



Live Webinars: Annual Salary Threshold - Part 2


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Agenda

For Annual Salary Threshold, pt. 2

- Part 1- Recap Rewind
- Threshold Description
- Terminations
- Delayed Enrollment
- Report walkthroughs on ERIS
- Report: Prior vs current year
- Refund details
- Excluded, then earnings exceed threshold



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Part 1- Recap Rewind



Earning Amounts

Calendar and Fiscal Year calendar earnings



Time x Money
 $3 \times 9 = \$27/\text{day}$
 $\times 170 \text{ days} = \$4590/\text{year}$

\$5100 – Calendar year
 \$3800 – Fiscal year



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Q&A Highlight

Notice of Non-Covered Service & Provisional Enrollment form

For Employees: If you have questions about the PERA membership decision made by your employer, you are encouraged to contact the human resource or payroll personnel of your employer. If you want PERA to review your employment for membership purposes, state law gives you a right to request a review by sending a request to PERA's Executive Director at 60 Empire Dr., Ste 200, Saint Paul, MN 55103.

Name of Employee	Job Title or Classification	Starting Date for this Position
<p>The purpose of this notice is to inform you of the following determination relating to membership under a Defined Benefit Plan administered by PERA. Please review Section A or B as checked below.</p> <p><input type="checkbox"/> SECTION A: YOU ARE EXCLUDED FROM PERA MEMBERSHIP BECAUSE:</p> <p><input type="checkbox"/> 1. Our agency is stipulating that your annual compensation is not expected to exceed: <input type="checkbox"/> \$5100 or <input type="checkbox"/> \$3800 for school term employment (9-month position)</p> <p><input type="checkbox"/> 2. Your employment is predetermined to be temporary and is not expected to exceed six consecutive months.</p> <p><input type="checkbox"/> 3. Your seasonal appointment is not <u>expected to exceed</u> 185 consecutive calendar days in a year.</p> <p><input type="checkbox"/> 4. You are under age 23 and attending classes full-time at an accredited school, college or university.</p> <p><input type="checkbox"/> 5. You are receiving a monthly retirement or disability benefit from PERA.</p> <p><input type="checkbox"/> 6. Your position is excluded by law for the following reason: _____</p>		

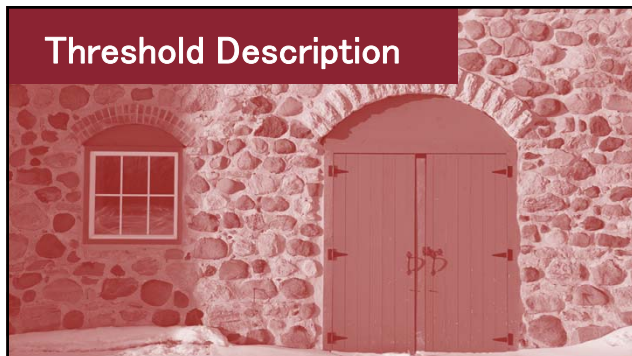
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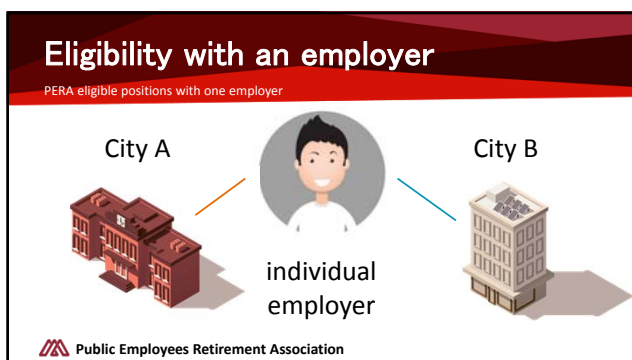
Q&A Highlight

Continued

<p><input type="checkbox"/> 3. Your seasonal appointment is not <u>expected to exceed</u> 185 consecutive calendar days in a year.</p> <p><input type="checkbox"/> 4. You are under age 23 and attending classes full-time at an accredited school, college or university.</p> <p><input type="checkbox"/> 5. You are receiving a monthly retirement or disability benefit from PERA.</p> <p><input type="checkbox"/> 6. Your position is excluded by law for the following reason: _____</p> <p><input type="checkbox"/> SECTION B: YOU ARE BEING ENROLLED INTO PERA ON A PROVISIONAL BASIS AND THAT MEMBERSHIP WILL BE SUBJECT TO VALIDATION.</p> <p>Our entity is unable to accurately determine that your annual compensation will not exceed the minimum salary threshold for PERA participation as noted below because your employment is intermittent, sporadic, or casual, without a regular work schedule and a regular number of work hours.</p> <p><input type="checkbox"/> \$5100 or <input type="checkbox"/> \$3800 for school term employment (9-month position)</p> <p>Because your annual earnings <u>exceed</u> the above-referenced earnings threshold, you are being reported to PERA for membership. PERA will review the amount of annual earnings you receive and if your earnings in a year do not exceed the threshold amount set in law for PERA membership, your participation will be deemed invalid and your member contributions will be refunded to you by PERA.</p>			
Name of Employer	Name of Employer Representative	Daytime Phone No.	Date

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Partial Year enrollment

Annual Threshold

Partial year of earnings:

1 Partial 2016 2 FY 2017 3 PERA Eligibility

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Employee did not meet Threshold

Annual Threshold

If earnings **do not exceed the threshold**

Partial 2016 → Full 2017 = Refund?

\$2000 \$3000

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Threshold Timeline Examples

Calendar year annual threshold

Calendar Year
1/1 - 12/31
Threshold is \$5100

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Example 1

Calendar year annual threshold

1/15- Enroll 6/20- \$5500

CY 2015 1/1 - 12/31/15 CY 2016 1/1 - 12/31/16 CY 2017 1/1 - 12/31/17

VALID Membership continues until termination →

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Example 2

Calendar year annual threshold

7/15- Enroll CY- \$4500 5/15- \$6000

CY 2015 (partial) 1/1 - 12/31/15 CY 2016 1/1 - 12/31/16 CY 2017 1/1 - 12/31/17

VALID Membership continues until termination →

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Example 3

Calendar year annual threshold

7/15- Enroll CY 2016- \$2600 CY 2017 \$4900

CY 2016 (partial) 1/1 - 12/31/16 CY 2017 1/1 - 12/31/17 CY 2018 1/1 - 12/31/18

2017 Threshold Review Report ??


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Threshold Timeline Examples

Fiscal year annual threshold

Fiscal Year
7/1 - 6/30

Threshold is \$3800
for school year employees



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Example 1

Fiscal year annual threshold

1/1- Enroll 5/15- \$3900

Fiscal Year	Start Date	End Date
FY 2015	1/1	6/30/15
FY 2016	7/1/15	6/30/16
FY 2017	7/1/16	6/30/17
FY 2018	7/1/17	-

VALID Membership continues until termination →



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Example 2

Fiscal year annual threshold

1/1- Enroll FY 15- \$1500 5/15- \$4000

Fiscal Year	Start Date	End Date
FY 2015	1/1	6/30/15
FY 2016	7/1/15	6/30/16
FY 2017	7/1/16	6/30/17
FY 2018	7/1/17	-

VALID Membership continues until termination →



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Example 3

Fiscal year annual threshold

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Annual Salary Threshold Report – ERIS

Annual Threshold

Name	Title & Job Code	PERS Year Code	2016 Amount	2016 Threshold	Administrative Change/Correction	Threshold
PETERSON, ANNE L.	0263	09/23/2015	\$0.00	\$1,367.65	Yes	No
CANTARONE, THOMAS J.	2220	09/23/2015	\$1,111.11	\$0.00	Yes	No
SANDOZ-KOHN, CHRISTINE M.	0907	09/23/2015	\$0.00	\$1,037.00	Yes	No



Terminated

Did not meet the threshold

Projected at hire -
Full year of earnings =

$40 \times 15 = \$600/\text{week}$
 $\times 52 = \$31200/\text{year}$




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Threshold Status Change

Terminations

Name	SSN (Last 4)	PERA Start Date	Previous Calendar 2016 Earnings	Current Calendar 2017 Earnings	Paid Date of Last Pay
ANDERSON, JAMES L	4321	04/21/2017		1,134.00	06/21/2017
BASHIR, ALISON T	9876	12/04/2016	410.00	1,679.25	06/21/2017
CHRISTIANSON, ANNE W	6543	12/21/2016	0.00	4,198.00	06/21/2017


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Example

Terminations

Full-time, 40hrs/wk
@ \$15/hr

$40 \times 15 = \$600/\text{week}$
 $\times 52 = \$31200/\text{year}$



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Provisional Enrollment

Documentation

Provisionally Enrolled Employee terminates:

- 1) without exceeding the threshold
- 2) before PERA has received a full year of earnings.

Job Description: If you have questions about the PERA membership decision process, you should refer to the PERA website for the most current information. You may also contact your employer and the PERA website for the most current information. If you are still having trouble, you may contact the PERA Customer Service Center at 800-225-5888. For more information, visit our website at www.pera.org.

Name of Employee	Job Title or Classification	Starting Date for this Position
<p>The purpose of this notice is to inform you of the following information relating to membership under a defined benefit plan administered by PERA. PLEASE REVIEW THIS NOTICE CAREFULLY.</p> <p>SECTION A: YOU ARE EXCLUDED FROM PERA MEMBERSHIP BECAUSE:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 1. You agree to voluntarily that your annual compensation is not expected to meet: <ul style="list-style-type: none"> (a) PERA's \$100,000 threshold for full-time employment (10 month position); (b) the annual compensation threshold for the temporary and full-time positions in seasonal or intermittent positions. <input type="checkbox"/> 2. Your seasonal appointment is not greater than 100 consecutive calendar days in a year. <input type="checkbox"/> 3. You are under age 21 and attending school. All time at an accredited school, college or university. <input type="checkbox"/> 4. You are receiving a monthly retirement or disability benefit from PERA. <input type="checkbox"/> 5. Your position is excluded by law for the following reason: 		


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Delayed Enrollment




Scenario 1

Exclude, monitor and enroll




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Scenario 2
Exclude, monitor and enroll

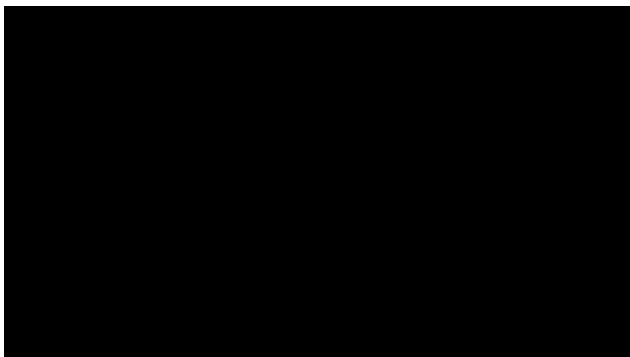


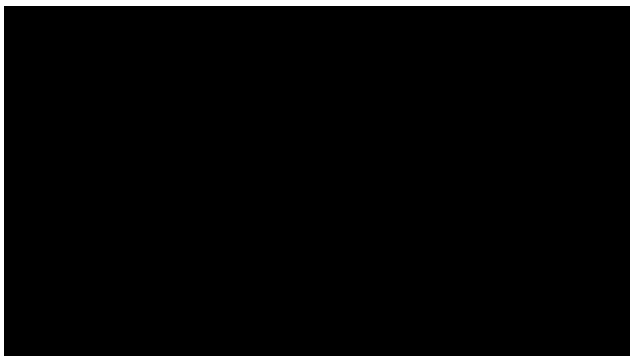
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Missing piece of the puzzle
Your records vs ours



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The report asks about prior years, but what about the current year?

Future development

ERIS report enhancements

Enhancements to report
CY 2017 – Feb 2018
FY 2018 – August 2018

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Employee will not qualify for PERA

In the meantime...

- 1) Complete the report
- 2) Stop withholding contributions
- 3) Email PERA at eligibility@mnpera.org to:
 - a) Tell us the paid date of the final contribution
 - b) Request a manual refund of the current year

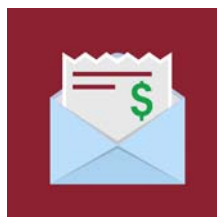
Refund details



Employers

Credit memo

Credit memo via email



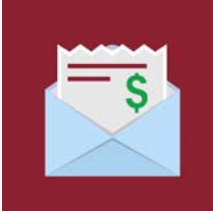
Employees


Check by mail

Check to home address

1099R issued by PERA

- 10% Federal tax withheld



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Excluded, then earnings Exceed Threshold



Employee exceeds threshold

Reporting



- 1)  PERA 
- 2)  Earnings


"..establish eligibility retroactively to the first month that \$425 was reached."

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Resources for Employers
That's a wrap!

Resources for Employers

Employer Response Line	MNPERA.org
— 651-296-3636 / 888-892-7372	— PERA 101: Go2 Resource
PERAphrase newsletter	— FAQs
Employer Manual	— Reporting Requirements
	— Education: Next Webinar: Annual Threshold, pt. 2


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Disclaimer
Thank you for your time!

Disclaimer

This presentation is intended to provide general information for employers to consider and apply to their own circumstances as appropriate. This may not be considered to be a legal interpretation of state/federal laws or regulations.

The Minnesota Legislature, or the federal government, may at any time change the laws, rules and regulations governing participation in PERA or mandatory coverage under Social Security and Medicare.

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Questions?



