



NEWS TO USE

A newsletter for PERSI employers

June 2013

- Rate Increase
- Forms 132 & 132A
- IRIS Update



The contribution rate changes starting with payrolls that begin on or after July 1, 2013

HIRING A RETIREE? BE SURE TO DO THE PAPERWORK

Two forms are important for employers to complete when hiring a PERSI retiree: Forms 132 and 132A. Both forms are available on the PERSI website at www.persi.idaho.gov/employers/forms.cfm.

Form 132 - General Employers

When hiring a retiree who is collecting PERSI retirement benefits, employers should submit Form 132 to PERSI. The *Certification of Employment of a Retired Member* form helps PERSI know if the newly hired retiree is required to make contributions. Employers must certify the retiree's status and submit the signed form to PERSI **before** work begins. Using the "look up" tool on the employer portal, employers can enter a social security number to see if a potential new hire is a PERSI retiree.

About Hiring a Retiree

- A member who retires before service retirement age must have a 90-day break in service between retirement and reemployment with the same employer, regardless of the number of hours worked. (Service retirement age is age 65 for general members, age 60 for police officers/firefighters, and between ages 60 and 65 for members with mixed general member and police officer/firefighter service.) If an employer makes a promise of reemployment when an employee retires, there is no break in service. Members who retired at service retirement age **are not** required to have a 90-day break in service
- All State of Idaho agencies are considered as one employer.
- Employers are responsible for reporting the employment of a retired member to PERSI when contributions are required. Employers failing to do

so are responsible for delinquent contributions and for repaying retirement benefit payments that should have been suspended but were not.

Employment Conditions - Form Check Boxes



Box One - Contributions Required

If the retiree will be working 20 hours or more per week, the period of employment is expected to be five consecutive months or more, and the retiree receives salary for services rendered, check the first box on the form. This includes any schoolteacher who works half time or more and receives salary for services rendered. The retiree's benefit payments cease upon reemployment, as provided in Idaho Code §59-1356(1).

The employer must withhold employee contributions from the retiree's salary starting on the date of reemployment and transmit the funds to PERSI along with the required employer contributions each pay period.

If the period of reemployment terminates in less than five months, PERSI will return employee contributions to the retiree and credit the employer. The retiree's benefit payments will resume and an adjustment will be made retroactively to cover the period of ineligible employment.



Box Two - Contributions Not Required

If the retiree will be working less than 20 hours per week or the period of employment will be less than five consecutive months, check the second box on the form. Employer and employee

contributions **will not** be required. The retiree's benefit payments will continue.

If employment exceeds 20 hours per week and five consecutive months, the retiree will be considered an employee for PERSI purposes, and the conditions for employment of a retiree who is an employee will apply as describe for box one.

Form 132A - Schools

When hiring a retired schoolteacher or administrator, the school district must submit Form 132A to PERSI. The *Certification of Employment of a Retired Schoolteacher or Administrator* form certifies the retiree meets the requirements for reemployment under the return-to-work option. The retiree is required to choose between suspending their benefits, paying contributions and accruing new service credit or continuing their benefits and not making contributions or accruing service credit.

About Hiring a Retired Teacher or Administrator

- Idaho Code § 33-1004H permits school districts to employ certain certificated schoolteachers and administrators who are receiving PERSI benefits.
- Idaho Code § 59-1356(4) permits reemployed teachers and administrators to elect to continue receiving retirement benefits and not accrue additional PERSI service.
- Retired members who elect to return to work under these reemployment provisions will not make contributions to PERSI and will not accrue additional service credit. During the period of reemployment, voluntary salary deferrals into the PERSI Choice 401(k) Plan are not allowed and any

additional sick leave accrued may not be converted to unused sick leave under Idaho Code § 33-1228.

- Employer contributions by school districts are required for retirees who are reemployed under Idaho Code § 59-1356(4).

Employment Conditions

- Applies to school districts or charter schools providing instruction to students in any combination of grades K-12.
- A reemployed retiree must be employed by a school district in a position requiring certification as a teacher or administrator. PERSI reserves the right to verify that certification is required.
- If a schoolteacher or administrator received an early retirement incentive award under Idaho Code § 33-1004G, they are not eligible for reemployment under this program.
- A reemployed retiree must have been employed as a schoolteacher or administrator when they retired under PERSI and must have been age 62 or older at the time of retirement.
- A reemployed retiree must have retired with an unreduced benefit because they had either reached service retirement age or met the Rule of 90 at the time of retirement.

Employers should review the instructions carefully before completing the form or having the new-hired retiree sign off.

Contact the Employer Service Center at 1-866-887-9525 or 287-9525 from Boise if you have questions about the forms or about hiring a PERSI retiree.



The final data migration was successfully completed. This allowed the first group of 40 employers to begin transitioning to the new system over the May 6th weekend.

Registration has started for a June training workshop scheduled for the Twin Falls area. The next transition, currently targeted to occur around July 1st, will affect about 71 employers.

PERSI will contact the next group of employers to train and transition, so there's no need for employers to call PERSI.

Planning and scheduling is already underway for Phase V of the project. Scheduled to kick-off by mid-July, this phase focuses on tasks performed by the PERSI staff.

As the employer transition (Phase IV) continues, PERSI will be incorporating internal processes and procedures into the new system (Phase V) in preparation for the member services phase (Phase VI).