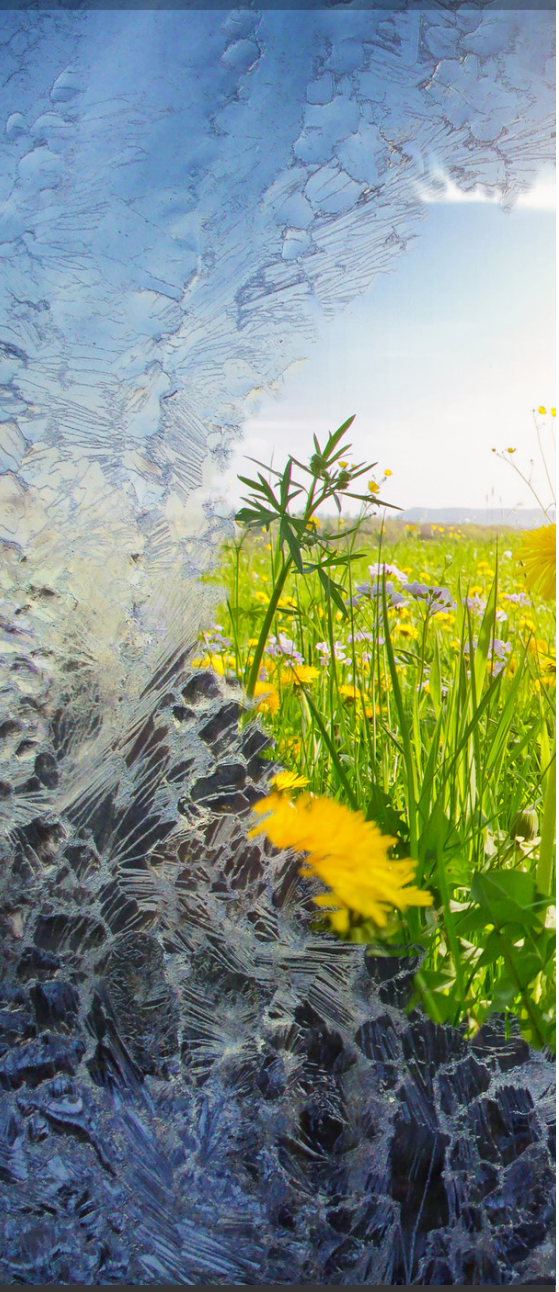
www.mnpera.org
Employer Newsletter of the Public Employees Retirement Association of Minnesota

PERA PHRASE

Over 3,500 Employers
166,000 Active Members

MARCH 2017 — Q1



New look and format — Same commitment to serve

Welcome to our first PERAphrase of 2017! This new look incorporates our retirement plan colors for both employer and member publications, and is the first of many changes you'll see in the months to come. We have been hard at work behind the scenes to update our public appearance, communications, and publications.

Our most familiar image will not change – PERA will continue to use the existing logo and maroon color that have represented our agency for years. The "M" logo, introduced to our membership in the 1980s, represents the three types of benefits available to PERA members—retirement, survivor, and disability.

Visit our website this spring to see more updates. We are finalizing a redesign of our employer manual for ease of use and consistency, and updating our fact sheets. We hope that you will enjoy the changes to both style and content as we aim to provide services of value.

PERA releases Annual Report

Following review by the Office of the Legislative Auditor, PERA has now released its Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2016. The fiscal year ended June 30, 2016.

FY16 CAFR is now available!

The CAFR provides an extensive review of PERA's current financial status, as well as information about structure, investments and demographics.

Administer and promote sustainable retirement plans and provide services that our members value.

ISSUE HIGHLIGHTS:

We want YOU... to complete your Exclusion Report
Page 2

Enrollment of elected official not complete without their signature
Page 3

Governor Dayton appoints two to PERA Board of Trustees
Page 4

Register now! Employer education through Live Webinars
Page 5

The ERIS Corner

PERA's Employer Reporting and Information System (ERIS) allows you to complete many reporting and pension administration tasks online.

Troubleshooting 101:
Having issues accessing ERIS? Try these helpful tips.

1. Do you access ERIS through a "favorites" or bookmark? If so, try opening the site by going to www.mnpera.org → click on **Online Access: GO** (in the upper left-hand corner) → scroll down to ERIS and go through there

2. Try a different web browser – Google Chrome and Mozilla Firefox tend to work better for the site compared to Internet Explorer

3. Clear your cookies and cache browsing history

4. Has your agency installed any new hardware, devices or programs recently? This can cause an error connection where you would least expect it.

If you are still unable to reach ERIS after following these steps, email PERA at employer.reps@mnpera.org or call our Employer Response line, and select option 4.

We want YOU ...to complete your Exclusion Report

From townships to charter schools, many employers believe that exclusion reporting doesn't apply to them if they have no employees enrolled in PERA. In fact, state law requires **all local units of government – even those that do not have any active PERA members** – to submit an annual report to PERA listing which of their employees and non-governing elected officials are not participating in a PERA plan. PERA then reviews the list to determine if reporting omissions have been made.

For school districts, the exclusion report covers employment from July 1 through June 30 and is due by Aug. 31. All other employers submit reports based on the calendar year of Jan. 1 through Dec. 31, with reports due by Feb. 28 of the following year. As of this early March writing, there are currently 21 overdue reports for fiscal year 2016 and 1,102 overdue reports for calendar year 2016.

While the report is a legal requirement, we hope that employers see it in a positive light because it brings a second set of eyes to the process. Catching member enrollment oversights early can help to minimize omitted deductions, the costs of which are largely borne by the employer.

Below is an actual example from several years ago.

PERA received an exclusion report from a township that had not previously filed a report. The township employed a grader operator who had worked year-round for 20 years but was excluded by the employer as a seasonal employee. PERA determined that the individual was eligible for Coordinated Plan coverage and billed the township for three years of omitted deductions. (PERA is limited by law to collecting omitted deductions for only three previous years).

The employee then pursued special legislation to gain coverage for the other years worked. The resulting actuarial cost due from the township was approximately $40,000. This unfortunate situation highlights the importance of making accurate exclusion determinations and timely filing of PERA exclusion reports.

PERA is committed to making its reporting processes efficient, accurate and cost effective for both employers and PERA. While employers who lack internet and email capabilities can continue to report on paper forms, online reporting is available for all others.

For more information on exclusion reporting:

- Exclusion Reporting page of our website
- Exclusion Report FAQs
- Employer Manual Chapter 3
- Call our Employer Response Line and select option 5

Enrollment of elected official not complete without their signature

Because PERA participation is optional for elected officials, those who choose to contribute to a PERA plan must authorize the deductions in writing. As the employer, you should work with the official to complete the Membership Election by Public Officials form before contribution withholding begins.

The form consists of two parts: *Part A* is for you, the employer to indicate which plan option(s) the official has and Part B is where the elected official must check the appropriate box and sign the form before it is sent to PERA.

When written authorization is not received with/prior to the first contribution, PERA will follow up with a request to the employer and official. If the form is not received timely, state law requires that PERA refund all prior contributions to the employer and official. While the official may submit signed documentation to re-join PERA at a later time, the refunded contributions may not be restored.

Additional information about PERA options for elected officials:

- Membership Options for Elected Officials fact sheet
- Employer Manual Chapters 3 & 4
- Call our Employer Response Line and select option 3.

Meet Mike— PERA's new Chief Financial Officer

Late last year, we said farewell to Dave DeJonge who led our finance division as PERA's Assistant Executive Director for 20 years. PERA interviewed candidates for the position of Chief Financial Officer and is pleased to announce the position has been filled by Mike Hagerty.

A proud Minnesota native, Mike Hagerty has over 20 years of financial management experience, including work with the Metropolitan Airports Commission, MnDOT, City of Brooklyn Park, and most recently as director of budgets and financial analysis at Metro State University. "I am just humbled at having been chosen to join the PERA team. It's gratifying to know that by promoting sustainable retirement plans, our work at PERA contributes to the economic well-being of our State, as well as to the economic security of our members," said Hagerty.

As Chief Financial Officer, Hagerty will oversee PERA's Finance, Information Systems and Account Information Management (AIM) divisions. We are pleased to have him on board.

Governor Dayton appoints Two to PERA Board of Trustees

Governor Dayton announced the re-appointment of Stearns County Commissioner Leigh Lenzmeier to the PERA Board of Trustees. Lenzmeier has served as the county representative on the PERA Board since November 2010 and with this appointment will serve through January 4, 2021. Lenzmeier was first elected to the Stearns County Board of Commissioners in 1990 and has served continuously since. He is vice president of the Minnesota Inter-County Association, chair of the Northstar Corridor Development Authority, a member of the Minnesota Agriculture and Rural Leadership, and a member of the Greater St. Cloud Development Corporation.

The Governor also appointed Minneapolis City Council President Barbara Johnson to the PERA Board as the city representative. Johnson is the Board's newest member. Her term will run from January 23, 2017 through January 4, 2021. She was first elected to the Minneapolis City Council in 1997 to represent the Fourth Ward in the northwest corner of Minneapolis. She has served as President of the Minneapolis City Council since January 2006. Council President Johnson serves on the Claims Committee, Committee of the Whole, Executive Committee, Intergovernmental Relations, Public Safety, Civil Rights & Emergency Management, and the Zoning & Planning Committee of the City Council. Johnson also previously served on the Municipal Employees Retirement Fund before its merger with PERA.

Leigh Lenzmeier
Appointed County Representative

Barb Johnson
Appointed City Representative

2017 Session PERA Bill Tracker

Stay informed on all the latest PERA legislation using the PERA Bill Tracker on mnpera.org!

List of PERA related bills as of 3/15/2017:

House File:
SF26, SF65, SF480, SF1066, SF1375, SF1945, SF2115

Senate File:
HF11, HF136, HF409, HF438, HF1090, HF 1471, HF1912, HF2092, HF2289

Register now! Employer education opportunities through Live Webinars

PERA is excited to announce our first scheduled employer webinar is set for April 27, 2017! After receiving feedback from our employers, we've narrowed down the topics that we will be presenting in our first year. The schedule and topics are now available under the employer section of our website, under Education ➔ Employer Webinars.

The first topic is 'PERA 101', which will use our recently developed employer toolkit, to be released the day of the session, as an outline. The Employer Toolkit is a useful resource, filled with information and links that are frequently used by all employers, found on one page that can be bookmarked. Our intended audience is all employers that deal with PERA eligibility and Payroll.

Each session will be recorded, so that the visuals and questions asked

during the webinars are available as a resource on our site. We will continue presenting new topics each quarter in an effort to build a resource library of training tools which will help all payroll and personnel officers.

Tax exemptions for certain retired PERA members— we need your help!

The Federal Pension Protection Act of 2006, allows most retired public safety personnel an exemption from paying federal and state taxable income on qualified insurance premiums. To qualify, these premiums must be paid from the retirement fund to the insurance provider. The maximum tax exemption is $3,000 annually. The qualified insurance premiums include health, dental, and long-term care insurance premiums withheld from their monthly PERA benefit payments. While this federal law, generally, applies to retired and disabled Police and Fire and Correctional Plan members, it also applies to retired Coordinated Plan members who

retired as probation/parole officers, judges, and ambulance personnel.

If you know of retired former employees of yours who worked in probation/parole officers, judges, and ambulance personnel, please let us know by emailing Renee Tessier at renee.tessier@mnpera.org.

The member **must** be separated from service by reason of *disability* or *attainment of normal retirement age* to be eligible for this exemption.

PERA update: Annual Threshold report for fiscal year 2016 delayed

The first Annual Threshold Report for fiscal year employers has not yet been released due to data integrity issues with tracked salary amounts. Ensuring the accuracy of our report data is PERA's highest priority and we are working to resolve these issues as quickly as possible. We apologize for any disruption caused by this delay.

As a reminder, this first report for schools will include employees enrolled 1/1/2015 through 9/30/2015 who did not meet the $3800 threshold by 6/30/2016. While this report has been delayed, the fixes implemented now will ensure that the report for fiscal year 2017 will be produced on schedule this August.

These data issues do not affect non-school employers and their report for calendar year 2016 has just been released.

PERA
Public Employees Retirement Association
60 Empire Drive, Suite 200
St. Paul, MN 55103

Ask PERA!

Have a question for PERA?
We'd love to hear from you!

Email
employer.reps@mnpera.org

Employer Line
651-296-3636 (metro area)
1-888-892-7372 (toll-free)

Member Line
651-296-7460 (metro area)
1-800-652-9026 (toll-free)

Website
www.mnpera.org

Our agency forgot to enroll an employee in PERA. What should we do?

When you believe an employee was PERA eligible but wasn't enrolled, please contact the Employer Response Line (option 3) to speak with one of our eligibility staff.

If the entire period of omission occurred within the last 60 days, you may report the omitted period in a separate line on your next SDR using pay type 06. Both the salary and employee deduction amounts must be included in this transaction, along with the coverage dates of the omitted deduction period.

If it appears that a longer period of eligibility was missed, we will ask you to complete an Individual Record of Earnings form to provide information about the employee's position and earnings so that we may determine the eligibility date and amount of omitted (missed) deductions, if any. Do not attempt to make a payment for the missed deductions until you receive an invoice from PERA.

More information on Omitted Deductions is available in Employer Manual Chapter 7 or by contacting our Employer Response Line and selecting option 3.