



EMPLOYER

b u l l e t i n

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Employer Contact Information

Toll-Free: (866) 353-1844
Local: (717) 787-1755
FAX: (717) 783-8760

Jayne Buchwach Supervisor

(717) 720-6325
jbuchwach@pa.gov

Carolina Baez

(717) 720-6320
cbaez@pa.gov

Adams, Chester, Cumberland,
Dauphin, Delaware, Franklin,
Fulton, Huntington, Juniata,
Lancaster, Mifflin, Montgomery,
Perry, York Counties, and PASSHE

Rose Diehl

(717) 720-6323
rosdiehl@pa.gov

Armstrong, Beaver, Bradford,
Butler, Cameron, Centre, Clarion,
Clearfield, Clinton, Crawford, Elk,
Erie, Forest, Jefferson, Lawrence,
Lycoming, McKean, Mercer, Potter,
Sullivan, Tioga, Union, Venango,
Warren Counties and
Warrior Run SD

Ellen Harrington

(717) 720-6321
eharrinto@pa.gov

Charter Schools, Philadelphia
County and Philadelphia
School District

Matt Hartman

(717) 720-6327
mahartman@pa.gov

Berks, Bucks, Carbon, Columbia,
Lackawanna, Lebanon, Lehigh,
Luzerne, Monroe, Montour,
Northampton, Northumberland,
Pike, Schuylkill, Snyder,
Susquehanna, Wayne and
Wyoming Counties

Rosie Mesich

(717) 720-6324
rmesich@pa.gov

Allegheny, Bedford, Blair, Cambria,
Fayette, Greene, Indiana,
Somerset, Washington, and
Westmoreland Counties

Summary Reports 2012

Employer Service Center (ESC) representatives are in the process of creating and sending out 2012 *Employer Summary Reports*. PSERS must receive your August Work Reports before representatives can create the Summary Reports. If you have not already done so, please submit your August Work Reports as soon as possible. Once you receive your Summary Report, complete the following review process:

1. Review the *Employer Summary Report* when you receive it. ESC developed the report to help highlight potential issues with salary or service reported in 2012.
2. Make adjustments where needed so that the Summary Report accurately reflects the salary and service.
3. Notify your ESC representative once you review the report and, if needed, make the necessary adjustments. PSERS will then begin the process of creating the member *Statement of Account*.

Your prompt attention to Summary Reports is essential for PSERS to be able to send member's *Statement of Account* timely. PSERS is asking for a two-week turnaround time from when you receive the report to when you notify us that all is ready. Contact your ESC representative if you need any assistance with this process.

Reminder about Daylight Saving Time

Daylight Saving Time ended Sunday, November 4, 2012, at 2:00 am. When turning your clocks back one hour, remember to also check the date and time of your fax machines. Employers currently send to PSERS important forms completed by your employees, such as purchase of service applications, which have concrete time-sensitive deadlines. PSERS will refer to the time stamp indicated by your fax machine to determine if an application was received by the appropriate deadline. Checking the date and time of your fax machine will avoid any future confusion when submitting documents to PSERS.

Member Demographic Confirmation Letter

PSERS will begin to send members a confirmation letter when demographic information is submitted by employers. The system will automatically generate a letter when employers submit a Member Demographic Record to create a new member record or to update an already existing member record. Member demographic information consists of the following:

- Name
- Social Security Number
- Date of Birth
- Gender
- Address
- Phone Numbers
- Email Address

You must provide demographic information for each eligible and potentially eligible employee when you first hire the employee. If an employee is coming to you from another employer, or otherwise exists in the system, you must still submit member demographic information.

The member is instructed in the letter to review the information for accuracy and to contact you to report any needed corrections. More information about demographic records is found in Chapter 3, *Member Demographic Information* of the **Employer Reference Manual**. You can also contact your ESC Representative if you need assistance with reporting member demographic information.

Return to Service Overview - Test Your Knowledge

PSERS continues to receive questions concerning PSERS retirees working for a Pennsylvania public school employer. A PSERS retiree who returns to work for a PA public school employer may be in jeopardy of having his or her monthly benefit suspended. The following are several scenarios that we hope will bring some clarity to the return to service rules.

Q: John retired from his teaching position on June 8, 2012, from Lower Smithfield School District. In August, he learned that Lower Smithfield needed a substitute teacher for six weeks beginning in September. Can Lower Smithfield hire John for that position?

A: *No. The Retirement Code states that a retiree may not be employed by a Pennsylvania public school and receive a public school retirement benefit at the same time. The Retirement Code, however, does provide that a retiree may return to work for a Pennsylvania public school and continue to receive retirement benefits in the event of an emergency which increases the workload and creates a serious impairment of service to the public, or a shortage of appropriate subject certified teachers or other personnel.*

Q: Sally is a PSERS retiree who retired from Lower Smithfield School District. After retirement, she is offered a full-time position at the local community college. Can she accept this employment and continue to receive her monthly benefit?

A: Yes, provided Sally qualifies and elects to participate in SERS, TIAA-CREF, or another approved retirement plan. Retirees who return to a Pennsylvania community college, Penn State University, or a state-owned university and elect membership in an approved retirement plan may continue to receive their PSERS monthly retirement benefit. Special rules apply for a multiple service retiree that returns to work in a college. See the PSERS Return to Service Guidelines and Clarifications booklet for more information.

Q: Big County School District has an unexpected vacant position for a Business Manager. After posting the position on their district web site for four weeks, Big County received only three applications for the position. One of the applicants met the requirements but had no previous experience, the second applicant did not meet the minimum requirements and the third applicant was a retired member who had been a business manager for 25 years in another school district. Big County School District would like to hire the third applicant until they begin the recruitment process again. Can Big County declare an emergency hire?

A: No. In this example, the retired member is ineligible to be considered for emergency re-employment. Big County has a viable candidate in the first applicant who met the job requirements. The determination of emergency based on available personnel does not provide for the most qualified candidate, only whether or not qualified candidates are available.

Q: What happens if PSERS determines that a retiree's Pennsylvania public school employment does not meet the Employment Emergency or Personnel Shortage provisions?

A: PSERS will suspend the retiree's monthly retirement benefit. The retiree must also repay any retirement benefits received after the return to service date. If the retiree returned in a qualifying position, they will again become an active contributing member of PSERS.

Do you have additional questions on the topic of retirees returning to service? Maybe you have a scenario that is different than what was presented in this article. If so, send your questions and examples to your regional representative. Your example may be included in a future *Employer Bulletin*. More information is found in the *PSERS Return to Service Guidelines and Clarifications* booklet located on the PSERS website under Publications.

Meet Your ESC Representative - Rosie Mesich

Rosie is currently the regional representative for Allegheny, Bedford, Blair, Cambria, Fayette, Greene, Indiana, Somerset, Washington, and Westmoreland counties. She has been with ESC since August 2010. Originally from the Pittsburgh area, she's very familiar with the area. Rosie has been with PSERS since June 2009 and the Commonwealth since July 2008. She has a BA in Criminal Justice from Penn State, a Master of Public Administration from the University of Montana, and is currently working toward a second Master's Degree at Millersville University in Emergency Management. Rosie lives in York, PA with her husband, Jeff, and their dogs (aka kids), Rocky and Petey. The entire family try to travel together as much as they can, often visiting the Outer Banks where Rocky and Petey love to swim, chase the birds and horses, and go for long walks!

IRS Compensation Limits

IRS Section 401(a)(17) of the Internal Revenue Code limits the amount of compensation that is subject to retirement contribution withholding. For active members entering membership in PSERS on or after July 1, 1996, the maximum amount of reportable retirement covered compensation increased from \$250,000 for fiscal year 2013-2014 to \$255,000 for fiscal year 2013-2014.

Change To Employer Payment Methods

PSERS is looking to initiate a best practice requirement for all employers to use the Automated Clearing House (ACH) method for submitting payments. PSERS is now in the process of changing the way it accepts payments for Member and Employer Retirement Contributions, as well as payments for monthly Member Purchase of Service. Beginning with your January 2013 payment that is due by February 10, 2013, any employer who currently is using the lockbox method for making payments to PSERS is required to remit payments through an ACH process currently contracted through PNC Bank.

All employers currently using the lockbox to submit payments to PSERS should have received their July through December payment coupons that will accommodate payments through January 2013. Included in this mailing were the two forms necessary for you to participate in the ACH payment process. The forms included with your payment coupons are:

- Authorization Agreement for Restricted (ACH) Debits
- Authorized User of PSERS ACH Remittance Method

If you did not receive your coupons or the ACH forms, please contact Allison Biser at 717-720-4906 or email Allison at abiser@pa.gov. You can print additional copies on the PSERS website under Employer, Employer Forms. Instructions for completing the forms are included online. Please send your completed forms to:

Attn: Allison Biser
Public School Employees' Retirement System
5 N 5th Street
Harrisburg, PA 17101-1905

Due to the recent severe weather in Pennsylvania, PSERS will extend the due date for the completed ACH forms from October 31, 2012, to November 16, 2012. PSERS will discontinue the use of the lockbox sometime during the spring of 2013. An exact date will be determined and will be communicated to you.

At this time, you must still pay your Employer Lump-Sum billings (Statement of Amount Due letters) by check and mail to our Harrisburg office with the corresponding letters(s). We are hopeful that you will be able to pay your Employer Lump-Sum POS by ACH in the near future. PSERS will notify you when this becomes available. Please direct any questions or inquiries on the ACH payment process to Allison Biser at the above contact information.