



## Covered employer training program

The reporting process  
FY 2017

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### Active member contributions

- For Fiscal Year 2017:
  - South Carolina Retirement System (SCRS) and State Optional Retirement Program (State ORP) participants contribute 8.66 percent of gross pay into their respective retirement plan.
  - Police Officers Retirement System (PORS) members contribute 9.24 percent.

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### Employer contributions

Type of Employer	Employer Retirement Contribution*	Insurance Surcharge	Employer Rate plus Surcharge	Incidental Death Benefit Contribution	Accidental Death Contribution
<i>State Agencies, Public School Districts, Institutions of Higher Education, and Political Subdivisions Covered Under Retiree Insurance Surcharge</i>					
SCRS	11.41%	5.33%	16.89%	.15%	N/A
PORS - Class II	13.84%	5.33%	19.57%	.20%	.20%
State ORP	6.41% (+5% to members acct)	5.33%	11.89%	.15%	N/A
<i>Political Subdivisions Not Covered Under Retiree Insurance Surcharge</i>					
SCRS	11.41%	N/A	11.41%	.15%	N/A
PORS - Class I	8.30%	N/A	8.30%	.20%	.20%
PORS - Class II	13.84%	N/A	13.84%	.20%	.20%

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## Contribution rate changes



- If an increase in the employer contribution rate occurs, apply the increased rate based on the date the wages are paid to employee.
- If an increase in the employee contribution rate occurs, apply the increased rate to when the money is earned by employee.

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## Contribution requirements



- Salary or wages:
  - Contributions due on gross pay, before taxes withheld or other deductions
- Wages paid while on (used) sick or annual leave
- Unused annual/general leave (Class Two members):
  - Contributions are deductible on up to and including 45 days of termination pay for unused annual/general leave
  - Payment at retirement included in average final compensation

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## Contribution requirements



- Overtime and compensatory time:
  - Employer mandated overtime for SCRS members only.
- Contribution limit:
  - Applies to employees who became members after December 31, 1995.
  - The limitation for compensation upon which contributions should be made for calendar year 2016 is \$265,000.

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## Wages not subject to contributions



- One-time bonus and incentive-type payments
- Retirement incentive payments
- Long-term disability benefits
- Payments for unused sick leave
- Payments for more than 45 days of unused annual leave at termination (Class Two members)
- Payments for unused annual leave while member remains in service (vacation buy-backs or cash-outs)
- Overtime not mandated by the employer (SCRS)

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## Electronic Employer Services (EES)



- Secure on-line tool employers use to conduct most member account transactions, including contribution and reporting transactions
- Employers can:
  - Prepare monthly and quarterly deposit forms
  - Upload quarterly report data
  - Prepare and submit EES-ER quarterly reports
  - View transaction errors
  - Key retiree return to work dates
  - Upload furlough supplements
  - Create installment service purchase remittances

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## Electronic Employer Services (EES)



- Employers also have the ability to:
  - Submit employer certification
  - Retrieve PEBA's retirement data regarding your employees ("data downloads"):
    - Active Service Totals
    - Ready Set Go
    - Working Retirees
  - Update and maintain employer contact information

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## Obtaining access to EES

- The following forms must also be on file and current:
  - *Electronic Employer Services (EES) Employer Confidentiality Agreement (Form 6503)*; and
  - *Electronic Employer Services (EES) Authorizing Contact Designation/Agreement (Form 6504)*
- For assistance with EES access, email [EESsupport@peba.sc.gov](mailto:EESsupport@peba.sc.gov).



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## Obtaining access to EES

- For each employee that needs EES access, complete and return to PEBA:
  - *Electronic Employer Services (EES) Designated Agent Confidentiality Agreement (Form 6505)*
- A user identification (USERID) and a personal identification number (PIN) will be provided for access to the website.



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## Reporting process

- The following processes, unless otherwise indicated, do not pertain to those employers who use the South Carolina Enterprise Information System (SCEIS).



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## Remittances



- Remit employer and employee contributions on a monthly basis per due date calendar ([Form 1341](#)) by:
  - sending paper check;
  - wiring money; or
  - having money debited from your account.
    - For wires and debits, contact Patricia Miller at 803.737.6904
    - *Authorization Agreement for Automatic Debits* ([Form 1226](#)) required for automatic debits
- Remittances must be in our office on the due date, not postmarked on the due date

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## Due date calendar



- Every August, employers will receive the *Due Date Calendar* ([Form 1341](#)) and a supply of green envelopes for sending paper copies you will need to make monthly remittances for the year.

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## Monthly and quarterly deposit forms



- Deposit forms are:
  - pre-filled with employer contribution rates; and
  - bar coded with the employer code and date information. Be sure to use the form that corresponds with the appropriate month.
- Before sending the deposit form, be sure to complete the contact person, signature, telephone, and date.
- The “Employer Reporting” link includes status updates and verifies confirmation of receipt for deposits.

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## Monthly deposit process



For the first two months in a quarter:

- Refer to the [Due Date Calendar](#)
- If reporting contributions on a *Monthly Deposit (Form 1244)*:
  - mail, or scan and email to [serviceaccounting@peba.sc.gov](mailto:serviceaccounting@peba.sc.gov) [Form 1244](#) completed in EES and printed as a PDF document; and
  - mail the remittance (if you have authorized ACH, fax the deposit form by the due date OR if you have authorized debit from your account, fax the deposit form by noon the day before the due date)

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## Quarterly deposit process



Last month in a quarter

- Refer to the [Due Date Calendar](#)
- If you are reporting contributions on a *Quarterly Deposit (Form 1246)*:
  - mail, or scan and email to [serviceaccounting@peba.sc.gov](mailto:serviceaccounting@peba.sc.gov) [Form 1246](#) completed in EES and printed as a PDF document; and
  - mail the remittance (if you have authorized ACH, fax the deposit form by the due date OR if you have authorized debit from your account, fax the deposit form by noon the day before the due date); and
  - upload quarterly payroll information via EES or submit via EES-ER.

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## Printing deposit forms



- When you complete your monthly or quarterly deposit form on EES, it is important to click the "Create PDF" button at the bottom of the screen before printing so that the form prints properly.
- At this time the system does not allow for the form to be sent to PEBA via the Internet. You must print and mail the form along with your remittance.

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### Late payments

- PEBA will notify an employer if the monthly remittance is not received within 10 days of the due date.
  - Late remittances are subject to interest charges.
  - The interest rate is based on the adjusted prime rate (as of March) and is updated annually in July.



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### Late payments

- Employers will also be notified if the quarterly payroll information is not received within 10 days of the due date.
- For updates regarding received dates of deposits and quarterly payroll information, select "Employer Reporting" on the EES website.



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### Quarterly payroll information

- Two ways to securely submit quarterly payroll information through EES:
  - Upload a text (.txt.) document
  - Process and submit an EES-ER report



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### Posting service credit



- Service credit is awarded to members based on monthly compensation and dates of employment (taken from reported contract length and months paid information).
- State ORP members are not awarded service credit in the defined contribution plan.

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### Posting service credit



- Monthly Compensation Threshold
  - Currently \$580/month
  - Threshold increases in conjunction with increases in the federal minimum wage.
  - Minimum wage x 80 hours per month = threshold.

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### School districts and contract lengths



- Implications of changing an employee's contract length before fiscal year ends example:
  - On September quarterly report, you report an employee on a 10-month contract:
    - employee's service credit will be edited so that by the end of the school year, she will have earned one full year
    - employee earns 1/10th of a year of service for each month paid.
    - If you change the contract length to 11 or 12, then the employee will be short service credit for the year.
- Refer to the Contract Period Chart in the *Covered Employer Procedures Manual*.

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**EES**



- You can select “Employer Reporting” to view items that are due and initiate your contribution reporting .
- Errors on your reports can be found by selecting “Employer Transaction Error List.”

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**EES**



- It is very important to resolve errors as soon as possible.
- By checking errors, employers can ensure all records are posted in a timely manner.
- Questions can be referred to your employer representative.

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**Correcting quarterly reports**



- After a report has been received and the records have been released for posting to individual accounts, the Member Account Services - Employer Reporting representative will review records in an “error” status.
- Employers can view the same error screen as PEBA staff.

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## Correcting quarterly reports



- From the EES main screen, select “Employer Transaction Error List” to see transactions in an error status.
- Select “Trans Code” to view the detail for each record.
  - Many errors involve missing enrollment, name changes, retirees for whom PEBA needs a current return to work date, and money errors.
  - If you don’t understand an error message, a help screen is available.

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## Correcting quarterly reports



- If a service or contribution error was made on a report already posted, correct the reporting by submitting a *Supplemental Contribution Report (Form 1227)*:
  - Complete the top portion by listing your five digit employer code, the name of your entity and the reason for the supplement.
  - To complete Section I, follow the instructions on the second page of the form.
  - Enter only one fiscal year per form.

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## Correcting quarterly reports



- *Supplemental Contribution Report (Form 1227)* continued:
  - Section II is the calculation of the amount due, or the credit.
  - Apply employer rates for the fiscal year, incidental death benefit, and accidental death program rates, if applicable.
  - Add these amounts to the member contribution and calculate the total amount due, or the credit.
  - Be sure to sign the form and include a phone number.

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## Correcting quarterly reports



- *Fiscal Year Contribution Rates for Employers and Members (Form 1340)* may be useful as you calculate the totals on the supplement.
- For employers who use SCEIS:
  - corrections to State ORP accounts need to go through the Comptroller General's (CG) office
  - CG's office will remit the appropriate amounts of money to PEBA and the State ORP vendor.

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## Correcting quarterly reports *SCEIS employers only*



- State ORP participant, but money on the quarterly report submitted as SCRS:
  - PEBA adjusts posting and notifies employer
  - Employer makes correction in SCEIS payroll system
  - Employer contacts CG's office for instruction, and effective dates to use in the corrections, to assure the full amount is remitted to State ORP vendor.
  - PEBA generates a credit invoice at reconciliation and holds until the correction has been made
  - Invoice then closed to the effective quarterly report

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## Correcting quarterly reports *SCEIS employers only*



- SCRS member, but money on the quarterly report submitted as State ORP:
  - PEBA adjusts posting and notifies employer
  - Employer makes correction in SCEIS
  - Debit invoices generated at reconciliation and held at PEBA until the offsetting entries come through the payroll on a quarterly report
  - Employer works with the CG's office to recoup money from State ORP vendor

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### Correcting quarterly reports

*SCEIS employers only*



- PORS member, but money on the quarterly report submitted as SCRS:
  - PEBA adjusts posting and bills employer for the contribution difference at reconciliation
- SCRS member, but money on the quarterly report submitted as PORS:
  - PEBA will issues a credit to employer's account for the contribution difference
- Credit/debit invoices held in the Employer Rollup account until invoices are rolled into one and sent to employer

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### Correcting quarterly reports

*SCEIS employers only*



- If a member switches systems (SCRS to PORS, or PORS to SCRS):
  - New *Enrollment Form (Form 1100)* must be submitted to ensure proper credit
  - Effective date on the new Form 1100 is the date member transferred to the different system
  - Employer notifies the CG's office of the switch

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### Supplemental Service Report (Form 1224)



- Used to report contributions for members who are in a specific type of leave without pay status who wish to continue their contributions:
  - Military leave (USERRA)
  - Workers' Compensation

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## Furlough supplements



- State agencies, k-12 schools, and institutions of higher education who institute a furlough program :
  - Remit the member and employer retirement contributions for SCRS, PORS, and State ORP participants.
  - No furlough contributions due for Teacher and Employee Retention Incentive Program (TERI) participants or other working retirees.
  - Contributions based on the rate of salary immediately prior to furlough period
  - Supplements can be uploaded in Excel or text format to EES website (<https://ees.retirement.sc.gov/ees>)

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## Working retiree contributions



- TERI participants and retirees who return to work for a covered employer pay contributions at same rate as active members
- Additional service credit will not be accrued
- Contributions are credited to member's account
- Upon death, any remaining contributions not exhausted through benefit payments are paid to beneficiary

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## Working retiree contributions



- Notification of employed retiree:
  - PEBA must track date an employee returns to covered employment after date of retirement
  - If member works for a period of time, skips a quarter, then returns to work, a new hire date must be submitted
  - If TERI participant ends TERI then returns to covered employment, a new date (after TERI termination) must be submitted
  - All return to work dates should be entered in EES

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### Working retiree contributions

- If an SCRS retiree, without a PORS account, returns to work in a PORS position:
  - retiree and employer pay the SCRS rate
- If a PORS retiree, without an SCRS account, returns to work in an SCRS position:
  - retiree and employer pay the PORS rate



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### Working retiree contributions

- PORS retiree, with inactive SCRS account, returns to work in an SCRS or PORS position:
  - retiree and employer pay PORS rate
- SCRS retiree, with inactive PORS account, returns to work in an SCRS or PORS position:
  - retiree and employer pay SCRS rate



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### Working retiree contributions

- If working retiree is receiving both an SCRS and a PORS retirement benefit:
  - working retiree will remit contributions to the system into which an active member employed in the position would normally contribute



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## Annual leave payments for TERI participants



- No annual leave payment is included in the monthly benefit during TERI participation period
- Contributions should be deducted on up to 45 days of the annual leave payment at TERI termination
- Average final compensation at the end of TERI will be recalculated to include unused leave paid at the termination of TERI
- Class Two members only; TERI closes to all participants effective June 30, 2018

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## Employer Reporting representatives



- Member Account Services Department has staff assigned specifically to particular employer codes
- Click "EES Assistance" in EES for your representative's name and contact information

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## Summary quiz



- If you do not already have access to EES, how do you obtain a USERID and a PIN?
- What is the current employee contribution rate for members of SCRS, PORS, State ORP, and working retirees?
- What is the base employer retirement contribution rate for SCRS, PORS, and State ORP?

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## Disclaimer



This presentation does not constitute a comprehensive or binding representation regarding the employee benefits offered by the South Carolina Public Employee Benefit Authority (PEBA). The terms and conditions of the retirement and insurance benefit plans offered by PEBA are set out in the applicable statutes and plan documents and are subject to change. Please contact PEBA for the most current information. The language used in this presentation does not create any contractual rights or entitlements for any person.

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## Questions



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