The PERAphrase

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85 Years Strong 1931 2016

In this issue:

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PERA Finance Director Retires with 20 Years of Served Excellence

For a man who has constantly dealt with the numbers on a day to day basis, PERA's Assistant Executive Director Dave DeJonge is a notable figure among the organization, for work both inside and out of the organization. On August 19th, 2016, DeJonge retired from his position.

DeJonge has been Assistant Executive Director/Finance Director for 20 years. His most notable accomplishments include his rigorous work to establish and administer the Statewide Volunteer Firefighter (SVF) retirement plan and his time spent working with employers to help them implement the new Governmental Accounting Standards Board (GASB) pension accounting requirements. "[These] were great projects to be on, and receiving awards for financial reporting has been pretty great as well."

> ***"PERA received the CAFR award 31 times now, out of the last 32 years."***

PERA's comprehensive annual financial report (CAFR) has been awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting in each year of DeJonge's tenure. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. In short, its attainment represents a significant accomplishment. "PERA received it 31 times now, out of the last 32 years. I've been here the past 20 years that we've received it." DeJonge proudly states, "It's pretty prestigious; it says to the public, we know what we're doing and the financial information we provide is accurate and thorough."

Gary Nordstrom, previous PERA Board president and previous president of the National Government Finance Officers Association (GFOA), pushed DeJonge to continue applying for the Certificate of Achievement and to get involved with the GFOA when he started at PERA. DeJonge now sits on GFOA's Special Review Executive Committee and acknowledges his time spent working with the GFOA helped him meet these financial reporting standards. He hopes his successor continues to work with the GFOA as well. Being part of the special review committee provides a thorough background and understanding of what's involved in producing an outstanding CAFR.

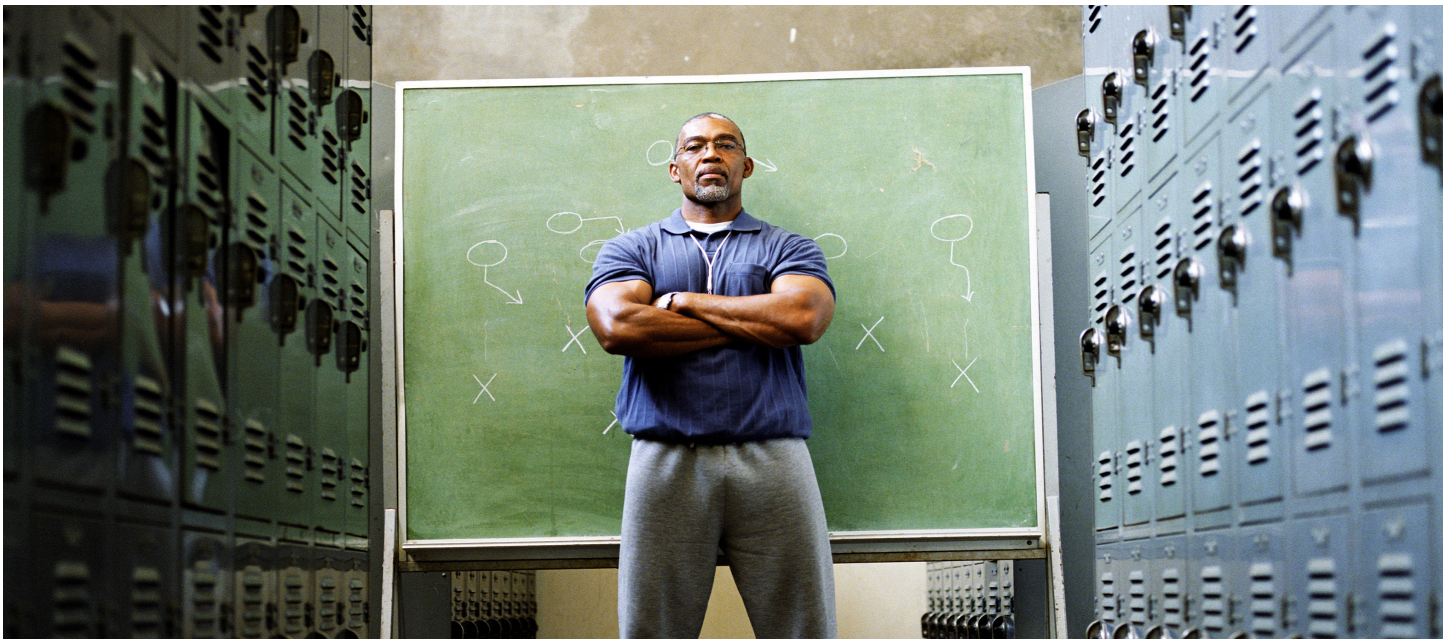
PERA is losing a valuable member of its management team – someone with a wealth of finance and accounting knowledge and experience.

Coaching on Coaches' Pay

The start of a new school year is a good time to huddle and revisit coaches' pay.

By definition, the seasonal exclusion applies only to employees whose sole employment is a seasonal position with a duration limited to 185 consecutive calendar days or less in each year of employment. If a single coaching season or the total of two consecutive seasons is less than 185 days, the coach is excluded regardless of earnings, as the annual threshold does not apply for employees who meet another valid exclusion.

An employee who is solely employed to coach one sport with a season length fewer than 185 calendar days is excluded as a seasonal employee. However, when an employee holds two positions with a single employer, such as one permanent and the other seasonal, the seasonal exclusion does not apply*. In this instance, compensation from both positions must be added to determine whether the employee will exceed the earnings threshold. This is a commonly seen when a school district employs a person as both a part-time paraprofessional and a coach.



If there is at least a 30 calendar day break between the two coaching positions, then each job is considered separately and the seasonal exclusion applies as long as each position lasts fewer than 185 calendar days. However, if the break between the two jobs is fewer than 30 days, the entire employment period is evaluated - from the start of the first position to the last day of the second season. If the total length exceeds 185 days, salary must be considered to determine eligibility.

When one or more coaching position(s) will exceed 185 consecutive calendar days, the employee must be enrolled if annual earnings have or will go over the annual threshold. If you are unsure, Provisional Enrollment is an option. See the Annual Earnings Threshold FAQ for more information about Provisional Enrollment.

As a final reminder, coaches found eligible under current rules and those who were previously enrolled because they met the eligibility in effect at the time must remain in the plan until termination of service.

More information about coaches and the seasonal exclusion is available in Chapter 3 of the Employer Manual, the Seasonal Employees FAQ and by contacting the Employer Response Line and selecting option 3.

* The rules discussed here are in regards to coaches who do not also hold teaching positions with the same district. In those cases, TRA statutes apply.

GASB Gazette to Produce Final Edition!

The GASB Gazette, a newsletter PERA created in 2015 to help employers implement the new pension accounting requirements, will run its last issue this Fall. GASB, short for Governmental Accounting Standards Board, is the source of generally accepted accounting principles used by state and local governments in the United States.

In the past couple of years, The GASB Gazette has provided information to help employers implement GASB 68, Accounting and Financial Reporting for Pensions. The Gazette has helped circulate and clarify information and changes that have come from GASB 68 and subsequent amendments to the pension accounting requirements.

Jim Riebe, Principal Accounting Officer and a long time contributor of the Gazette tells us, "PERA concluded employers and their auditors now have a thorough understanding of GASB 68's complex theoretical concepts and have successfully addressed the innumerable practice issues surrounding GASB 68 implementation."

If employers and their auditors have any questions or specific GASB 68 implementation issues, you can contact

PERA for assistance. Riebe mentions the GASB 68 website will still be used to disseminate information of general interest to our GASB 68 stakeholders. PERA will also continue to notify employer and auditor contacts of those developments in the future through email.

Meet Luis— PERA Fills Employer Communications and Education Role

Luis Argueta was hired in August to help create, facilitate, organize and distribute information services to PERA's numerous employers and members around the state.

Argueta will be working on communications projects geared towards improving training methods and outreach programs. With experience educating users around the world using webinars, Argueta is excited to move Minnesota's public employers onto a digital platform that they can use as a reliable resource for retirement plan information and services.

Online experiences are being used with more frequency today. One local example is HealthPartners, whose 'virtuwell' program, allows its members to have a consultation with a nurse online. "Our purpose is to keep employers informed and be of service when a problem or issue arises, and offering new solutions like these allow us to better serve," said Argueta.

Webinar Topics Survey— PERA Asks You!

We are excited to announce that PERA plans to begin providing training content via periodic webinars in the coming months. These optional sessions will help break down topics that employers find challenging without the cost and time spent travelling to an in-person workshop. Participating in a webinar also gives you and your fellow attendees an opportunity to ask questions during the session and receive answers in real time.

Once a webinar is complete, the recorded session will be posted online for all employers to access. In addition, if you sign up for a webinar session but are unable to attend, a link to the session will be sent to you via email.

To prepare for our first webinar, we would like your feedback on which topics would be most helpful. Your input will help us determine the content and order of topics as we roll out this new initiative.

To participate, please click the SurveyMonkey link: surveymonkey.com/r/887832F. The survey will close on October 7th, 2016. Once scheduled, our first webinar session will be announced to all employer contacts by email.

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The PERAphrase

Ask PERA!

Have a question for PERA? Call our Employer Line or email us at employer.reps@mnpera.org

Q How does Omitted Deduction Billing work? Why has our agency been billed interest for an employee's missing contributions?

A If an employer is billed while an employee is active, the amount includes interest on both the employee and employer contribution amounts that are due. The interest is not meant to be a penalty; it's intended to recoup investment income for the period that PERA did not have the funds. An employer should pay the total balance of the bill by the due date to avoid additional interest.

When the bill is issued after an employee has terminated and marked 'Inactive', the employer is only required to pay its liability plus interest, and PERA communicates with the terminated members regarding their option to pay their portion.

This document is available in alternative formats to individuals with disabilities by calling PERA or through the Minnesota Relay Service at 1-800-627-3529.