



# NEWS TO USE

*A newsletter for PERSI employers*

September 2012

- Annual Statements
- Pay for Performance
- Online Brochures
- IRIS Update



## ANNUAL STATEMENTS TO GO OUT IN MID-SEPTEMBER

In mid-September each year, PERSI sends active and inactive members a Base Plan statement that reflects account data as of the end of PERSI's most recent fiscal year (June 30, 2012). This unaudited information provides valuable information about the member's retirement, death, separation, and disability benefits. PERSI urges members to carefully review the credited service and beneficiary sections of the statement. Any discrepancies should be reported to PERSI's Member Service Center at 1-800-451-8228 or 208-334-3365 from the Treasure Valley area.

Besides mailing a statement to members, PERSI also makes them available online. Members can access their personal statement using the mypersi

button ( [myPERSI Login](#) ) on the homepage of the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov). They should log on using their email address and password. If they haven't registered to access their Base Plan account, they can do so by following the registration instructions. Members should not call PERSI if they cannot remember their password or if they want to change their email address. Only members can make such changes; PERSI does not know member passwords and cannot change email addresses. Easy to follow instructions for making changes are available online.

*The Base Plan annual statement should not be confused with Choice 401(k) Plan year-end statements.*

## ATTENTION SCHOOLS: PAY FOR PERFORMANCE UPDATE

In the August *News To Use* newsletter, PERSI explained how schools should report pay for performance (PFP) payments to PERSI. That information was correct; however, inadvertently misinformation was provided about the distribution dates of PFP funds. When the State Department of Education (SDE) brought the oversight to PERSI's attention, a clarification was emailed to school district payroll and human resources contacts. To avoid any further confusion, the information is being provided again.

SDE provided the following timeline:

- 2012-2013 local PFP plans due to SDE by September 1<sup>st</sup>
- SDE will provide preliminary data from November 15<sup>th</sup> PFP distributions (based on 2011-2012 performance) by September 1<sup>st</sup>

- Due date for getting corrections to preliminary data to SDE is October 1<sup>st</sup>
- SDE will make final state distribution data available in late October and will distribute funds by November 15<sup>th</sup>



A letter is being mailed to school superintendents and principals to help ensure the reporting instructions are fully understood at the highest levels. With a permanent PFP program in place, it was necessary for PERSI to develop a permanent solution for accurate reporting.

**PERSI's preferred reporting method will be a supplemental payroll using a date matching the contract end date (e.g., August 31<sup>st</sup>). All employees**

regardless of their status (active, inactive or retired) should be reported to PERSI in a supplemental payroll using a date that matches the contract end date. If the specifications (attached as an addendum to this newsletter) are not followed, PERSI cannot guarantee PFP payments will be used to calculate the average monthly salary for your employees at retirement or to recalculate a retirement benefit for your employees who have already retired.

PERSI's intent is simple: Make the reporting process easy for employers and ensure PFP payments are accurately reported so at retirement your employees receive everything they have earned.

The SDE website offers additional information about the PFP program, including useful forms and templates. <http://www.studentscomefirst.org/performance.htm>

Schools with questions about the PFP program should contact the State Department of Education at 208-332-6800.

PERSI apologizes for any confusion caused by the August newsletter.

Anyone with reporting questions should contact PERSI's Employer Service Center at 1-866-887-9525 or 287-9525 from the Boise area.

## HELPFUL MATERIALS AVAILABLE ON PERSI WEBSITE

PERSI wants to remind employers about the many materials available on the PERSI website (<http://www.persi.idaho.gov/brochures>). These materials are designed to assist you in answering employee questions and to help members understand their retirement benefits.

The newer items include "Giving You The Credit" (explains how members earn service credit), "Purchasing Base Plan Service" (explains the pros, cons, and cost of buying service credits), and "Withdrawing Your PERSI Funds" (an alternative to the Separations brochure).

The updated flyers include "Benefits at a Glance," "Buy Backs," "Required Minimum Distribution," "Taxability of IRA Contributions," and "Working After Retirement." All materials are available in PDF format for easy downloading and printing from the website.



The IRIS project continues moving forward. Design elements are still underway, with PERSI tackling challenging tasks associated with

eligibility coding. The next major hurdle will be *User Acceptance Testing* (UAT), which staff from the Employer Service Center will perform at PERSI's onsite training area.

The full reporting educational workshops will conclude on September 6<sup>th</sup> in Boise. More than half of all employers were represented at

these informative meetings. PERSI hopes you were among those who attended...you will be so much better informed and have a greater understanding of changes when the time comes to transition from the old system to the new one.

Thank you to everyone who made time to attend.



## **PERSI Employer Transmittal Reporting Manual Pay for Performance**

### **GENERAL INSTRUCTIONS**

#### **Summary**

This publication provides employers with instructions on how to report transmittal information for the pay for performance program.

#### **Objective: To comply with and accommodate legislation**

#### **Introduction**

The pay for performance initiative provides some challenges on how to report the payroll data in your transmittals. The program is similar to a one time bonus, but the compensation may be paid to active, inactive, separated, or retired members. In order to include the pay for performance bonus in a member's Average Monthly Salary (AMS), a supplemental payroll is needed to distinguish the bonus from other earnings, and to post the earnings into a member's active employment period.

Please refer to the PERSI Employer Transmittal Reporting Manual - Preparing and Reporting Payroll Data for more information on definitions, field names, and file layouts.

#### **Method of Reporting Pay for Performance using Galena Format**

##### **Supplemental Payroll**

Sometimes referred to as "Adjustment", "Non-periodic", or "Bonus" payroll – any additional payroll that does not fall into the recurring payroll frequency codes. The `cycle_start_date` may be any day of the month, but for the pay for performance supplemental payroll use the last school year's teacher contract end date. The `cycle_end_date` must be the same as the start date. The `cycle_end_date` in the header record should match the detail records' `cycle_end_date`.

Example: Start date is 7/15/2012. End date must be 7/15/2012.

The format of a supplemental payroll is the same as your regular payroll except for the `schedule_name` and the `cycle_start_date` and `cycle_end_date` described above. A supplemental payroll needs to be setup by your PERSI financial technician prior to submitting your report. The fiscal technician will provide the `schedule_name` (Pay for Performance YYYY) and ask you for the actual paycheck date.



## **PERSI Employer Transmittal Reporting Manual Pay for Performance**

### **Method of Reporting Pay for Performance using IRIS Format**

A supplemental schedule will also be required for IRIS reporters. A pay for performance supplemental schedule will need to be setup on IRIS with a schedule name similar to 'Pay for Performance YYYY'. The supplemental schedule will also require the entry of the paycheck date. PERSI would expect detail records in the supplemental payroll cycle to have the following characteristics:

Cycle\_Start\_date = payroll use the last school year's teacher contract end date

Cycle\_End\_date = payroll use the last school year's teacher contract end date

Reported\_class = '3'

Contrib\_source\_code = 'T' - transmittal

Contrib\_type\_code = 'M' - mandatory

Hire\_date = blank

Eligibility\_status = 'ELIG' - eligible

Status\_reason\_code = blank

Status\_reason\_date = blank

Employment\_type = employee's current/last employment type

Pay\_type = 'O' - other

Pay\_rate = zero

Contrib\_required = 'Y' - Yes

Earning\_type = 'B' - Bonus

Earning\_explanation = 'Pay for Performance'

Even though IRIS has the capability to distinguish earnings as bonuses, only a supplemental schedule allows the earnings to be posted to a single date.

### **Either reporting method**

Pay for performance bonuses should not be included on a regular payroll cycle report, as this method does not guarantee that they will be included in a member's AMS calculation.

Defined Contribution Plan (401K) contributions can be included in the supplemental payroll, but only for the PERSI members that are active on the supplemental schedule's paycheck date. The contributions are subject to annual 401(k) plan contribution limits.