PSERS Employer Bulletin

Public School Employees' Retirement System

5 N 5th Street
Harrisburg PA 17101

Toll-Free
866.353.1844

Local
717.787.1755

FAX
717.783.8760

Email
ContactESC@pa.gov

Employer Spring Workshop

We were pleased to collaborate with Voya for this year's Employer Spring Workshop. Together, ESC and Voya provided an overview of these topics:

- Differences between Defined Benefit (DB) and Defined Contribution (DC)
- Understanding when reporting and payments are due to PSERS (DB) and Voya (DC)
- Understanding qualification rules for Class T-G, class election and waiver options available to members, and utilizing your CROQ Report as a guide for updating contribution rates timely
- Reviewing how Voya processes work orders and other DC plan-related questions
- Learning how to read and use the Employer Statement of Accounts (SOA) documents and the ESS Transaction Page
- Checking that payments for the member and employer shares are processed and credited in the correct amount
- Exploring how your business office can coordinate tasks and communication to maximize efficiency and accuracy when working with PSERS

We hope that you found the workshop informative. If you missed it or would like to review the presentation again, the presentation and recording are available on our website:
https://www.psers.pa.gov/Employers/Pages/Prior-Spring-Workshops.aspx

Voya Refresher Training

Voya holds Data Gateway (VDG) Refresher Training annually.
Look for invitations in the coming months!
If you are unable to attend, these sessions will be recorded and posted to the website .

We want to hear from you! Let your ESC Rep know of some Voya training topics you're interested in learning more.

Employing PSERS Retirees as Day-to-Day Substitute Teachers

Act 91 of 2021 was recently enacted to provide additional flexibility in hiring substitute teachers through the 2022-2023 school year. For PSERS, this means that employers may hire a PSERS retiree as a day-to-day substitute under the emergency provisions of the Public School Employees' Retirement Code without having to first offer such employment to a non-PSERS retiree. While Act 91 permits districts to hire retirees without offering positions to a non-retirees it has NOT changed the process for receiving PSERS approval for hiring the retiree.

To support the employers in filling these much-needed positions while avoiding the potential impact on a PSERS retiree's pension, PSERS encourages retirees to verify that an employer has received pre-approval using the PSERS School Year Approval Process. This process approves an employer's methods to recruit short-term and long-term substitutes, including under the new provisions of Act 91, and should provide reassurance to PSERS retirees that their pension will not be stopped should they return to the classroom in a substitute capacity. A list of employers who have received a School Year Approval can be found: Employers with School Year Approval (pa.gov)

Please note, a school year approval is effective for one school year. If you have submitted school year approval for 2021-2022, you will still need to submit one for 2022-2023.

If eligible, an employer may request a school year approval of emergency employment for PSERS retirees as short-term or long-term substitutes by submitting the following sample letter to PSERS Administrative Determinations at the address provided below or by fax to 717.772.3860. Additional information regarding emergency employment of retired PSERS members is contained in PSERS' Return to Service Exceptions publication.

<u>**Sample Language**</u>
[Date]

Public School Employees' Retirement System
Administrative Determinations
5 North 5th Street
Harrisburg, PA 17101

**Re: Employing PSERS Retirees as Day-to-Day Substitute Teachers
Employer #_____**

Dear Administrator:
Due to a general shortage of day-to-day substitute teachers, [School Employer] requests PSERS' pre-approval to employ PSERS retirees as temporary substitute teachers as needed throughout the 2022-2023 school year while recruitment of permanent employees continues. In support of this request, [School Employer] certifies that a shortage of personnel exists with respect to substitute teachers. [School Employer] will provide a copy of this request and PSERS' response to any PSERS retiree who is employed under the School Year Approval Process for these services.

Member Termination Records

It is critical that termination records for members are entered timely and correctly for employees who no longer work in your district. The termination contract record is different than other member contract records. The additional pieces of information provided allows PSERS to accurately process a member's request for a benefit or refund.

Termination records must be entered when the last day of work and final payment work date is truly known but should not be entered more than 30 days prior to the last known day of work. Once submitted, an incorrect termination record or date cannot be fixed by the employer. The employer must contact their ESC Representative to request an adjustment. After the status is entered, you must enter either a Yes or No value in both the Balance of Contract and Service Credit sections of the system. PSERS refers to these as "BOC and Service flags."

An incorrect termination contract may result in incorrectly processed member benefits that require a benefit recalculation and additional work by the employer in researching errors. If a member submits a retirement application and there is no termination contract record, the system will automatically generate a letter to the employer advising that a termination record is needed. If a member submits a retirement application many months before an exact termination date is known or before notifying their employer, employers must still wait to submit the termination date until the date is actually known, regardless of receiving the letter.

Conversely, if there is a reason that a termination record cannot be submitted, for example, waiting on a resignation letter, please reach out to your ESC Representative so they can communicate the issue to the processing department. You should also contact the member if your office is pending action from them.

Determining the Termination Date
Termination dates should be determined by the member's last working day and not their last pay date, last day of the month, or date of their resignation letter.

Exception: There may be times the employer and/or the employee want to use a future date for termination to reach a birthday milestone or some other purpose. If the date is delayed, then a LEAVEN contract must be reported from the last day of active service to the agreed upon future termination date. Once the LEAVEN has ended, the employer must still enter a termination contract record that will allow PSERS to finalize the benefit.

Status Tracker is Now Available for Members

Members can now track the status of their retirement application, refund application, or request for an estimate right in their MSS account from receipt to completion!

Employer Service Center Staff

Scott Rainey
Regional Office Administrator
scorainey@pa.gov

Lynn Wadley
Regional Office Administrator
lwadley@pa.gov

Region 1 - DeAndre Albright
deaalbrigh@pa.gov
Erie, Crawford, Warren, Forest, Venango, Mercer, Lawrence, Butler, Beaver, Jefferson, Clarion

Region 2 - Deanna Brown
deabown@pa.gov
Mckean, Potter, Tioga, Bradford, Cameron, Elk, Clearfield, Centre, Clinton, Union, Snyder, Northumberland, Schuylkill, Carbo, Lehigh, Montour, Columbia, Sullivan, Lycoming

Region 3 - Daniel Tapia-Ortiz
dtapiaorti@pa.gov
Susquehanna, Wayne, Wyoming, Pike, Lackawanna, Luzerne, Monroe, North Hampton, Bucks, Montgomery

Region 4 - Scott Rainey
scorainey@pa.gov
Allegheny, Washington, Greene, Fayette

Region 5 - Katie Pajtis
kpajtis@pa.gov
Armstrong, Indiana, Westmoreland, Somerset, Cambria, Bedford, Blair, Huntingdon, Mifflin, Fulton.

Region 6 - Rachael Riddle
rariddle@pa.gov
Juniata, Perry, Franklin, Cumberland, York, Adams, Dauphin, Lancaster, Lebanon, Berks

Region 7 - Lynn Wadley
lwadley@pa.gov
Chester, Delaware, Philadelphia

PSERS Life Expectancy Assumption & Factor Table Changes Coming July 1, 2022

Every five years, the PSERS actuary reviews the PSERS member experience.

During the most recent review, our actuary recommended an adjustment to the life expectancy assumptions used in benefit calculations and the actuarial tables. This change will take effect on July 1, 2022, and will only affect members retiring on or after that date. Current retirees will not be impacted.

Employers should remind any employees considering retirement in June or July 2022 to create comparative estimates, which can be done in their MSS account by entering different retirement dates to see how these changes may impact their individual benefit. Members may also contact PSERS to request a staff-prepared comparative estimate.

If an employee wants to delay their retirement but has not yet submitted their application for retirement, Section 11 (Delaying Your Date of Retirement) can be used to select a date different than the actual termination date. If an employee wants to delay their retirement and has already submitted their application for retirement, they must inform PSERS in writing of their request to change their retirement date.

Coming Soon to ESS: Estimated Work Reports Available Early 2023

Because PSERS Is a cost-sharing plan, an employer's inaction may mean that other employers must pay more to help fund the plan. In an effort to combat this issue, estimated work report transactions will be entered into the system when PSERS work reports are not submitted timely.

Here's how they work: On the first business day after the PSERS work report is due (usually the 21st, but could be a few days later if the 20th lands on a Friday or Saturday), the system will look for missing work reports and trigger the creation of an estimated work report in its place. The system doesn't know what the actual totals of your work report are though, so it will look back to the previous year's reporting for the same month to find totals. The system will then add 5.00% to account for salary growth and additional staff. This estimated work report will be visible with the system-calculated total on the ESS Transaction Page, and on the Employer Statement of Account, if late reporting has not been resolved prior to the statements running.

No details will be available if you click on the estimated work report. This means you will not be able to see a member-by-member breakdown—the estimated work report does not replace the need for you to submit an actual work report with the specific member work history. It's just a place holder to account for the billing. When the actual work report is submitted, the estimated work report will be reversed to zero and the totals from the actual work report will replace the estimated totals.

If the actual work report is not loaded before payment is needed for the work report, the estimated totals will be what is expected to be paid to PSERS. Additionally, interest will still be charged against your account for the late reporting. PSERS goal is for timely reporting.

Reminder: Reporting Service for Employees Who Terminate Mid-Year

In an earlier article, we discussed the importance of entering a termination contract record when an employee terminates all positions with an employer during the school year. One of the most forgotten aspects of reporting a terminated employee mid-year is the employee's service. It is important to submit the termination contract record with the accurate last day of work, populate the Balance of Contract (BOC) flag with the last work report that PSERS should expect, and complete the Service (Svc) flag to indicate when the final days or hours will be reported. This service flag MUST be followed up with reporting the employee's service for the year.

Because salaried days are not required by the system until the June work report, salaried members terminating at any time other than the end of the school year are not receiving all the service credit due for their final fiscal year. This oversight can impact the member's retirement benefit calculation, or delay when the employee receives their finalized retirement benefit.

ESS is set up to only require service day reporting in the June work report for salaried wage type positions. This means employers may need to edit the final work report submission for a terminating salaried employee to include the salaried service days worked prior to June. Final pay and service reporting for salaried members should be included on the last Work Report and include any balance of contract, as well as any remaining service due for that fiscal year. If supplemental work was rendered, any unreported additional hours worked also needs to be reported with the final work report. If the payroll database does not include service days on each monthly work report, employers may submit the service days using a manual adjustment.

For per diem and hourly wage type positions, the service units (i.e., days and hours) are required by ESS when submitting each Work Report.

Promotion: Scott Rainey, ESC Rep for Region 4, which services Allegheny, Fayette, Greene, and Washington counties, has been promoted to serve as ESC Co-Supervisor opposite Lynn Wadley. As Scott begins taking on more supervisor duties, his region will transition to a new rep trainee.

Congratulations Scott!

The Importance of Job Titles

Job titles are critical in identifying what type of work employees do within your schools. Job titles are equally critical for PSERS to determine voting status for PSERS Board Elections and to reconcile an employee's reported wages compared to the standard salary schedule.

Members receive ballots to vote for candidates for Board member positions based on their voting status and contract records. When employers submit a contract record, they select either a "C" for Certified or an "N" for Non-certified. This indicates whether the position, not the exact job title for each employee, requires a certificate from the PA Department of Education to perform the job. Certified jobs include teachers, principals, and specialty areas like therapists or psychologists. A complete list of certified positions can be found in Chapter 4 of the Employer Reference Manual or through PA Department of Education.

When confirming voting eligibility for Board elections, the job title may not clearly match a certified or non-certified position. For example, the title of "Assistant/Teacher" can be an Aide or Assistant, who generally does not require certification. The title of "Aide/RN/LPN" does not clearly refer to just a Registered Nurse or Teaching position that requires a certification. The position and not the person must be identified for the voting status.

PSERS also uses job titles to determine if pay appears to be appropriate for a member's work history. For example, a large increase in pay within the current fiscal year for a full-time teacher may be explained by a change in the job title, such as a promotion to a principal.

How Can Employers Help?

Entering job titles with just slight variations results in the PSERS system creating a new job title that duplicates an existing title. These variations may be abbreviations, dashes, extra spaces, or misspellings. Currently, PSERS has over 32,000 job title variations in our system. This dramatic variation causes data correction and clean up challenges for PSERS, our employers, and our members.

Things to remember:
- **Job titles should not be too specific.** PSERS recognizes that many part-time workers fill in where needed. If, for example, the primary position is as an Aide, then the job title for that member should be "Aide." Employers should avoid creating additional contracts for each type of aide or for the length of time an aide works in a shift. Job titles should be consistent with employer classifications but job titles in the PSERS system should not include building assignments, grade levels, references to service, time worked in a day, FT/PT status, or membership acronyms. These additional details are unnecessary in the job title when entering a PSERS contract record.
- **Job titles should not be too vague.** Job titles with little or no defining information such as "Extra Help" and "Miscellaneous" are non-descriptive and requires PSERS to request clarification. In this example, employers can identify this position as "Support Staff."
- **Separate contract records and job titles should be submitted for each distinct position.** Do not create a one line "catch all" job title like "Aide/Clerical/Cafeteria." If the employee works more than one part-time position concurrently, then separate contracts should be entered for each position. For example, the first contract would be "Aide" and the second contract will be "Clerk," a wholly separate position from that of an Aide.
- **Submit one contract record for the same job title.** Conversely, entering multiple contract records for the same or similar job titles for one employee makes it harder to read contract history. With multiple contracts for the same position and person, it becomes difficult to determine the accuracy of the reporting. For example, one member has three contract records for the position of a substitute teacher, but the job titles are "Sub Teacher," "Daily Substitute," and "Day to Day Sub." One contract record with one job title would accurately represent this position and be easier to report and review! Another example is one member has three contract records, "Playground Aide", "Building Aide," and "Train/Coverage Building Aide" entered by an employer to describe the position of an Aide.
- **Avoid abbreviations, punctuation, dashes, extra/no spacing, or misspellings.** For example, a "Sub Teacher – Daily, Classroom Ass't, Sp. Ed. Aide" should be entered as "Substitute Teacher" and with a separate contract for "Aide." Do not enter both "Paraprofessional" and "Para Professional" to describe the same position. Proofread your entries to make sure you are not adding a new job title simply due to a typo.
- **Standardize job titles.** Employers should consider standardizing their job titles to ensure positions are described correctly without creating duplication, difficulty in understanding work history, extraneous additional job titles and contracts that can cause data issues in the future. PSERS understands some of the details added to your payroll system in the current job title field may be pertinent to district internal reports. You may want to create a PSERS only job title field to standardize job titles in your PSERS contract files. Below is a sample chart that may help get you started!