

EMPLOYER VISITS SCHEDULED THIS SUMMER



Don Drum

As shared in the May *News To Use* newsletter, PERSI Executive Director Don Drum plans to visit employers throughout the summer. He wants to be sure employer needs are being met, and that PERSI staff understands any issues troubling employers. Improving

communication with employees about retirement benefits has already surfaced as an area of discussion. Don will allow ample time to talk about the cost of living adjustment for retirees, the contribution rate increase and how it will be

phased in over time, and he will also provide an update on the fund's status.

As previously announced, the schedule for these meetings is still being developed. It won't be finalized until employers have been given adequate time to contact PERSI with dates that work. Once employers are identified by region, a schedule will be set. Employers will be contacted when the schedule is finalized.

If you would like Don to visit your office, please call Cheri Campbell at (208) 287-9237 or email her at cheri.campbell@persi.idaho.gov.

IMPORTANT TO ENCRYPT EMAIL TRANSMITTALS

Hundreds of employers submit transmittal information to PERSI by email each month. To protect the information being sent to PERSI, it is imperative for all employers who email their transmittals to take precautionary measures to prevent the data from being captured and misused by unintended recipients. This may protect your employees against identity theft. ***PETRA users don't need to worry about encryption because the data is automatically encrypted using that system.***

When transmittal data is encrypted using PGP (Pretty Good Privacy®) it allows employers to securely exchange files across a secure network using strong authentication. Only the intended recipient can read a PGP message. By encrypting your email transmittal, the data you send to PERSI is protected. If the data is somehow intercepted, it is unreadable to anyone other than PERSI. The authentication aspect of PGP identifies the origin of the information and provides assurances the data has not been altered. This valuable tool is a must for secure employer reporting.

The original PGP encryption software was free. While the basic package is still free, some needed features are not. Therefore, PERSI recommends Gpg4win software as the no cost alternative. It preserves current functionality, works with newer operating systems (Vista and Windows 7.0), and uses PGP encryption.

It is easy for employers to download the Gpg4win software from the PERSI Web site. There are also step-by-step instructions for uploading files to PERSI. Employers already using PGP don't need to change; but if an employer gets new hardware and needs encryption software, they can download the Gpg4win from the PERSI Web site (<http://www.persi.idaho.gov/employers/transmittals.cfm>). Employers needing assistance with downloading the software, can call the Employer Service Center toll-free at 1-866-887-9525 or 287-9525 in the Boise area.

Please help PERSI keep your employees' personal information confidential.

DELINQUENT CONTRIBUTIONS

Employers are required to submit employer and employee contributions to PERSI each pay period. Contributions are considered delinquent when the employer does not remit them by the deadline imposed under Idaho Code 59-1325. By statute, payments and reports must be received by PERSI within 5 business days after each pay date, along with any contributions or credits required to correct prior reporting period discrepancies. Any contributions unpaid after the 5th day are considered delinquent, and interest begins to accrue.

There are several reasons contributions become delinquent: payroll reporting errors, pay dates that have changed but have not been reported to PERSI, clerical errors, or misinterpretation of PERSI law (especially by newer payroll personnel). Regardless of the reason, it is the responsibility of employers to remedy the delinquency. When employers fail to take action, the Retirement Board has a duty to collect the past due amounts plus interest.

Employers may be called when their payments become delinquent, but most often the Employer Service Center (ESC) sends a statement or letter notifying the employer about the delinquency and associated interest that has accrued, if any.

As a related note, when an employer issues a payroll check outside a normal payroll cycle (usually because an employee has terminated employment), the wages and contributions should be reported to PERSI in the next regular pay cycle, not in a separate file. The 5-day deadline applies to the normal payroll cycle pay dates.

Timely submission of transmittal files and payments is a great help to PERSI in utilizing our resources effectively. If you have questions about delinquent contributions or other reporting issues, call ESC for assistance toll-free at 1-866-887-9525 or 287-9525 in the Boise area.

SCHOOL DISTRICTS: REPORTING SICK LEAVE ON TRANSMITTALS

Occasionally employers contact the Employer Service Center (ESC) about sick leave reporting. This article helps clarify what information to report to PERSI through the payroll process. *(This article does not address the employer sick leave contribution.)*

There are two fields on the transmittal file relating to sick leave. One field is for reporting the available balance of sick leave units and the other field is for the employee's rate of pay for those units. Both fields should be filled in with current and accurate data. This information may be reported in either hourly or daily measures. Whichever measure is selected, it must be used for both fields. Simply put, if you track your employees' sick leave on an hourly basis, then use hourly data for both fields; if you track it on a daily basis, then utilize a daily amount in both fields. For example:

- If an employee is paid \$12.00 per hour and has accrued 24 hours of sick leave, you would report 24 Sick Leave Units and \$12.00 for the Sick Leave Rate.
- If an employee is paid \$84.00 per day and has accrued 3 days of sick leave, you would report 3 Sick Leave Units and \$84.00 for the Sick Leave Rate.

[Available units can be determined by tallying the full sick leave amount specified in each employee's annual contract, then subtracting the sick leave that's been used. It would be highly unlikely for an employee to accumulate sick leave year after year without any sick days being deducted; but that's what some school districts have been doing. Not only is this incorrect, but it can also create problems later on.]

When PERSI receives an RS109 *Notice of Separation* form for an employee who is retiring, the sick leave information on the form is compared to information from the employer's transmittal file. If the amounts don't match, the employer is asked to research the discrepancy. This can be time-consuming, and may cause the employee's retirement to be delayed. Inaccurate data can also impact PERSI's operations. Transmittal data is used to prepare the annual actuarial valuation, which PERSI relies on when making business decisions.

Reliable data reporting is critical to both PERSI and to your employees, so please take time to accurately complete your transmittals. If you have questions about sick leave reporting, call ESC for assistance toll-free at 1-866-887-9525 or 287-9525 in the Boise area. Thanks!