



EMPLOYER

bulletin

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Changes in Time Frames for Withholding Contributions

Coming in the spring of 2014, PSERS will implement a series of technological enhancements which we expect will help you and PSERS better navigate the Employer Web. PSERS will provide more details about the enhancements as we get closer to the implementation date. One such change is that you will only have two months from the time the member qualifies for PSERS membership to begin withholding retirement contributions.

You must deduct retirement contributions for full-time and part-time salaried employees from the first day of employment. For part-time hourly and part-time per diem employees, you have the option of deducting contributions from the first day of employment or to begin deductions after membership qualification. Salary for employees who have not qualified for PSERS membership is reported as Wages No Contributions (WNC). Once the employee becomes a member of PSERS, salaries are reported as qualified earnings. After the enhancements are implemented, if you try to report WNC salaries for a member two months after the month in which they qualified, you will receive the error "Member is Qualified; WNC cannot be reported".

For example: A member has a qualification status of "Qualified" for period 7/1/2013 to 6/30/2014. The member's qualification month is December. If you report WNC for this member in your January or February 2014 Work Report, you will receive an exception message. If you attempt to submit WNC for this member in your March 2014 Work Report, you will receive the fatal error.

No More Class T-F Election Billing to Employers

Also taking effect in the spring of 2014, the membership Class T-F Election billing will change from the employer's responsibility of collecting the member's contribution difference to a direct bill sent to the member. New members of PSERS hired on or after July 1, 2011, are automatically enrolled in PSERS as a member of Class T-E and have 45 days from the date they are notified by PSERS to elect membership into Class T-F. For those members that do elect to have a higher

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No More Class T-F Election Billing... (continued from page 1)

benefit multiplier and contribute more towards their retirement, the change is retroactive to the first day of employment. Any retirement contributions made prior to the Class T-F election would have been at a lower Class T-E contribution rate; therefore the members would owe additional money to their retirement account. Currently, the employer is responsible for collecting the necessary additional retirement contributions that are owed by the member. Beginning in the spring of 2014, PSERS will bill the member directly for these contributions. Please continue to collect payments made via payroll deductions by employees with a Class T-F election debt incurred before the change takes place.

Employers will have two (2) months from receiving the *Employer Notification of Change in Member Class / Rate or Obtaining Qualification* (CROQ) report to correct your payroll information before PSERS sends the bill to the member. Please contact your ESC representative if you have any questions in preparation of this change.

Future Enhancement for Employer Payments

One of the features that you have requested is the ability to designate your payments to specific charges in your account. Currently, any payments you make are automatically applied to the oldest outstanding charges in your account. Coming in early 2014, changes to the PNC Bank website will allow you to have your payments apply to specific charges.

You will not need to submit new authorization forms unless you are updating your authorized users. You will, however, need to update your logon information to the PNC Bank website. This will be coordinated by PSERS Employer Accounting Staff. You will receive more detailed information along with the required training materials as we get closer to implementation of this new process.

Interest Charge Credits

PSERS is in the process of reversing any delinquency interest charges posted to your Member Savings, Employer Share, or Member Purchase of Service accounts between the dates of July 1, 2004, and December 31, 2007. The delinquency interest charges were posted as a result of a delinquent payment(s). PSERS will be reversing those charges and applying the credit to the oldest open receivable within the specific accounts. The reversal will be shown on the November 2013 *Statement of Account*. PSERS anticipates posting the credits in mid fall (e.g. early December 2013). The reversal will be shown with the identifier '**SysCorr Interest Adj 2004-07**'. If you have any questions about the transaction, please contact Employer Accounting Manager, Dominic Pugliese, at our toll-free number 1.888.773.7748 extension 4630 or Curtis Bish, Employer Accounting Supervisor, extension 4611. PSERS sent an ESCBlast email notifying you of the specific date.

Return to Service Requirements for Sabbatical Leaves

An active full-time professional member, or member of the supervisory, instructional, or administrative staff, may take a sabbatical leave, if approved by the school board, for professional development, restoration of health, or other purposes. A sabbatical leave may be granted for one full school term (180 days), one half school term (90 days) or two half school terms within a two-year period.

Beginning on or after July 1, 2014, a member must return to the employer that granted the sabbatical leave for a period equal to at least one school term immediately following the leave to retain the full sabbatical service credit. PSERS defines the school term as 180 days, regardless of the fiscal year or the number of days the member is contracted to work. Ten-month employees who do not ordinarily work over summer months are not expected to return until the start of the next school term.

According to the School Code the member must be allowed to return to the same position, in the same school(s), with the employer that granted the leave.

The member is entitled to retain the full sabbatical service credit without returning for one school term immediately following the leave if:

- He or she cannot return, or only returns for a portion of one school term, due to illness, disability, death.
- The employer did not keep the same position, in the same school(s) open.

As proof of non-return due to illness or disability, the employer may report a Special Sick Leave for the member or the member must be granted and receive a PSERS disability benefit immediately following the Sabbatical Leave. If the member's record does not show a Special Sick Leave or a disability benefit, PSERS will request a *Member Sabbatical Leave – Employer Verification* (PSRS-1320) form or other acceptable documentation as proof of an exception. The PSRS-1320 form is found on the PSERS website by clicking on Employers then Employers Forms.



Meet Your Rep – Jonathan Malnick

Jonathan Malnick is the regional representative for the southwest and centralwest regions. He grew up and currently lives in Tower City, Pennsylvania. Jonathan received a bachelor's degree in business administration from Lock Haven University and plans on working towards his master's degree.

Jonathan has worked for PSERS for 3 years and is thoroughly enjoying his new position working with the school districts. In his free time, he enjoys running, golfing, biking, traveling, and just about anything outdoors.

Who to Contact?

PSERS reviewed the results of the *Foundation for Your Future* Survey many of you completed earlier this past summer. In reviewing the responses, it came to our attention that 76 percent of you contact your ESC Regional Representative when one of your school employees comes to you with a benefit question. As much as your ESC Regional Representative wants to help you with all issues, they are not the best PSERS contact person for every occasion. The chart below will assist you to ensure you always get the appropriate subject matter expert for the particular issue:

Situation	Contact
Members have questions about the Class T-F Election	Instruct your employees to contact their Regional Office
Members have questions about the completion of a benefit application (e.g., refund, retirement, disability, etc.)	Instruct your employees to contact their Regional Office
Members have questions about purchase of service	Instruct your employees to contact their Regional Office
You have questions about how to report a Class T-F member	Contact your ESC Regional Representative
You have questions about the Member Demographic, Contract Record, Work Report, or Work Report Adjustment file	Contact your ESC Regional Representative
You have questions about how to complete a purchase of service form	Contact your ESC Regional Representative
You have questions about a posting on your <i>Statement of Account</i>	Contact your ESC Regional Representative
You have questions about the application of a payment	Contact Employer Accounting Staff

While only you and not the member should ever contact the Employer Service Center, it is at your discretion whether you encourage your employees to contact their Regional Office or if you contact the Regional Office on their behalf. PSERS wants to ensure you and your school employees are getting the best service possible.

Our Field Service Division is knowledgeable on the benefits of the members. Our Employer Accounting Section is knowledgeable on the application of payments to your employer account. The Employer Service Center (ESC) is the expert on the rules governing employer reporting. ESC wants to ensure their ability to answer your reporting questions. If your ESC representatives are busy answering school employee questions, it takes their time away from responding to your reporting concerns. Next is a quick reference chart for PSERS contact numbers:



Field Service Division 1.888.773.7748
Northwest Regional Office Ext. 5175
Northcentral Regional Office Ext. 5275
Northeast Regional Office Ext. 5375
Southwest Regional Office Ext. 5775
Centralwest Regional Office Ext. 5875
Southcentral Regional Office Ext. 6335
Centraleast Regional Office Ext. 5475
Southeast Regional Office Ext. 5575

Employer Service Center 1.866.353.1844
Region 1 - Carolina Baez Ext. 6320
Region 2 - Matt Hartman Ext. 6327
Region 3 - Rose Diehl Ext. 6323
Region 4 - Jonathan Malnick Ext. 6324
Region 5 – Ellen Harrington Ext. 6321

Employer Accounting Section 1.888.773.7748
Dominic Pugliese, Accountant 3 Ext. 4630
Curtis Bish, Accountant 2 Ext. 4611
Allison Biser, Accountant 1 Ext. 4906
Nick McMaster, Accountant 1 Ext. 4691