



EMPLOYER

b u l l e t i n

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Employer Contribution Rate for Fiscal Year 2012-2013

The employer contribution rate for fiscal year 2012-2013 is 12.36%. The rate applies to salary and wages earned from July 1, 2012, through June 30, 2013. This rate was determined by PSERS' actuary and certified by the PSERS Board of Trustees on December 9, 2011. The rate caps included in Act 120 of 2010 are in effect in fiscal year 2012-2013.

The employer contribution rate for fiscal year 2012-2013 consists of 11.5% for pension costs and .86% for premium assistance payments. Previous projections by PSERS' actuary for the employer contribution rate for fiscal year 2012-2013 had been 12.19%.

Retirement Incentives

There are certain earnings that qualify as Retirement Covered Compensation (RCC) such as: regular salary and wages, overtime, extracurricular activities, paid sick and personal leave. All other earnings, such as lump sum payouts for sick, vacation, or personal leave, severance payments, and underwritten insurance costs, are Non Retirement Covered Compensation (NRCC) or unqualified earnings. In addition, any inducement to retire from an employer is not included as RCC, and therefore is not considered when calculating a final average salary. For more information on qualified and unqualified earnings, refer to Chapter 5 of the *Employer Reference Manual* or contact your Employer Service Center representative for any clarifications.

Account Verifications

From time to time, you may receive phone calls, emails, or letters from PSERS staff to verify member account information when members submit retirement applications. Beginning in January, you may notice an increase in verification contacts from different PSERS staff. In an effort to maintain the most accurate up-to-date account information, PSERS has begun an initiative to audit member accounts throughout the member's career as opposed to waiting until the person chooses to retire. PSERS appreciates your continued assistance with this endeavor.

PSERS Comprehensive Annual Report Now Available

The PSERS *Comprehensive Annual Financial Report* (CAFR) for fiscal year ending June 30, 2011, is available on the Publications page of the PSERS website under **Financial Reports**. A copy of the CAFR was mailed to the Business Office contacts for each employer. To request additional copies of the CAFR in hard copy or CD, you can email ContactPSERS@pa.gov or call toll-free at 1-888-773-7748. The CAFR is PSERS' signature financial publication which provides readers with a variety of information concerning the financial, investment, and actuarial aspects of PSERS.

How to Find Member Purchase of Service Balance

If your work report includes an entry for a payroll deduction purchase of service (POS) payment for any of your employees, the remaining balance can be seen in Approved Reports the day after you approve the file. This will give you a good idea of how much longer you should continue to deduct POS payments. To see the balance, go to Work Reporting/Approved Reports and click View. Scroll over to the last column on the right to see the balance as of the day the work report was released. Remember that interest accrues daily on the remaining POS balance.

Error - Invalid City, State, or County

If you receive the error message "Error – Invalid City, State, or County" while trying to submit your Member Demographic file, the easiest way to resolve the issue is by doing the following:

- Log on to the U.S. Postal Service web site: www.usps.com
- Click on the Look Up a Zip Code link
- Type in the Street Address and Zip Code
- Click Find

This will provide you with the full address, using standard abbreviations and formatting. Enter the address exactly as you see it, including the entire (nine-digit) zip code. If you spelled anything incorrectly, left out a space, or used the wrong abbreviations, this will take care of the problem. You may wish to save the postal service website as a favorite.

Purchase of Service Updates

In December, PSERS began sending all members letters to remind them of deadlines for purchasing non-qualifying part-time service (NQPT). As of July 1, 2011, members must adhere to the following deadlines to apply to purchase NQPT service:

- Current active contributing members of PSERS will have until July 1, 2014, or prior to termination of public school employment, whichever is earlier.
- Those who are inactive and return to active contributing service after July 1, 2011, will have one year from their date of return or prior to termination of public school employment, whichever is earlier.
- Those who became members of PSERS for the first time on or after July 1, 2011, will have one year from their effective date of membership in PSERS or prior to termination of public school employment, whichever is earlier.

This may cause an increase in purchase of service applications that employers must verify and sign.

PSERS has also updated the *Purchase of Former Full-Time Uncredited Service (PSRS-27)* and the *Purchase of Former Part-Time Uncredited Service (PSRS-100)* applications to include a signature line when service or salary cannot be verified. Both applications are available on the PSERS website under **Forms**. In those rare instances where salary records were either lost or destroyed and you cannot verify the information in the application, check and sign the box indicating the information cannot be verified. As a reminder, you should ask the member to supply any records they may have which demonstrate service and salary for the desired purchase such as Social Security income statements, paystubs, or copies of W-2 forms.

In 2012, PSERS will begin processing some 7,500 member accounts with Wages No Contributions (WNC) reported in a qualifying year. This project is crucial to assuring member account information is accurate and members are receiving credit for service performed in a qualifying year. Both the member and employer will receive a *Statement of Amount Due* once the purchase is processed. Most of these purchases are for part-time employees who were reported as WNC until they qualified for membership (80 days or 500 hours).

Employer Training Follow Up Survey

The Employer Service Center (ESC) wants to ensure we are providing employers with the training, support, and communication needed to assist in successful, timely, and error free transmission of monthly reporting. The Public School Employees' Retirement System welcomes feedback and suggestions about your training and visits by your ESC Representatives. To make it easy for you to provide feedback, you will receive a brief survey after the ESC Representative visit. Your responses are confidential and will not be directly shared with the individual ESC representative.