



# NEWS TO USE

A newsletter for PERSI employers

July 2011

- HB202 Sunset Clause
- Current Contact Info
- Reporting Responsibilities

## REEMPLOYED RETIRED TEACHERS AND ADMINISTRATORS

### - HB202 sunset clause reminder -



HB202 was passed by the Idaho Legislature 5 years ago. This added section H to Idaho Code 33-1004 and amended 59-1356. The law, which went into effect on July

1, 2007, addressed the reemployment of retired teachers and administrators. PERSI wants to remind schools about the 5-year sunset clause associated with these changes. This means, come July 1, 2012 all provisions of 59-1356 (4) and 33-1004 (H) of Idaho Code will no longer exist. This

could impact retirees who returned to work under these provisions.

School districts that hired retired teachers or administrators under Idaho Code 33-1004H need to be aware that beginning July 1, 2012, these individuals will no longer be able to collect a monthly PERSI retirement benefit along with a salary **AND** will have to begin paying contributions to PERSI.

Questions about HB202 should be directed to the PERSI Answer Center at 334-3365 in the Treasure Valley area or toll-free at 1-800-451-8228 from other parts of the state.

## KEEPING CONTACT INFORMATION CURRENT



### Employer Email Addresses

PERSI is in the midst of a project to update contact names and email addresses in its system. Anytime an employer has a change in payroll or human resources (HR) personnel, that information should be conveyed to PERSI. Each month, PERSI emails payroll and HR staff the *News To Use* newsletter. Occasionally, there are additional mailings. On average, 24-30 emails are returned as undeliverable. This means 1) an employer doesn't receive necessary information from PERSI; 2) the employer cannot share vital information with employees; and 3) each affected employer has to be called to determine the reason for the bounce back. This process is time consuming for everyone. Employers can contact the Employer Service Center (1-866-887-9525 or 287-9525) at any time with changes.

In addition to the payroll and HR contacts, PERSI maintains a list of legal and executive level contacts. Emails are often sent to these contacts regarding legislative changes or to arrange meetings with PERSI's executive director, so it's equally important to keep these contacts updated.

### Employee Mailings

Employers are reminded to update mailing information for their employees whenever there's a change. The only way for PERSI to keep its records current is via employer transmittals. Let your employees know the importance of updating their personnel records so the information can be shared with PERSI; otherwise, they could miss their newsletters, annual statements, or other mailings.



Please let PERSI know about any personnel, email, or mailing address changes. Your help is very appreciated.

# TWO IMPORTANT EMPLOYER REPORTING RESPONSIBILITIES

## - determine eligibility and pay contributions -

Two key responsibilities of PERSI employers are determining eligibility and submitting contributions each pay period.

### Determining Eligibility

Correctly determining the eligibility of new employees and reporting changes are important employer responsibilities.

- When a new employee is hired, it is up to payroll or human resources personnel to determine whether the individual meets the definition of employee for PERSI membership purposes. Generally, any employee who is expected to be employed for at least 5 months and who works 20 hours per week or more is eligible and must make contributions to PERSI.
- The hours and duration of employment for existing employees should be carefully monitored so changes and errors in eligibility are quickly identified and corrected.

Along with eligibility, employers must correctly determine if employees are anything other than a Class I employee, which is the most common classification. (Review the Employer Manual on the PERSI website for more about classes.)

### Enrolling New Employees

If an employee is determined to be eligible for PERSI, the employer needs to:

- 1) Provide a *Beneficiary Designation RS115* form to the new employee; and
- 2) Add the new employee to the transmittal report

### Deducting, Reporting, and Paying Contributions

Employee contributions are calculated when the employer processes payroll and deductions are made from each employee's pay at that time. PERSI is sent a transmittal report of eligible employees' hours, pay, and contributions. Employers who participate in the unused sick leave fund are also required to report unused sick leave units for their

employees. Employer contributions are calculated and paid at this same time.

Idaho Code 59-1325 (1) requires employers to report and remit contributions within 5 days of each pay period, along with any contributions or credits to correct previous errors or omissions. *Interest charges apply to late contributions.*

**(Note:** Contributions are a percent of pay. Currently, employees contribute 6.23 percent and employers contribute 10.39 percent for general members (Class I). The rate increase set for July 1, 2011 was postponed for one year, which means rates are currently set to increase on July 1, 2012.)

### Report Changes

Whenever an employee terminates employment, takes a leave of absence without pay, or reduces their work schedule to less than 20 hours per week, employers should report the change to PERSI on the next transmittal. If an employee is retiring, or to report the death of an employee, the employer should complete and submit a *Notice of Change in Employment Status RS109* form to PERSI.

The transmittal is also the means for reporting name and address changes to PERSI. And if an employee who was previously ineligible for PERSI membership becomes eligible, the employer should provide a *Beneficiary Designation RS115* form to that employee.

### Choice Plan

Statute 59-1308(5) requires employers to also report and pay Choice Plan contributions by the fifth working day following the end of a pay period. Unpaid contributions, if any, would be considered delinquent after the fifth day, and interest will start to accrue.

Questions about eligibility or contributions should be directed to the Employer Service Center toll-free at 1-866-887-9525 or 287-9525 from the Treasure Valley area.