



PERA PHRASE

www.mnpera.org

Employer Newsletter of the Public Employees Retirement Association of Minnesota

Over 3,500 Employers
166,000 Active Members

JUNE 2017 — Q2

Governor vetoes bill containing pension reforms

After a special session, Gov. Mark Dayton vetoed the bill (Special Session S.F. 3) containing the 2017 Omnibus Retirement Bill, which included benefit reforms and a contribution rate increase for both employers and employees of the Police & Fire plan, a lower investment return assumption of 7.5 percent, and a number of administrative changes. In his veto letter to the Legislature, the Governor did recognize that the legislation included changes to public employee retirement plans that would improve the economic security of tens of thousands of Minnesotans. However, he ultimately vetoed the bill because it contained non-PERA provisions that would preempt local governments' ability to set wage and benefit levels higher than state law.



What was included in the vetoed bill?

The PERA Board of Trustees voted to propose a Police & Fire Plan sustainability package to the Legislature. The proposal included contribution rate increases for both employees and employers, extending the plan's amortization period, along with removing the future possibility of a 2.5 percent cost-of-living adjustment to Police & Fire Plan retirees. In addition, the vetoed bill contained supplemental state aid for the Police & Fire Plan provided by the Legislature.

ment return assumption from 8 percent to 7.5 percent for PERA's defined benefit plans—the General, Police & Fire, and Correctional Plans. This would have lowered the interest rate used when calculating omitted deductions.

Other policy details of the bill

The vetoed bill contained several administrative changes that would have streamlined PERA's processes and increased uniformity with the other statewide pension plans. Additionally, the bill would have required PERA to bring a package of benefit reforms for the General Plan to the Legislature in 2018 and included a change to the Correctional Plan cost-of-living adjustment.

Vetoed bill included lower assumed investment return

The PERA Board of Trustees voted in December to propose lowering the invest-

Looking up toward the restored Rotunda ceiling at the State Capitol is breathtaking

Photo courtesy: MN Dept. of Admin. Cathy Klima photographer.

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

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Fiscal Year 2017 Exclusion Reports due by August 31

Reminders, tips, and resources for schools



Reminder:

Effective January 1, 2015, the membership eligibility requirements for PERA's Defined Benefit Plans changed from \$425 in a month to an annual expected wage threshold of \$5,100, or \$3,800 for 9/10 month school year employees.



Exclusion code **301** (less than \$425 per month) is obsolete.

For salary based exclusions, use:



302 – below \$3,800 (9/10 month school year)



303 – below \$5,100



It's nearly time for all school employers to complete an exclusion report for fiscal year 2017 (7/1/2016 – 6/30/2017). The report must provide information about all employees who worked any amount during the reporting year and were not members of PERA or another Minnesota public retirement system.

This is the fourth year for online reporting of exclusions so most employers are familiar with the process. For those who need a refresher, the [Exclusion Reporting](#) page of our website contains helpful information including the list of [current exclusion codes](#), an Excel template, [file format specifications](#) and samples of properly formatted Excel and text files.

Once a report is received, PERA identifies where more information is needed to determine if reporting omissions have occurred. The most commonly information requested is employee earnings.

When responding to an earnings request:

- You may use PERA's *Individual Record of Earnings* form or provide all of the requested data on your own listing.
- If you submit payroll records, please ensure that they include:
 - gross pay
 - paid dates
 - pay period begin and end dates
- If the employee is a coach:
 - indicate the sport(s) coached and
 - season dates for each sport (first day of practice to last game/practice)

Note: when coaching season dates are not provided by the employer, PERA will use Minnesota State High School League (MSHSL) calendars to calculate season dates and length of employment.

The ERIS Corner

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

Test files

At times, PERA requires employers to submit a test file for review and approval to ensure that the format requirements for **Salary Deduction Reports (SDRs)**, **Demographics** and/or **Exclusion Reports** are met. Test files are requested when:

1. You wish to begin electronic reporting instead of entering data in an online report
2. You or your contracted payroll service provider is upgrading to new software
3. You implement a new payroll or accounting system
4. PERA modifies its file format and requests test files with the revised layout

Once your file format is approved by PERA, it is not necessary to send a test file before each subsequent file of that type. For example, if your Exclusion Report format was tested and approved in 2015, do not submit another test file prior to transmitting your 2017 Exclusion Report file.

More information about ERIS reporting, file formats, and the testing process is available in [Chapter 9](#) of the Employer Manual. Still have questions? Contact our Employer Line or email us at employer.reps@mnpera.org.

Employer Webinars at PERA

The Eligibility and Employer Outreach team hosted PERA's first webinar in late April. Employers were able to attend the first session after pre-registering for the event on our website. During the webinar, we introduced a new online employer resource kit that contains frequently used information and links, all on one webpage. After the content session, we answered questions and took advantage of our broadcast to share some on-screen examples.

Kicking off our webinar program with this topic allowed us to gauge employer knowledge of PERA reporting and interest in education content. We have gleaned some insights from the surveys collected after the session and learned that this was the first time attending a

webinar for many of our employer participants. We are pleased that 97% said they would attend a future webinar after joining us for the first run!

Our next webinar will focus on the Annual Salary Threshold, a topic we are breaking into two parts:

Annual Salary Threshold Overview Webinar - Part 1 & 2

July 13, 2017 @ 11am

Part ONE will explain the basics of the Annual Salary Threshold, how to project salary for your new employees and where to view tracked earnings.

July 20, 2017 @ 11am

Part TWO will cover employee changes, terminations and threshold reviews. We will also walk through the completion of an Annual Salary Threshold Report in ERIS.

Registration is now open for both sessions on our [Employer Webinar](#) page.



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Ask PERA!

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

Email

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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

I've hired a college student for a permanent position starting June 15. Can I exclude him from PERA right away, or should I wait till he returns to school in the fall?



Employees under the age of 23, who are full-time students at any accredited school, are excluded from PERA. The exclusion covers summer employment if the person attended classes full-time the previous spring semester, and is expected to resume classes full-time in the fall. Have your new hire bring a copy of their spring schedule they've wrapped up, and a schedule or letter from the registrar's office confirming his fall enrollment, and your employee will meet the exclusion requirements.

More information about PERA exclusions is available in [Chapter #3](#) of the [Employer Manual](#). To view recent changes to the Employer Manual, visit our new Manual Revisions Log online.