



Maine State Retirement System Employer Update

FEBRUARY 2005

REMINDER:

REPORTING RETIREES WHO HAVE RETURNED TO WORK

The Legislature in 2003 instituted a requirement for employers to report to the MSRS those retirees who have returned to work. MSRS Rules Chapter 410, sections 7 and 8 address the reporting requirements and compliance. The complete rule can be found at Chapter 410 on the MSRS web site: www.msrs.org.

For purposes of payroll reporting, these retirees would be employees who continue to draw MSRS retirement benefits and return to work for the "same employer" without accruing additional retirement benefits. The State and all teacher units are considered the "same employer." Employees who retire under the PLD Consolidated Plan and return to work for any employer that participates in the PLD Consolidated Plan are also considered to have returned to work for the "same employer."

Employers must report retirees who have returned to work on the Monthly Payroll Detail Report with a Personnel Status Code (PSC) of 53, which denotes a retiree with earnable compensation and without contributions.

If there are any questions regarding the reporting of retirees, a Technician in the MSRS Employer Services Division can be contacted.

EMPLOYER TRAINING

The MSRS has begun a rigorous training schedule for all teacher employers. Thus far, it has trained close to 60% of MSRS employers. Any employer responsible for providing teacher payroll reports to the MSRS should register for training. Space is limited and sessions are filling very quickly.

The training focuses primarily on payroll reporting and on the completion of forms. At the session, participants are supplied with an updated payroll reporting manual, an electronic payroll filing manual, a sample of forms with instructions and a list of frequently asked questions.

The remaining open session dates are as follows:

Tuesday, March 1 st	(6 seats available)
Wednesday, March 2 nd	(2 seats available)
Thursday, March 3 rd	(6 seats available)
Tuesday, March 8 th	(2 seats available)
Tuesday, March 15 th	(8 seats available)
Wednesday, March 16 th	(8 seats available)
Thursday, March 17 th	(6 seats available)
Thursday, March 24 th	(8 seats available)
Wednesday, March 30 th	(8 seats available)

CHANGES TO FEDERAL SOCIAL SECURITY ACT AFFECT MAINE PUBLIC EMPLOYERS AND EMPLOYEES

As reported in the Fall 2004 *Retirement News*, public employers that do not cover employees under Social Security are required by a recently enacted federal law to give written notice on specific social security matters, to employees hired on or after January 1, 2005. The Social Security Administration has now released the notice—Form SSA-1945—that explains how the **Social Security Windfall Elimination Provision** and the **Government Pension Offset** may reduce federal benefits for employees (and their spouses) covered by a governmental pension plan.

The Social Security Administration requires notices to be provided to incoming employees prior to commencing employment. Prospective employees must sign the notice to acknowledge their understanding that their government pension may affect their eligibility for possible Social Security retirement or disability benefits. The employer must file a copy of the signed notice with the "pension paying agency." In the case of employees covered by the Maine State Retirement System retirement plan, that is the MSRS (in care of MSRS Employer Services, 46 State House Station, Augusta, ME 04333-0046).

Information and forms regarding this new federal law can be obtained from the Social Security Administration's Web site at <http://www.socialsecurity.gov/form1945/>.

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A NEW NAME: DIVISION OF EMPLOYER SERVICES

In January, 2005, the formerly named Membership Services Division of the Maine State Retirement System was renamed the **Employer Services Division**. In all divisions at MSRS, staff are working for the benefit of members, retirees, and their employers. The new name of this Division highlights the fact that in this division of the Retirement System, greater focus is being placed on the relationship between employers and the System.

The team in the Employer Services Division handles the exchange of information between employers and the System, including the intake of membership applications and changes to those applications, the establishment of member data in the MSRS automated system, the processing of payroll data, and the reconciliation of employer payrolls with amounts due. Increasingly, the Employer Services Division is also communicating with employer representatives through new and improved manuals, training and web information all designed to improve the working relationship with the System and making work with the System more efficient and less challenging. Employer Services answers the phone when an employer's payroll staffer calls for help with a reporting problem or when a payroll service needs to adjust to electronic payroll filing.

As the Maine State Retirement System continues to develop and enhance its automated systems, it is able to streamline and simplify reporting processes. At the same time, MSRS recognizes that each change, even when that change is a simplification, has the potential to complicate the reporting process for employers. The MSRS tries to limit the number of reporting changes as much as possible and provide ample notice of and training on any changes. It is, however, necessary at times to insist that change occur because of the step-by-step implementation of the MSRS' developing automated system. In 2005, the Employer Services Division hopes to bring new focus to the necessary balance in the change/no change dilemma and to bring energy to making any required transition for employers as smooth as possible.