



NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

Employer Reporting Workshop

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Agenda

- Employer Reporting
- Legislation
- Immigration Status
- Auditing
- Website Updates and Tools
- Employer Manual Updates
- Accounting
- Q & A Session



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Employer Reporting

Accuracy

- Ensures proper benefit calculations
- Minimizes audit points
- Decreases follow-up work
- Prevents a delay in benefit payments



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Employer Reporting

Member Account Verification: Where Accuracy Matters Most!

- Salary & service in all member accounts must be verified prior to a benefit calculation
- Reporting agents have the responsibility to provide requested information
 - You may not have been the agent reporting during the time in question
 - Prior records must be researched



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Legislation

LB 103

- Uniformed Services Employment and Reemployment Rights Act (USERRA)
- Required Minimum Distributions (RMD)
- Non-State Code Agency Teacher Association (SCATA) participants



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Legislation

LB378

- Currently on General File for next legislative session
- Clarifies definition of a “qualified alien”
- Will provide easier rules and processes to implement



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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

EMPLOYER AUDITS

Internal Audit Team:

- Vanessa Hohlen (Manager) 402-471-2056
- Cassie Snyder (Auditor) 402-471-8763
- Sophia Dunsmore (Auditor) 402-471-9500

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WHY AM I BEING AUDITED?

- **Definitely determinable benefit with a multiple employer plan**
 - Benefits must be determinable from the plan document and **not** subject to employer discretion
- Statute expectations
- APA expectations
- PERB expectations
- 266 School Plan employers on a revolving list



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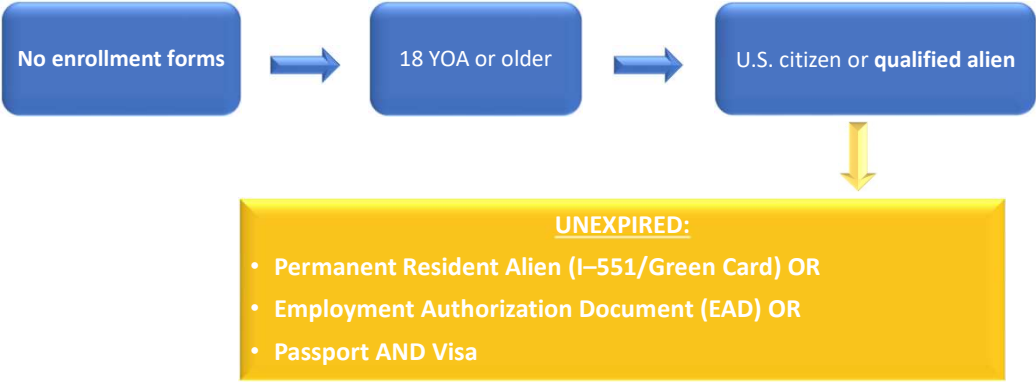
- Ensure eligible employees timely enroll and ineligible employees are not enrolled
- Ensure accurate reporting of:
 - Compensation
 - Contributions
 - Service credit
 - Demographic information
- Verify termination of employment
- Test internal controls
- **EDUCATIONAL – one team**






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ELIGIBILITY – Age and Citizenship Status



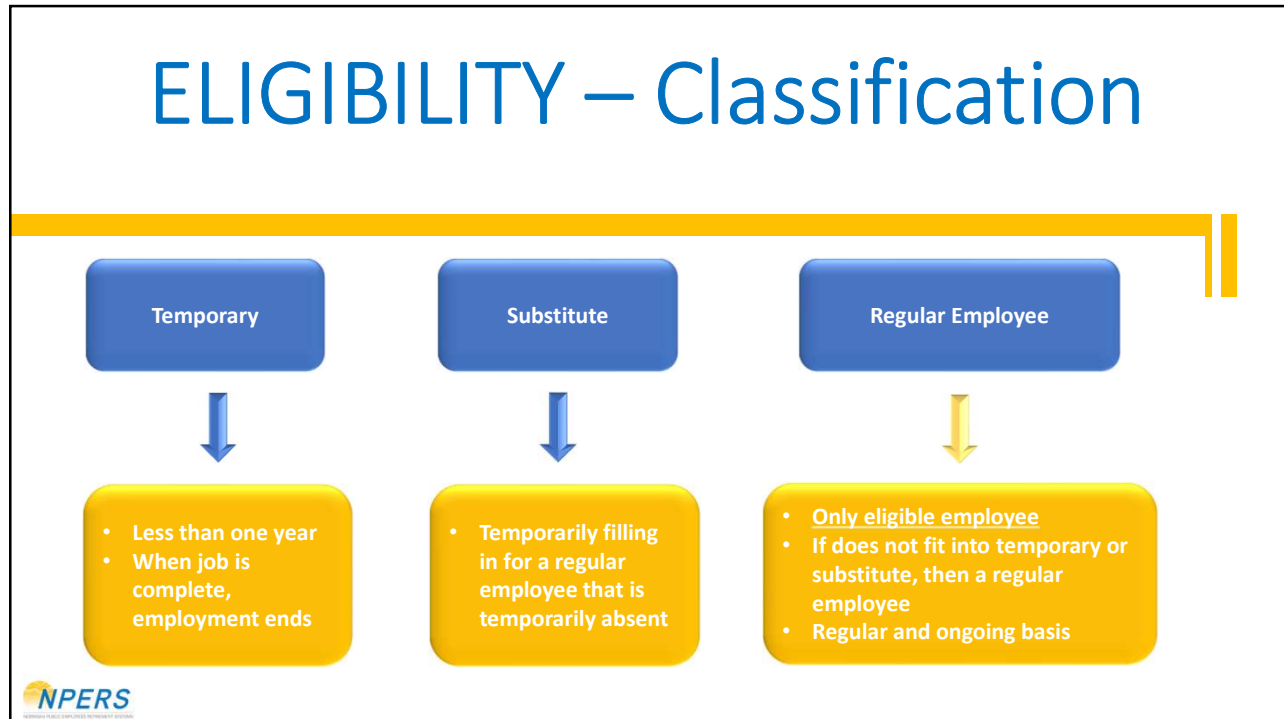
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graph LR
    A[No enrollment forms] --> B[18 YOA or older]
    B --> C[U.S. citizen or qualified alien]
    C --> D[UNEXPIRED:  
• Permanent Resident Alien (I-551/Green Card) OR  
• Employment Authorization Document (EAD) OR  
• Passport AND Visa]
          
```



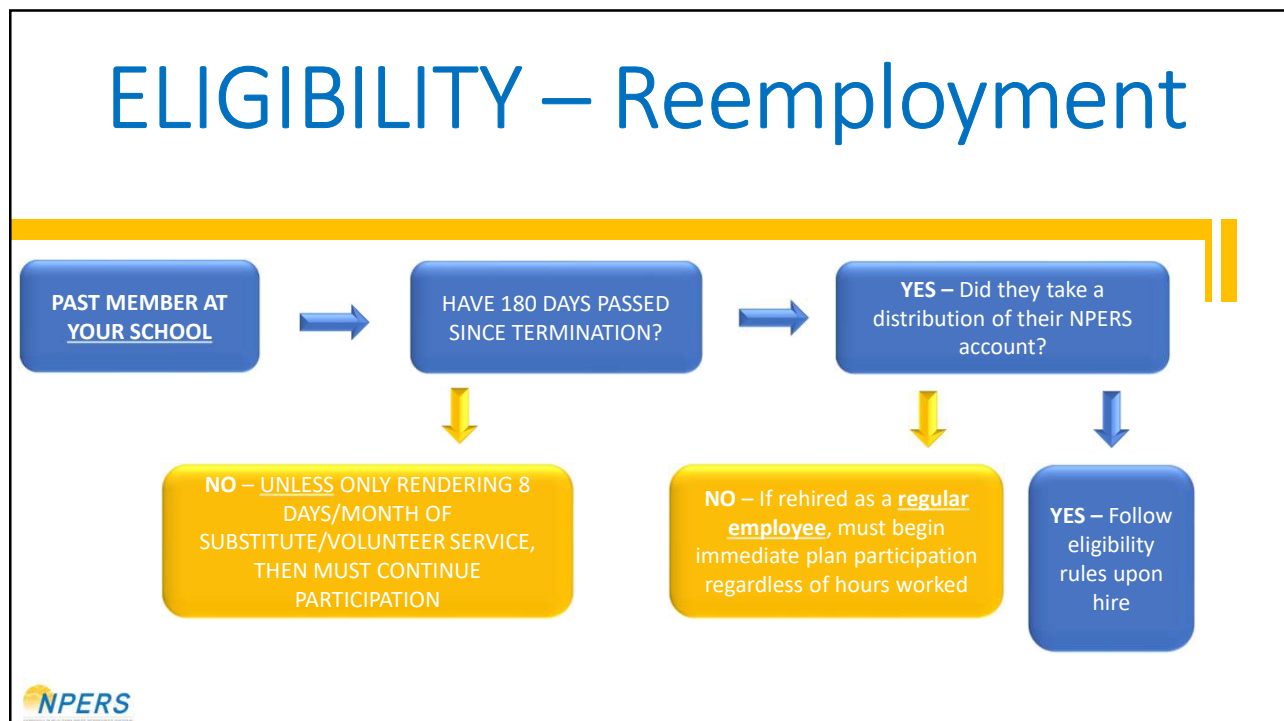
10

ELIGIBILITY – Classification



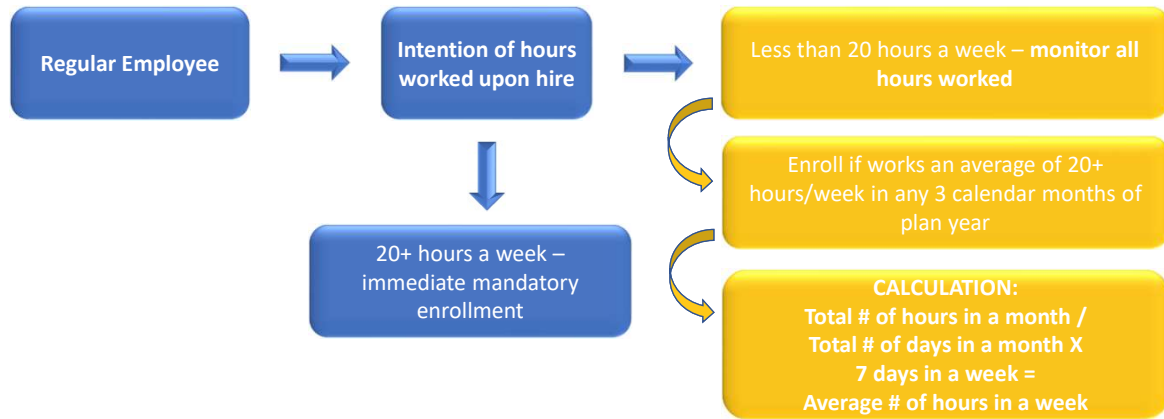
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ELIGIBILITY – Reemployment



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ELIGIBILITY - Classification



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ELIGIBILITY – TOOLS

RETIREMENT PLAN
ELIGIBILITY
CALCULATOR

CALCULATOR TOOL –
MONITORING HOURS
WORKED FOR
ELIGIBILITY

SCHOOL EMPLOYER
MANUAL

EMPLOYER CHEAT
SHEET

CONTACT NPERS:

- EMPLOYER REPORTING CONTACTS
- AUDIT TEAM




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CALCULATION:
 Total # of hours in a month /
 Total # of days in a month X
 7 days in a week =
 Average # of hours in a week

MANDATORY ENROLLMENT ON THE NEXT PAYROLL PERIOD

Monitoring Hours for Eligibility Calculator					
Plan Year (YYYY):	2022	State Date	7/1/2021	End Date	6/30/2022
Not for use prior to plan year 2014					
School Name: Smallville Public Schools					
NPERS Org # 00-00					
Employee Name: Clark Kent					
Leap year <input type="checkbox"/> Place X if a leap Year (if not a leap year leave blank)					
Input hours worked below					
Calendar Month	Calendar Month	Hours Worked per Calendar Month	Hrs Per Week	Status	Enrollment indicator
July	31	0	0		
August	31	88	19.87		
September	30	88	20.53	Qualifying Month	
October	31	88	19.87		
November	30	88	20.53	Qualifying Month	
December	31	88	19.87		
January	31	88	19.87		
February	28	88	22	Qualifying Month	The employee must be enrolled in the plan on the next pay period.
March	31	88	19.87		
April	30	80	18.67		
May	31	60	13.55		
June	30	0	0		



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Are They Eligible to Contribute to the Plan?

REGULAR Eligible based on hours or reemployment rules

A **regular employee** is someone hired to render regular, ongoing, and permanent employment with the employer participating.

NOTE:
In general, if an employee is not a substitute or temporary employee, they are a regular employee.


SUBSTITUTE NOT eligible

A **substitute** is someone hired by a public school as a temporary employee (not on an ongoing basis) to assume the duties of a regular employee due to a temporary absence (not position vacancy).

TEMPORARY NOT eligible

A **temporary employee** is someone hired to provide service for a limited period of time (cannot exceed one year) to accomplish a specific purpose or task.

School Termination of Employment Employer Cheat Sheet



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Establishing if a Bona Fide Termination of Service Has Occurred...

1. **Has the member stopped rendering all regular, ongoing, and permanent employment with the employer participating in the School Plan?**
 - A. *If no, then the member did not terminate employment, must continue plan participation, and repay any distributions taken.*
 - B. *If yes, proceed to question 2.*
2. **Is the member returning to work at an employer covered by the School Plan?**
 - A. *If no, then the member terminated employment. Stop contributions and submit a Non-Contributing Member Form.*
 - B. *If yes, proceed to question 3.*
3. **Have at least 180 days passed since the member terminated employment?**
 - A. *If yes and the member rendered no more than 8 days of substitute and/or volunteer service in any calendar month during the 180 days, termination has occurred. Reevaluate the member for eligibility.*
 - B. *If yes and the member rendered more than 8 days of substitute and/or volunteer service in any calendar month during the 180 days, termination has not occurred. A new termination date must be established and the member must start a new 180-day separation period. Wages, contributions and service credit must be reported from the alleged date of termination of regular service to the last violation that occurred.*
 - C. *If no, proceed to question 4.*
4. **Is the member rendering no more than 8 days of intermittent substitute and/or voluntary service in any calendar month during the 180 days following the termination of their permanent employment?**
 - A. *If no, then the member did not terminate employment, must continue plan participation, and repay any distributions taken.*
 - B. *If yes, then the member terminated employment. Stop contributions on the day of termination and monitor the member's employment. If the member reemploys as a regular employee, reevaluate eligibility.*

NOTE: *If none of these applies to the situation you are reviewing or you have more questions regarding their specific situation, please contact your employer reporting agent contact at NPERS.*



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Website and Manual Updates

[NPERS.NE.GOV](https://www.npers.ne.gov)

- Military Guidebook is updated
- Updated RMD information
- Eligibility Cheat Sheet

Manual

- Updated screenshots for reports and non-cons
- Definitions from the back of old paper non-cons



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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

Accounting

Accounting Contacts:

- Jane Warne (Office Specialist) 402-471-9497
- Samantha Spieker (Accountant I) 402-471-9520

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School Employer Manual

- Available on our website: npers.ne.gov
- A great resource for School Reporting Agents to assist in the following areas:
 - General information on the online reporting platform
 - Determination on eligibility of membership
 - Determination of eligible compensation
 - Preparation and filling of various forms and reports



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New Member Enrollment

- School Reporting Agents are responsible for providing employees with New Member Information Packet after enrollment into the plan
- New member Information Packet Includes:
 - School Plan member handbook
 - Beneficiary form
 - Original form must be physically mailed in to be valid
 - Application for vesting credit
 - Must be submitted within 180 days of employment to be valid



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Member Eligibility/Enrollment

ARE Eligible Employees:

- Age 18+
- Intention to render regular and ongoing service at an average of 20 hours a week or more for any 3 calendar months in a year
- Temporary employees who have worked over 1 year and work an average of 20 hours a week or more



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Member Eligibility/Enrollment

ARE Eligible Employees (cont):

- Re-employed members coming to work for the same employer should be enrolled back into the plan regardless of numbers of hours worked
 - **EXCEPTION:** They have received benefits/refunds from NPERS or coming back as a true substitute or temporary employee



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Member Eligibility/Enrollment

NOT Eligible Employees:

- Employees under the age of 18
- Temporary employees
- True Substitutes



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Member Eligibility/Enrollment

NOT Eligible Employees (cont):

- Temporary Residents of the USA who do not have a Green Card or Naturalized Certificate
- Intended to work less than 20 hours/week
 - Track hours and as soon as they work an average of 20+ hours/week in any three calendar months during the plan year (July 1-June 30), enroll them in the next pay period



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Compensation

What counts as compensation for retirement purposes and **SHOULD** be reported?

- Gross wages/salary for services rendered
- Overtime (cash or comp time) or extra duty
- Back wages/salary ordered paid in legal proceedings
- Contributions by the member to:
 - 125 – cafeteria plans
 - Retirement contributions
 - 403(b) or 457 voluntary retirement plans



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Compensation

What **DOES NOT** count as compensation for retirement purposes and should **NOT** be reported?

- Unused leave converted to cash
- Insurance premiums converted to cash
- Fringe benefits including holiday bonuses, uniform, cell phone, or vehicle reimbursements, conference fees, and per diems paid for expenses
- Bonuses such as retirement incentives, cash awards, and severance pay
- Worker's Compensation or disability payments
- Payments made by the court for jury duty
- Compensation that can be manipulated by the employee



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Service Credit

State statute defines what hours should be reported for service credit.

It includes:

- Working days
- Sick days
- Vacation days/holidays
- Donated Paid Leave
- Any other leave days for which the employee is paid regular wages as part of the employee's agreement with the employer

Note: Periods of unpaid leave do not fall under this definition and should not be reported to NPERS.



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Maternity and FMLA

- Do not report HOURS or WAGES when somebody is on an unpaid leave of absence such as FMLA or Maternity leave
- Schools that dock future compensation and transfer a portion of the employees' future compensation to a current payroll period should not report those hours and wages while the employee is on leave. Report the hours and wages in the periods they were transferred from



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Example of Unpaid Leave

Kelly goes on maternity leave starting March 1, ending April 30. This is unpaid leave as she does not have any sick or vacation she can use nor is this paid leave per her contract. The school has agreed to dock her future pay \$1,000 for four months in order to provide a paycheck for her time out on leave.

She normally works 160 hours at \$5,000 a month. She returns to work May 1.



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Example of Unpaid Leave

This is how most schools would report it:

March	April	May	June	July	August
\$2,000	\$2,000	\$4,000	\$4,000	\$4,000	\$4,000
64 Hours	64 Hours	128 Hours	128 Hours	128 Hours	128 Hours

This is how it should be reported to NPERS:

March	April	May	June	July	August
\$0	\$0	\$5,000	\$5,000	\$5,000	\$5,000
0 Hours	0 Hours	160 Hours	160 Hours	160 Hours	160 Hours



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Adjustments

- The adjustment form can be used to report missed contributions for eligible employees who were not enrolled into the plan
- It is also used to remove wages and hours from incorrect periods and add them to the correct periods
- It can also be used to fix errors in data reported by the school in previous period
- Instructions on how to fill out the adjustment form is available in the "School Manual for Employer Contacts" 6-47 through 6-48



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Adjustments

Adjustments are the only way to fix/make changes to previously reported data.

- 1st and 2nd columns are for the pay periods that are being adjusted.
- 3rd and 4th columns are the name and SSN of the member whose account is being adjusted.

NPERS Nebraska Public Employees Retirement Systems
1320 K St., Ste. 400 • PO Box 94819 • Lincoln, NE 68509-4819 phone 402-471-2053 toll free 800-245-5712 fax 402-471-1993
npers.ne.gov

SCHOOL ADJUSTMENT REPORT
Submit through fax and mail ONLY. *It makes an Employer Contribution adjustment for a previous fiscal year, please contact NPERS regarding the procedure.*

SCHOOL NAME		EMPLOYER NUMBER									
REPORTING PERIOD	EMPLOYEE NAME	SSN	HOURS REPORTED TO NPERS	CORRECT AMOUNT OF HOURS	HOURS ADJUSTMENT AMOUNT (H?)	COMPENSATION REPORTED TO NPERS	CORRECT AMOUNT OF COMPENSATION	COMPENSATION ADJUSTMENT AMOUNT (C?)	EMPLOYEE CONTRIBUTIONS (E?)		
			A	B							
					C						
						D					
							E				
								F			
									G		

Total Employer Contribution Adjustments (H?) \$ **H** Explanation of Adjustment:
 Total Employer Contribution (E?) \$ **I**
 Total Adjustments \$ **J**

Submitted via the web on the MONTH / YEAR Wage and Contributor Report Check box if this is the result of NPERS audit

EMPLOYER CONTACT SIGNATURE: _____ DATE: _____ PREPARED BY: _____
PREPARED BY: 2016-07-07 09:00:00

A Enter hours reported. Form calculates adjustment. F
 B Enter correct number of hours. Form calculates contributions amount. G
 C Form calculates adjustment. Form sums all employee contributions. H
 D Enter compensation reported. Form calculates total employer contribution match. I
 E Enter correct amount of compensation. Form provides total adjustment amount owed. J



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Name Changes

Always report contributions for members under their FULL LEGAL NAME.

- Never use nicknames (i.e. Bob for Robert or Jim for James)
- Do not change or hyphenate last names after marriage/divorce BEFORE the employee changes it legally with the Social Security Administration
- Always ask for a copy of the updated SSN card before changing a last name. Keep a copy on file in case NPERS asks for it



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Wages and Contribution Report

- Report is due on the 10th of each month
 - Not only needs to be added but confirmed by the due date as well
- If not confirmed by the due date, a \$25 Late Penalty + .038 of 1% daily interest on payment owed + Accrued interest will be charged
- Please reach out to Jane and let her know if the report is going to be late due to unforeseen circumstances and discuss fee waiving options



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Report Errors/Flags

- AFTER validating and BEFORE confirming the Report, please check for errors/flags:
 - After the report is uploaded and validated click on edit and all employees with errors would show up under options 2
 - Select each employee and review their errors
 - After correcting all errors make sure to re-validate the report

Employer Reporting

Below is a list of your latest reports. Select an action that is available next to the desired report, or you can [Create a New Report](#) by clicking on this underlined link. [Page Help](#)

Regular Reports

Status	Date Submitted	Date Range	Edit?	Update Header?	Delete?	Confirm/Unconfirm?	View Totals?	View Details?	Validate Report?
Added	06/10/2020	05/01/2020 - 05/31/2020	edit	update	delete	confirm	view	view	validate
Accepted	05/08/2020	04/01/2020 - 04/30/2020	N/A	N/A	N/A	N/A	view	view	N/A
Posted	04/09/2020	03/01/2020 - 03/31/2020	N/A	N/A	N/A	N/A	view	view	N/A

*If no explanation is provided in the COMMENT BOX for errors/flags, Jane or Samantha will be emailing the agent for clarification.



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Flags - Hours

Hours reported exceed defined upper limits

- Any member that is listed as working more than 300 hours in a reporting period will trigger this flag. Review to confirm hours are correct and provide an explanation in the Comment Box

Hours worked reported as zero

- Any member that is listed with zero hours in a reporting period will trigger this flag
 - Provide an explanation in the Comment Box



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Flags – Hours

- Maternity
 - Is the member on an un-paid leave?
 - If on an unpaid leave, is their salary being docked for the time they are on maternity leave?
 - If their salary is being docked, please describe how it is being docked. We may require an adjustment be complete to correct the reporting. The Audit Newsletter 2019 on our website provides some examples of how we might need to adjust the reporting.
 - Are they using sick, vacation, personal, sick bank, or donated leave? If so, have the hours been submitted along with the compensation?



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Flags - General

Contribution amount does not match percentage rate of salary defined by statute

- The contributions listed do not match the correct percentage of the member's salary
- Go back and confirm that the member's contribution is 9.78% and that the employer's contribution is 101%



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Flags - General

Hire date must be within one month of pay period begin date

- There's more than one month between a member's hire date and when they first start making retirement contributions
- The most common reason for this flag is that someone who had been a part-time, non-contributor to the plan has now become eligible for the mandatory contributions. If that is the case, you simply need to change the hire date in the report to the date that they began contributions and leave a note



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Flags - General

Employer reported termination date different from termination date in system

- If you're getting this flag, it's because what you're reporting is different than what is on the Non-Con
- You can go back into the report and amend the date if it is wrong, or if it's the Non-Con that has the wrong date, go back and fix the Non-Con and leave a note letting us know how you addressed this flag



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Termination of Employment

Hourly employees:

The termination date would be the last day they are physically at work or the last day of their used sick/vacation time

Contracted Employees:

The termination date is the day their contract ends...unless the contract is terminated or member resigns, then the termination date will be the date of resignation/termination of contract.



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Non-Contributing Member Form

- Submitted when an employee/member is not going to be on the Retirement Report due to employment termination or leave of absence
- Submission is only done online through our reporting portal
- Each school must have at least one non-con agent registered to submit them
- Use the Employer/Reporting Agent Contact form available on our websites under "FORMS" to update/add/remove school reporting agents

Instruction of how to submit non-cons online are mentioned step by step in the "School Manual for Employer Contacts" Pages 8-6 though 8-10.

