

2015 CPRB WEBINAR

PERS Tier II State Agencies

(Webinar will begin at 2 p.m.)

Welcome PERS Benefit Coordinators

Microsoft Live Meeting Instructions

If you have questions for our Chief Operating Officer during the presentation, you will have the opportunity to use the Microsoft Live Meeting Q&A feature to ask questions about **PERS Tier II** member benefits and payroll reporting. Tier II questions will be answered by our presenter at the end of the presentation.

Select the **Q&A** option on the top menu bar of the Live Meeting console. Click in the *Type a question for the presenter* box. If you have multiple questions, simply click *Edit* and type your next question in the same box. Click *Ask* to post each question (Note: Clicking the **X** will delete all questions).

Use the Live Meeting **Feedback** feature on the top menu bar of the console for all other questions. Click the Feedback pull down menu and choose a color coded option (Need Help, Can't Hear, Slow Down, Question). A meeting administrator will be contacted through a private live chat to assist you. Be certain to click the green **Proceed** option under *Feedback* once your question has been answered.



Senate Bill 529

Senate Bill 529, effective March 18, 2015, was passed during the 2015 Regular Session of the WV Legislature and signed into law on April 3, 2015.

In addition to other things, the provisions of **SB529** created a second tier of retirement benefits for those eligible to be a member of the Public Employees Retirement System (PERS) who are hired for the first time and first become a member of PERS on or after July 1, 2015.

“Hired for the first time and first becomes a PERS member on or after July 1, 2015”

- *What exactly does this mean?*
 - Anyone who has never been employed with any PERS employer before in a position which would qualify them for PERS participation (i.e. permanently employed full time).
 - This would mean someone who has been in a temporary position for 2 months who becomes permanently employed full-time on August 3, 2015 for the first time.
- *It does not mean:*
 - Someone who worked for a PERS employer in the past, even if it was a different employer or 20 years ago.
 - Someone who has withdrawn their PERS retirement contributions and has not paid them back to PERS.

New PERS Enrollment Forms & PERS Tier II Brochures

- PERS will be sending out New Enrollment forms and PERS Tier II brochures to employers.
- The Enrollment form will ask questions to help you determine which Tier of benefits the new employees are eligible for so you can provide them the proper brochure & deduct the proper employee amount.
- **Please be certain to provide the correct brochure to new hires.**

CPRB Website

If you are still uncertain which Tier of PERS benefits your employee is eligible for, please contact Ginger Goff, PERS Enrollment, at (800) 654-4406 ext. 52461 for assistance.



PERS Tier II Benefits that were Amended

- Employee Contribution Rate
- Final Average Salary calculation
- Military service credit
- Regular retirement age
- Deferred retirement age
- Early/Reduced Retirement age
- Vesting
- Retirement eligibility
- Teachers Retirement System (TRS) and Public Employees Retirement System (PERS) reciprocal service credit

PERS Tier II

Employee contribution rate is

6%

Employees still paid through EPICS

- Tier I - use Pension Code ***Prben Code 1***
- Tier II – use Pension Code ***Prben Code 14***

Employees paid in Wave 1 OASIS

- New Employees will auto enroll in Tier II
- If a new employee should be in Tier I, the Payroll Administrator will need to do an “Enroll document” to change them to Tier I deductions

PERS Tier II

Final Average Salary annuity calculation is 5 consecutive years (60 consecutive months) out of last 15 years.



PERS Tier II

Military service credit



PERS Tier II

Military Service Credit

- Those first hired and first become a PERS member on or after July 1, 2015 may purchase up to 60 months of active military service if:
 - 1) PERS Tier II member completes at least twelve (12) months of contributory service after date of hire and submits a request to purchase military service on a PERS form during these 12 months (this form will be posted to the CPRB website at www.wvretirement.com);
 - 2) Active military duty occurs prior to the date on which the member first becomes an employee of a participating public employer; and
 - 3) The employee pays the actuarial reserve purchase amount within 48 months after the date on which the employee and employer contributions are first received and while he/she is still employed with a participating public employer and still making contributions to PERS; if the employee ceases employment prior to completing the purchase in full, he/she is not eligible to purchase.

PERS Tier II

Military Service (cont.)

- Military service purchase can be made by lump sum or in installment payments.
- Interest of 7.5% will accrue on outstanding balance until paid in full.
- PERS staff will send out cost after the twelve (12) month salary information has been submitted to PERS.
- Employee can purchase all or part of their eligible military service (1 month or up to 60 months) of qualifying (i.e. active duty service of at least 30 or more consecutive calendar days, honorable discharge) military service.
- If installment payment option is selected, the member must execute a contract specifying the number of months being purchased and the payments required.

PERS Tier II

Military Service (cont.)

- Military service will be computed by adding the total number of days in each period of active military duty eligible to be purchased, and divide by 30; fractions of 0.5 will be rounded up
- If an employee is employed for the first time after July 1, 2015, works 8 months, quits, then is re-employed at a later date for twelve (12) months...he/she could request a cost and purchase eligible military service after the twelve (12) month service and contributions have occurred. (Cost will be greater because age is greater.)
- USERRA military service purchases are still eligible under USERRA laws for those called to active duty while employed.

PERS Tier II

Regular & Deferred Retirement Ages

Regular retirement age increases to age 62 for an employee who goes directly into retirement with no break in service.



Deferred retirement (when an employee has a break in service between employment and retirement) age increases to 64 for those with less than 20 years of PERS service, and age 63 for those with 20 or more years of PERS service.

PERS Tier II

Early/Reduced Retirement Ages

- An employee who is working may elect to take a reduced annuity between the age of 60 and 62 so long as he/she has 10 years of contributing service.
- An employee who is working with 20 or more years of service may elect to take a reduced annuity between the age of 57 and 62.
- A member with 30 or more years of service may take a reduced annuity between the age of 55 and 62.

PERS Tier II Vesting

Vesting / minimum years of service for an annuity increases to
10 years of contributing service.

(Tier II purchased military service that is not purchased under USERRA does not count toward the 10 years required for vesting).



PERS TIER II



Public Employees Retirement System (PERS) & Teachers Retirement System (TRS) Reciprocal Service Credit

- Those who first become a member of PERS on or after July 1, 2015 must be employed for 10 years under PERS and 10 years under TRS to receive reciprocal service credit.
- Those who first become a member of PERS on or after July 1, 2015 may not use compensation amounts received under TRS in PERS final average salary calculation and vice versa.

PERS TIER II

Benefits **no longer** available to PERS TIER II members



- Accrued unused sick and annual leave eligible to purchase additional retirement service credit.
- Retire at minimum age 55 where age and years of service = 80 (Rule of 80)
- Retire with a reduced annuity at an age less than 55 with 30 years of service.
- Twelve (12) months service credit for working ten (10) months in a calendar year.
- Non-contributory military service for active duty military service up to 5 years.

Questions?

