

PPA MAY 28, 2015

DRS

Eleanor Conway

PERS 1 Extra Contributions

PERS Plan 1 members may make extra contributions to their PERS 1 account. This can be done through payroll deduction or by personal check.

What does this mean for payroll?

Your employees may request to have the extra contributions withheld from their pay check.

HRMS will allow you to withhold .01% to 4% from each payroll.

Your employees may begin this process by sending you an email stating how much they would like withheld (the percentage) and when they would like it to begin. DRS will be sending an email out to employers with a form that may be completed by employees to begin this process. Either the email or form is an acceptable avenue of communication.

What does this mean for employees?

These contributions are not tax deferred.

The contributions can be stopped or started at any time.

The extra contributions may not exceed an additional 4% of your annual salary.

The contributions may be used to increase your monthly benefit or withdrawn at the time of retirement.

Current interest rate is 5.5% compounded quarterly. This is subject to change by DRS.

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Status Code T for reporting annual leave cash out for PERS Plan 1 employees

DRS will no longer require those employers using HRMS to make adjustments to PERS Plan 1 annual leave cash out.

Background:

When paying PERS 1 annual leave cash out at the time of retirement, HRMS reports it to DRS with a status code 'A'. DRS requires this to be reported with a status code 'T'. This identifies to DRS that this is a cash out and not regular salary. The responsibility for correcting this information has gone back and forth between DRS and the employer.

Resolution:

DRS will be making these adjustments. As long as the information has been reported to DRS with the 'A' code, DRS will make the correcting entries to report it with the 'T' code.

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'Payday hold' for transmittal processing

DRS will process the retirement transmittal on the evening that it's submitted to DRS.

Background:

The retirement transmittals are sent to DRS anytime from 1 – 3 days prior to payday. Currently DRS will put the transmittals on 'hold' and not allow any processing until the 'hold' is lifted on the evening prior to payday.

We are not sure of the exact implementation date, but DRS will process the transmittals the evening we receive them.

What does this mean for employers?

You will receive your edit messages the following day.

You will no longer be locked out of E-services (WBET) for 1 – 3 days while the transmittal is on hold.