

Maine Public Employees Retirement System

Annual Statement of Compensation

ASC

December 2011



mainepers.org

Annual Statement of Compensation

This package contains everything you need to file your Annual Statement of Compensation (ASC) and continue receiving your MainePERS Disability Benefits.

As a disability recipient, you must file an Annual Statement of Compensation with MainePERS each year. Complete and return all of the necessary information as soon as you file your Federal Income Taxes. If you are not required to file Federal Income Taxes, complete and return the form immediately to avoid an interruption in your benefit for failing to file.



Checklist

Before you return your ASC, review these important steps:

- Read the information in this package. Contact us if you have questions. We will work with you by phone or meet with you to assist you in completing your ASC.
- Complete and sign your ASC Form found in the back of this package.
- Attach a copy of your signed Federal Income Tax Return (1040, 1040A or 1040-EZ).
- Attach copies of all schedules and forms, such as W-2s, 1099s and self-employment schedules, filed with your Federal Income Tax Return.
- Return the form and other required materials to MainePERS as soon as possible to avoid an interruption in your benefit payments.

Who has to file an ASC?

Anyone who received a disability benefit must report their income annually. This is a requirement of state law and MainePERS rules.

Why is the ASC required?

The law limits earnings of MainePERS disability recipients. If the limit is exceeded, the recipient must repay the amount of earnings over the limit.

The Annual Statement of Compensation allows MainePERS to determine when a benefit recipient has earned more than the law allows.

What if I don't return my ASC?

If you do not return the ASC, your April payment will be your last disability benefit payment until your ASC is filed. Your monthly benefit will resume the month after you file. You will not receive benefits for any months that the ASC is overdue.

If you do not file by March 31st of the next year, your disability benefit will end. For example: If you do not file your 2011 ASC by March 31, 2013, your disability benefit will cease.

When do I return my ASC?

If you are not required to file a Federal Income Tax Return, return your ASC **as soon as possible**. Easy to follow instructions begin on Page 4.

If you are required to file a Federal Income Tax Return, return your ASC **as soon as you complete your tax return**.

If you anticipate not completing your tax return by April 30th, send us a copy of your Federal Extension Form by April 30th. This will allow you an automatic extension for your disability benefit with MainePERS. Once you complete your Federal Tax Return, forward it, and your completed ASC form, as soon as possible (but no later than October 15th).

Where do I return my ASC?

Mail: MainePERS, 46 State House Station, Augusta, ME 04333

Fax: (207) 512-3101

E-Mail: Retirement.Services@mainepers.org

What if I earn more than allowed by law?

If your earnings are higher than the amount allowed by law, you will have to repay the amount equaling the difference between your earnings and your limitation. If you earn amounts equal to or greater than 80% of your average final compensation, plus any applicable COLA, your disability benefit may be terminated. You can repay any amount due by making a lump sum payment to MainePERS in the amount due, or by having deductions from any remaining monthly benefits in the year following the excess earnings. You never have to repay more than the total of your gross annual disability benefit amount. Example: If your earnings limitation was \$20,000 and you earned \$25,000, you would owe \$5,000. You could repay all or a portion of that amount by check. Any remaining balance would be deducted from your remaining monthly benefit payments (e.g. $\$5,000 \div 8 \text{ months (May - December)} = \$225/\text{mo}$).

How do I know if I've exceeded my earnings limitation?

We will notify you either via e-mail or USPS after we review your ASC, whether you exceeded your limitation or not.

How do I know if I have to file a federal tax return?

Contact the Internal Revenue Service (www.irs.gov) or your personal tax preparer.

Who can answer my questions or help me complete my ASC?

We're here to help you. Contact us via one of the following:

Mail: MainePERS, 46 State House Station, Augusta, ME 04333

Fax: (207) 512-3101


E-Mail: Retirement.Services@mainepers.org

Why do I have to provide my spouse's earnings information?

If you filed a joint Federal Income Tax Return, including your spouse's earnings information and supporting documents, such as W-2s allows us to exclude those earnings from the total income you reported.

Instructions for Completing Your ASC:

Question 1: Check the appropriate response (Y/N).

Question 2: If your MainePERS benefits were your only source of income during the year, check "No." Proceed to Signature Line. 

If you had income in addition to your MainePERS benefits, check "Yes" and list the amount of earnings in the space(s) provided.

The earnings listed in this section should include:

Earnings Reported on a W-2

The higher of the amounts listed in box 1 or box 5

Income Reported on a 1099

The amount listed in box 1

Social Security Income (form SSA-1099)

The amount listed in box 5

Attach signed copies of your 1040, 1040A or 1040-EZ, including all schedules and forms such as W-2s, 1099s and self employment schedules.

If you file jointly, be sure to attach copies of all W-2s and supporting documents for both parties. This will allow us to consider your income separately.

If you anticipate not completing your tax return by April 30th, send us a copy of your Federal Extension Form by April 30th. This will allow you an automatic extension with MainePERS. Once you complete your Federal Tax Return, forward it, and your completed ASC form, to us as soon as possible.

 Sign, date the form and provide your telephone number and e-mail address.

Note: Designating MainePERS as your "authorized agent for obtaining any return, report or other information pursuant to 35 MRSA 191(2)(A)" means that you authorize MainePERS to verify any employment, social security or workers' compensation information provided in order to determine wages, potential overearnings or offsets.

**Return your completed form and any
accompanying material to MainePERS.**



**A publication of
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