCR is received by PERS, PERS staff will process the change in average overtime. Be sure to provide an effective date for the change in the Comments section of the DCR.

3. **When an error is identified.**

   If you find that the average overtime reported to PERS is incorrect, you can make corrections by submitting a DCR. Make sure to specify the effective date of the change in the Comments section.

How to review employee's average overtime

1. In the Site Navigation menu, click View Employee Info.
2. Enter the employee's last name, Social Security number, or PERS ID in the search field and click Search.
3. View the reported average overtime in the Average OT Hours field of the Employee Employment History Details screen.

Hire Intent	Start Date	Last Day Service	Term / End Date	Gross Unused Sick Leave	Transferred Unused Sick Leave	Job Class	Position Type	Plan	Average OT Hours	Contract No. of Months	Verify	Verified Date	User ID
Q	08/14/2017												
	08/14/2017					School Employee	Active Service	OPSRP	200	10	☐		

You can also review the average overtime for all your active employees by requesting this information from your PERS employer representative.