Employer Reporting Updates & Reminders

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New ERV Process

- What is an ERV?
 - Employer Retirement Verification
 - The form completed by employers and used by TRS to verify the compensation, service credit, and unused sick leave for retiring members
 - Currently, employers complete a paper form
 - New process changes to an electronic submission through the Employer Portal

Old Process

- Member applies for retirement
- TRS gives paper ERV to member
- Member takes paper ERV to employer
- Employer completes paper ERV and gives back to member or sends directly to TRS

New Process

- Member applies for retirement
- TRS sends electronic ERV through the Employer Portal
- Employer enters requested information and clicks "Save"

Why TRS needs ERVs

- Calculation of retirement benefits
 - Members must have a Member Service Record (MSR) for every employment year with contributions
- Retirement Formula
 - Final Average Salary X 2% X Years of Service
- Examples of Member Service Records

Year	Salary	Service Credit		Year	Salary	Service Credit	Year	Salary	5
2017	\$41,578.71	1.00	İ	2018	\$16,317.57	0.50	2017	\$67,602.29	
2016	\$40,722.14	1.00		2017	\$37,175.57	1.00	2016	\$67,721.57	
2015	\$41,336.57	1.00	İ	2016	\$40,950.14	1.00	2015	\$68,311.71	Г
2014	\$38,748.57	1.00		2005	\$34,997.14	1.00	2014	\$74,585.00	
2013	\$38,906.71	1.00	i	2004	\$36,004.29	1.00	2013	\$78,467.14	Г
2012	\$37,641.14	1.00		2003	\$19,848.86	0.90	2012	\$66,320.00	
2011	\$36,990.57	1.00		2002	\$28,951.71	1.00	2011	\$62,650.86	

- Every year, MSRs are created when the employer submits the Employment Year End Report
- The problem: In most cases, retirement estimates must be created before all required Employment Year End reports have been submitted
 - Example: A member who requests an estimate in October 2018 for a June 2019 retirement will not have an MSR for 2019 and possibly not for 2018
- Completion of ERVs provides missing MSRs to be used in calculating retirement benefits

- Compensation vs. Salary
 - Compensation refers to the yearly total amount on which contributions are paid
 - Base salary plus employer paid fringes
 - Salary is the term used by TRS once all contributions have been paid
- Inactive members do not have ERV requirements but employers might be asked to verify sick leave on a separate paper form
 - Sick leave forms are due 60 days before the member's retirement date

ERV Process Overview

- Member applies for retirement
- ERVI
 - Available in the Employer Portal when the member's retirement contract is printed
 - Employer completes the ERVI with <u>expected</u> compensation, service credit, and sick leave
 - ERVI is submitted to TRS via the Portal

ERV2

- Available for completion around the time of retirement
- Submitted to TRS via the Portal reporting <u>final</u> compensation, service credit, and sick leave

TRS User Accounts

- ERV contacts must have and use their own personal Employer Portal user account to complete electronic ERVs
- NEVER use another person's account!
- NEVER let someone else use your account!
- If the ERV contact already has a user account, that account can be used
 - Separate accounts for submission of reports and submission of ERVs is not necessary
- To register for an account, go to <u>https://mas.trs.ok.gov/Account/Logon</u>

- Due dates
 - ERVI due 60 days before retirement
 - ERV2 due by the I5th of the month of retirement
 - Don't miss the deadline: Per 70 O.S. § 17-105(1)(a)(1)(2), if the deadline is missed, the retirement will be delayed or cancelled and the employer may be required to rehire the member for up to 2 months
 - There are no exceptions including personnel issues
 - Consider having more than one person who can complete ERVs

- There are no exceptions granted for missing due dates including personnel issues
- Consider having more than one person who can complete ERVs

Professional Employment Services

- The rules and statutes do not change when an employment service is used – appropriate contributions must still be paid
- Several variables
 - Is it temporary employment?
 - o Is it secondary employment?
 - Is it extra duty?
 - What is the membership status of the person: Nonmember, active member, inactive member, retiree?
 - o It can be very confusing!

Professional Employment Services

- Type of Work
 - Temporary employment: includes substitute, irregular, seasonal, adjunct employment
 - Secondary employment (extra duty): work performed in addition to the normal or contracted duties.
 - Examples: a teacher who drives a bus after school; a teacher who teaches a GED class in the evening at a different school; a teacher at a four-day-a-week school who subs on Fridays; an adjunct professor who also works in an eligible position with contributions being paid

Membership status

- Non-TRS member: a person who has no funds held in a TRS member account. This includes former members who have withdrawn their funds.
 - A former member who withdrew their funds rather than take a monthly retirement benefit when they "retired" (stopped working) is a non-member.
- Inactive TRS member: a TRS member who has funds held in a TRS member account from previous employment but for whom no contributions are currently being remitted on eligible employment
- Active TRS member: TRS contributions are currently being remitted on eligible employment with a TRS participating employer

- Retired TRS member: a TRS member who receives a monthly retirement benefit (even if that benefit has been temporarily stopped because the member exceeded their earnings limit)
- Retired TRS member who has returned to active employment: a TRS retiree who has suspended their monthly retirement benefit and has returned to active contributing employment and is treated the same as an active TRS member in regard to contributions
- Contributions should be paid if . . .
 - The employee is a retiree
 - The employee currently has active contributions paid on other eligible employment

Compensation Information

- Officiating Change
 - TRS will waive contributions if a copy of a TRS approved contract is submitted to TRS for each member
 - One contract per season, not for each event
 - Applicable to both active and retired members
 - You must send money or a contract
- Reminder regarding ineligible compensation
 - Unused leave of any kind: sick leave, vacation, personal days, professional days, etc.
 - Bonuses not given across the board to every employee
 - Signing bonuses
 - Retirement incentives or contract buy-outs
 - See Employer Manual for complete list

Retiree Post Retirement Issues

- Post retirement contributions are to be paid by the employer, not the retiree
 - The statutory fee cannot be taken out of the retiree's pay
- Employer-paid benefits for retirees
 - Post retirement contributions must be paid on all benefits paid by the employer such as medical or dental premiums or payments to a tax-deferred retirement plan
 - Employer paid benefits count toward the retiree's earnings limit
 - No contributions will be paid on state-paid insurance for common ed

Earnings limits can be complicated

- Retirees under age 62 and retired fewer than 36 months may earn up to one half of their final average salary or the earnings limit allowed by the social security administration, whichever is less
- Social security limits change every calendar year
- Retirees age 62 and older and retired fewer than 36 months may earn up to one half of their final average salary or \$30,000, whichever is less.
- Contact Sherrie Kinney for earnings limits
 - Sherrie.kinney@trs.ok.gov or 405-522-6295
- Employer Reporting is happy to help with all issues regarding submission of post retirement contributions. However, we cannot help with limits.

Miscellaneous Information

- TRS does not accept electronic signatures
- State credit and multiple employers
 - If a part-time teacher is hired and that teacher already has full-time employment with a different employer, do not report state credit for the part-time employment
 - If a member works part-time for 2 or more different employers, those employers should coordinate state credit to ensure they do not exceed the limit
 - Don't ignore warnings they can turn into errors
 - The yearly limit is per member regardless of the number of employers reporting state credit