



EMPLOYER bulletin

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Reporting Payments for Health Benefits

The Employer Service Center has seen an increase in reporting errors of health care benefit reimbursements to members included as retirement covered compensation. The Retirement Code is written so as to exclude from the computation of final average salary all payments that may artificially inflate compensation for the purpose of enhancing retirement benefits. To this end, the Retirement Code limits what PSERS may recognize as retirement-covered compensation. Fringe benefits are excluded from retirement-covered compensation. This includes payments for a life insurance policy, **premiums for health and welfare benefits**, group life insurance, and union dues.

It is important to emphasize that the Retirement Code does not attempt to prohibit what an employer may actually pay to an employee. That is a matter solely between the employer and the employee. PSERS will, however, consistent with its fiduciary obligations, analyze all payments to determine whether such payments qualify as compensation under the Retirement Code.

Emails from PSERS Using “PS,ESCblast” and “RA-PSESCblast”

From time to time, PSERS needs to immediately communicate important information to employers. One example is notification of when the Employer Web is down. Previously, employers were directly notified by their individual Employer Service Center (ESC) representative. In an effort to streamline emergency notifications, PSERS will send urgent messages to employers from an email account named “PS,ESCblast” or from RA-PSESCblast. PSERS will start using this email account shortly.

You may need to set up your spam filters to allow these emails into your inbox. Please also be aware that the PS,ESCblast account will be unmonitored; therefore, you should not reply to any messages that you may receive from that account. You should contact your ESC representative directly with any questions regarding urgent messages from PSERS.

Fiscal Year 2013 Summary Reports

Summary reports are the first step in generating member annual *Statements of Account*. Within a few weeks, PSERS will begin distributing fiscal year 2013 Summary Reports for your review. These reports allow employers the opportunity to check the accuracy of all salary and service information reported to PSERS for each member during the 2012-2013 school year. Summary Reports cannot be generated until your August 2013 Work Report is uploaded and approved. Therefore, it is important to have your August 2013 Work Report done by the September 20, 2013, due date or earlier if possible.

The Summary Report will highlight any potential salary and/or service issues. Please use this report to make any necessary adjustments via the Employer Web so that the employee's account accurately reflects salary and service earned for the school year. You must review the report and complete any necessary adjustments **within 30 days** of receiving the report. Once you review the report and make the necessary adjustments, notify your ESC representative. PSERS can then begin the process of creating the member *Statements of Account*.

If your ESC representative does not receive confirmation that the Summary Report was reviewed and the necessary adjustments were completed within the 30 day period, PSERS will generate the member *Statements of Account* with the information reported during the 2012-2013 school year.

PSERS Retirees and Substitute Lists

A PSERS retiree may not be employed by a Pennsylvania public school without risking the loss of his or her monthly retirement pension unless he or she qualifies for specific exceptions. The Retirement Code defines these exceptions as employment due to an emergency, a shortage of personnel, or in an extracurricular position.

Even though retirees are permitted to work under certain exceptions, employers are expected to make a "good faith" effort to fill a position with a non-retired individual before employing a retiree. If the employer has a substitute list and that list includes retirees, the retirees need to be placed at the bottom of the list. They should be called only when the employer has not found non-retired personnel.

If the employment qualifies as a legitimate return to service exception and as a result a retiree is hired, the employer should not withhold contributions for that member and should not report any wages and service to PSERS. Keep in mind, however, PSERS has the right to review the employment of any retiree for compliance with the intent of the Retirement Code. If PSERS determines that the employment does not meet the return to service exception provisions, the retiree's monthly retirement benefit payments will be suspended. The retiree will also need to repay any retirement benefits received after the return to service date, regardless of the amount of time for which the retiree returned. If the retiree returned in a qualifying position, then the retiree will again become an active contributing member of PSERS.



For more information on the return to service exceptions, employers and PSERS members should refer to the PSERS publication, *PSERS Return to Service Guidelines* (PSRS-9682) found on the PSERS website under Publications.

Employer Web Compatibility with Internet Explorer 10

PSERS has received numerous calls from employers experiencing a problem with the Employer Web when using Internet Explorer (IE) 10. The main screen comes up when they log in, but none of the menus are working properly. Previously, this only happened if you were using a browser other than Internet Explorer, but we have found this also happens if IE 10 has been recently installed on your computer.

If you are experiencing the problem identified above when you log in, you should first check which version of IE you are using. You can check your version by opening IE, click **Help** in the Menu bar or click the question mark (?) and select **About Internet Explorer**.

If you are using IE 10, you need to turn on Compatibility View using either of these methods:

1. See if the **Compatibility View** button  appears next to the Address bar. Click the **Compatibility View** button  to display the site in Compatibility View. Some of you may not see the icon and will therefore have to use the next method.
2. Click **Tools**, and then click **Compatibility View Settings**. Type pa.gov in the top field and click the Add button. PA.gov will appear in the list of websites added to Compatibility View. Type state.pa.us and click Add again.

Completing Purchase of Service Applications

As a reminder, please complete all employer fields on any given purchase of service application, especially the service and salary fields on the part-time and full-time applications. Attaching W-2's or 1099's forms to the applications is permitted; however, if the service and salary fields are not completed on the application, the application will be returned to you for completion.



Meet Your Rep – Ellen Harrington

Ellen Harrington is the regional representative for the School District of Philadelphia, Philadelphia County, and all the Charter Schools. She was born in Lebanon, Pennsylvania and graduated from Lebanon Senior High School and Lebanon County Vo-Tech. She has lived in Red Lion and currently resides in Harrisburg. Ellen has two grown children, Jason and Jessica, and is a die-hard Philadelphia Eagles fan.

Ellen started her career with the Commonwealth in 1985, joining PSERS in March 1988 in the Employer Reporting Section. She has been with PSERS for over 25 years and has worked with every school district in the state.

Foundations for Your Future – the Survey Results are in!

Thank you to all who participated in the PSERS survey about the Foundations for Your Future (FFYF) programs. The purpose of the survey was to ascertain how familiar you were with FFYF programs held by PSERS Regional Field Offices. FFYF programs are designed to give public school employees an overview of their retirement benefits and provide all active members with general information about PSERS' benefits and services. Attending an FFYF program will help members begin to plan for retirement early in their careers.

PSERS also wanted to identify how often you address retirement benefit related questions from your employees. Your responses varied from 58% who said infrequently, while 24% responded that you are asked questions about PSERS benefits weekly. Furthermore, 41% said that you attempt to answer retirement benefit related questions yourself instead of referring your employees to contact PSERS. Employers are urged to send members directly to PSERS member service areas in these circumstances to ensure that the most accurate and up to date information is being supplied to members.

The survey also found that the majority are willing to notify your employees of upcoming FFYF programs in your area via email, pay stub inserts, or employee newsletters. A follow-up survey is forthcoming to identify more information; specifically what assistance can be provided by each employer. Alerting your employees of upcoming FFYF programs in your area will allow PSERS to answer those retirement-related questions that otherwise may have been addressed to you.

Reminder - Discontinued Use of Lock Box Service

Effective June 28, 2013, PSERS discontinued using the Lock Box service with PNC Bank. Any payments that are now submitted through the lockbox will be returned to you, delaying appropriate payment credit to your PSERS account. These delays could cause PSERS to request deductions from the Retirement Subsidy Reimbursement and/or the Basic Education Subsidy payment you receive from the Department of Education.

Employer Contributions, Member Contributions, and Member Purchase of Service (POS) Payments must now be submitted through the Automated Clearing House (ACH) process. Employer Lump Sum POS Payments should continue to be mailed directly to PSERS at 5 N 5th Street, Harrisburg, PA 17101-1905, Attention: Nancy Johnstone.

To those who have completed and submitted your ACH forms, thank you for your cooperation during this transition. If you need to make any changes regarding bank, account information, or to change your authorized user(s), please complete and submit a new *Authorization Agreement for Restricted (ACH) Debits* (PSRS-610L) form located on the PSERS website under Employer, Employer Forms. Submit your completed forms to PSERS headquarters in Harrisburg to the attention of Nicholas McMaster.

If you have any questions regarding the ACH process, please direct your questions either to Nicholas McMaster at 717.720.4691 or by email to nmcmaster@pa.gov or Allison Biser at 717.720.4906 or by email at abiser@pa.gov.