



NEWS TO USE

A newsletter for PERSI employers

April 2012

- Legislative Update
- IRIS Project: Changes in Transmittal Reporting



LEGISLATIVE UPDATES RELATING TO PERSI

Here is a brief summary of the retirement-related bills addressed during the 2012 legislative session.

HB579 -- Return to Work: Five years ago, the Idaho Legislature passed HB202, which addressed the reemployment of retired teachers and administrators. The law went into effect on July 1, 2007 and included a 5-year sunset clause, which meant all provisions of 59-1356 (4) and 33-1004 (H) of Idaho Code would no longer exist after July 1, 2012.

HB579 repealed Section 3, Chapter 131 of the 2007 law relating to employment of certain retirees and amended Section 59-1356 of Idaho Code to remove the original bill's sunset provision.

This law stipulates retired teachers and administrators can be rehired as "at will" employees without jeopardizing their PERSI benefits. Teachers and administrators who qualify are those who:

- 1) Have reached Rule of 90
- 2) Are not participating in the early retirement incentive program
- 3) Retired on or after age 62 with a benefit that is not reduced

HB598 -- Disability & Board or Commission Service: Provides that retired disabled members will not jeopardize their disability status if they serve on a state board or commission that is statutorily required to meet once a month or less and will not be an employee as defined in PERSI law by virtue of such service.

HB418 -- Salary Definition: Amended Idaho Code 59-1302 as follows: Salary does not include "employer payments to employees for or related to travel, mileage, meals, lodging or subsistence

expenses, without regard to the taxability of such payments for federal income tax purposes and without regard to the form of payment, including payment made as reimbursement of an itemized expense voucher and payment made of an unvouchered expense allowance." *Employers who were including reimbursements in salary will need to make reporting adjustments by July 1, 2012.*

By passing this bill, Idaho lawmakers closed a door that previously allowed taxable expense reimbursements and allowances be added to the salary of PERSI members. Since salary is used to calculate retirement benefits, before this measure members having such amounts included in their salary would receive a higher benefit if the increase occurred during the high consecutive 42 months of service used for a benefit calculation.

HB607 -- Employee Definition: "Employee" in Idaho Code 59-1302 for PERSI purposes does not include: "A person occupying a position that does not exceed eight (8) consecutive months in a calendar year with a city, county irrigation district, cemetery district or mosquito abatement district when the city, county irrigation district, cemetery district or mosquito abatement district has certified, in writing to the system, the position is (i) seasonal or casual; and (ii) affected by weather including parks, golf course positions and irrigation positions."

SB1308 -- Sick Leave: Amended Section 33-1217 of Idaho Code to allow teachers to retain sick leave if they become employed by another district or another state educational agency within 3 years after being terminated because of a workforce reduction.

HB556 -- Sick Leave: Amended Chapter 53, Title 67, Idaho Code by adding new sections:

Section 67-5333A allows community college employees to transfer up to 90 days of sick leave accrued at a community college to the state system if they become an eligible employee of an Idaho educational agency immediately following termination from the community college.

Section 67-5333B allows those state employees who became community college employees with the transfer of Seland College to the College of Western

Idaho, and who then return to state service within 3 years of that transfer, to reinstate the unused sick leave they had accrued at the time of the transfer. The intent is to facilitate the transfer of qualified employees from the community college system to positions with state agencies.

For more details on 2012 legislation, visit the legislative website at <http://www.legislature.idaho.gov/legislation/2012/topicind.htm>

CHANGES TO TRANSMITTAL REPORTING COMING -new pension administration system implementation underway-

PERSI has taken the initial steps towards implementing a new pension administration system. The new Idaho Retirement Information System (IRIS) will help PERSI meet current and future business needs and address the many challenges associated with a rapidly increasing public retiree population. Better data quality, improved reliability and greater efficiency are among the benefits of the new system. The first phase of this multi-phased project focuses on employer payroll reporting. A series of communiqués to employers will explain changes and outline what to expect over the coming months as PERSI transitions from the old system to the new one.

If you have not yet met with your organization's top management about this change, you are urged to do so sooner rather than later.

Overview of Electronic Reporting

To reduce the impact on employers using electronic reporting, PERSI has kept the file layout nearly the same as it appears today. However, a few new fields have been added relating to full payroll reporting. Full reporting is a change for employers and an improvement that allows each employee to be assessed for PERSI eligibility. Too often eligibility issues don't surface until an employee retires, which can leave both employee and employer paying thousands of dollars in back contributions. Being able to detect potential problems early should reduce or eliminate this type of situation.

In the next few weeks PERSI will be soliciting feedback from employers. Besides meeting with employers who use different vendors and reporting software, all employers will be asked to complete a short questionnaire and to provide specific reporting information. The goal

is to make this process as inclusive as possible. PERSI will communicate with and hold training sessions for employers before the **June 30, 2013** target date for full implementation of the new system's reporting component.

PERSI is sensitive to the impact this project will have on employers. After the questionnaires are returned, PERSI will assess the

responses to get a feel for the overall effect meeting the IRIS reporting requirements will have on employers. Transmittal reporting is being targeted in the first phase of the project because transmittals are the basis for all other processes and services provided by PERSI. Throughout the project, employers will be given assistance and information to stay ahead of and plan for the change.

Overview of PETRA Reporting

Employers who use PETRA for transmittal reporting will also see some changes, but overall will be less affected. The web-based reporting tool will have a new look and feel that includes new data elements that will be appreciated by users. PERSI anticipates rolling out the new PETRA tool as early as **January 30, 2013**.

Ongoing Communication

Between now and full implementation of the new transmittal reporting component, PERSI will keep the lines of communication open through mailed communiqués, emails, website posts, and the *News To Use* newsletter. Call Employer Service Center Manager Debbie Buck at 208-287-9255 if you have questions or would like to meet with a PERSI representative before the training sessions take place.