

## SUGGESTED QUESTION OR TOPICS TO ADDRESS IN A POST-IMPLEMENTATION COMMUNICATION WITH USERS OF MPERA'S NEW ERIC SYSTEM

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### ➤ **Why must we report our TRS employees to MPERA?**

**A.** Section [19-2-403\(4\), MCA](#) gives the Public Employees' Retirement Board the sole authority for determining whether an employee is covered by any of the retirement systems the Board administers. To assist the Board with this responsibility, section [19-2-506\(3\)\(a\), MCA](#) has required the reporting of all employees since 1999. MPERA amended [ARM 2.43.2114](#) in 2008 to advise employers regarding the type of information that must be reported to ensure that all employees are reported correctly.

Additionally, section [19-3-412, MCA](#) provides for optional PERS membership for certain employees. Those employees can later choose to purchase this time into PERS. MPERA relies on the data reported by the employer when determining the amount of service eligible for purchase and the cost of that service. If MPERA did not have this information in the employer reports, the employer would be responsible for searching old records and files in order to provide the information to its employees and MPERA.

MPERA has noted several types of reporting errors while assisting our employers with reporting through ERIC. For example, some schools have TRS employees who work in the summer in PERS-covered positions, but are continuing to be reported to TRS. This reporting error impacts those employees. They are eligible to participate in PERS. If they elect to participate, the employees are potentially eligible to receive benefits from TRS and PERS. Pursuant to [19-3-412\(1\)\(a\), MCA](#), these employees are optional PERS-covered employees working under 960 hours and should be given the choice to participate. Depending on their election, they would then either be reported as PERS members or OEUH (Optional under 960 hours) as PERS non-contributing members.

### ➤ **When I upload my Employer Reporting file, ERIC voids the file and gives an error message. When I fix the error and re-upload, it voids the file again, and gives another error message. Why does it only let me see one file formatting error at a time? It would be helpful to see a report that shows all errors in the file.**

**A.** Our system stops processing the file once it reaches a line that cannot be processed. In most cases, the problem is recurring and more than one record contains the error. The system will tell the employer what the error is as well as what line the first error occurs. We recommend that once an employer encounters a specific error with their file that the error be corrected and all other records within the file be checked for this same error before resubmitting the file. If needed, employers can contact us and we can review the file for any errors. Unfortunately, the system is not able to provide a full list of each individual error.

### ➤ **Why are we now required to break out the pay types (regular, sick leave, vacation leave, holiday, etc.) on our PERS report? It is very time consuming to set this up for each employee each pay period.**

**A.** Some pay types are not considered compensation for retirement purposes and the new system is designed to help us ensure that compensation is reported correctly. Hours for some pay types also affect certain job classifications. For example, hours worked for sick and annual leave do not count toward the limits for working retirees. We have learned through the new system that some employers have been incorrectly including pay, such as cell phone and mileage reimbursements, as reportable compensation. These reimbursements are not compensation for purposes of determining employer and employee contribution amounts and Highest Average Compensation or Final Average Compensation upon a member's retirement. This misreporting has a direct effect on the member and can change a member's retirement benefit if reported incorrectly.

➤ **If the employee has “-0-“pay, why do we need to change their status every month? It would be easier to enter “-0-“pay. Changing their job status for every report is very time consuming.**

**A.** Employers do not have to change the status for an employee with \$0 earnings each month. Employees such as teachers who will be off for the summer can be set on the payroll report with a status of “Seasonal Leave” and will not have to be reported again until they return from leave. There are two options for reporting employees with no earnings:

- **Option 1:** Report the employee on each payroll report using the pay type “other paid time” with \$0 earnings and 0 hours. When programming this pay type, please be sure you are using the 444 record with no 445. Also, when using this pay type be sure to remove the Rate Type.
- **Option 2:** Set the employee on a leave status and do not report them again until they return from leave. To set the status, use the Regular Pay Type and enter an Employment Status (such as “Worker’s Comp,” “Military Leave,” or “Seasonal Leave”) along with a Status Date. When the employee returns from leave, a “Returned from Leave” status will need to be set with a new Status Date.

➤ **Why do we need to submit everyone who is a PERS employee each month if they didn’t work, (and therefore, had zero earnings)?**

**A.** Under Montana Code section [19-2-702](#), PERS members earn Membership Service for each month they are employed from their start date through their termination date. Our system calculates their Membership Service each month that they are reported even if they have no earnings or hours worked. Within PERS, Membership Service is used to determine a PERS member’s eligibility for retirement.

➤ **We have a group of employees (mainly hourly) whose pay period runs from the 15<sup>th</sup> to the 16<sup>th</sup>. Their pay date is on the 25<sup>th</sup>. The other group, mainly salaried, have a pay period of the 1<sup>st</sup> of the month to the last day of the month. They are also paid on the 25<sup>th</sup>. We have to use two payroll calendars for PERS reporting purposes. The same zero pay employees have to be included in each file even though the pay date for both groups is the same. This means we have to report the zero paid employees twice for the same month.**

**A.** Many employers have multiple payroll schedules for their employees. For example, some employees may be paid on a bi-weekly schedule and some monthly. The new system requires that an employee be reported once every 30 days (unless set on a leave status). After 30 days the system will throw an error asking you to verify that the person is still employed. The system recognizes all employees for an employer and does not associate the employee with a payroll schedule. As long as the employee is reported on one payroll schedule every 30 days the employer will not receive an error. Employers may see an informational message for the employees that are paid bi-weekly when they are reporting the monthly employees and vice versa. Employers may be experiencing issues of warnings and errors if they are behind in their payroll reporting. If the payrolls being reported are older than 30 days there will be errors. We can have these errors removed upon request. Once the employer is caught up with their reporting, they will only see informational messages.

➤ **Is there a way to sort the employees? They are all mixed together in no order (not alphabetical, not by social security number, etc.)?**

**A.** Employees are currently listed alphabetically by first name. We are working on changing this to be alphabetical by last name and have a way for employers to export all employee information into an excel spreadsheet. We will send a notice when this change has been implemented.

- **Before I create an Invoice, I want to make sure the amount I'm setting up for ACH payment to MPERA ties to the amount due according to my payroll system. Is there a report in ERIC that lists each employee by name, compensation, employee contribution, employer contribution, etc? This report was available in the old system and made it easier to compare with my payroll reports, especially if there were discrepancies.**

**A.** Currently we do not have a report available, but if an employer needs a report, we can run one internally and send it to them. We have this on our list to implement and will notify employers as soon as it is available.

- **ERIC rounds one way and my accounting software rounds another, so the ACH payment generated in ERIC doesn't match the amount of the warrant on my accounting records. Can you add an adjustment field to the report in ERIC so that the ACH will be correct?**

**A.** Employers should be entering the exact amount they are withholding for Employee contributions and calculate for Employer contributions into the system. ERIC provides a system calculated amount based on the earnings reported, to validate that the correct contribution rates are being used. We understand rounding issues occur therefore, the employer does not have to submit the exact system calculated amount. Before creating the invoice, employers need to verify the amounts agree with their calculations.

- **If a future date is entered for the ACH payment, ERIC won't create the submit report button. What is the reason for allowing a future date for the ACH if you can't submit the report, too? It seems inefficient for an employer to have to check the system every day in order to submit the report.**

**A.** Payments need to be submitted before the payroll report. The payment will be submitted on the future date you enter. The Employer Summary Report can be submitted after the payment date.

- **My county treasurer says the notification of the ACH payment only provides the following: "MPERA" and an amount. Is there any way to expand the details of the ACH payment notification to include which school district employer's payment it is?**

**A.** We will add this request.

- **Is it possible to include some graphic descriptions in the Employer Reporting Manual? A chart that shows the steps in the reporting process and how the files/records/transactions interact would be helpful.**

**A.** Yes we will add this.

- **The Employer Reporting Manual is missing some steps in the reporting process. Will MPERA review the Employer Reporting Manual to show the complete reporting process from beginning to end?**

**A.** Yes we will update the manual.

- **Some of my employees participate in the Defined Contribution Plan. When does MPERA credit their accounts for the contributions it receives from the employer?**

**A.** Under ARM 2.43.2114, employers are required to submit PERS DCRP contributions within 5 working days of each regularly occurring payday to MPERA. Under ARM 2.43.3532, MPERA then transfers these contributions to its third party record keeper, Empower Retirement, within two working days. Under this same rule, Empower Retirement has one working day to post these contributions to an employee's account after receipt of these contributions from MPERA. Will MPERA be offering additional training now that the ERIC system is up and running?

**A. We will be providing more training in the future.**

Other comments from MASBO members that were not FAQs, but possibly helpful information.

**Importance of reconciling district's payroll reports with ERIC reporting:**

In July, I was walking through this with an MPERA rep and trying to separate reporting for those paid for sick and vacation time taken vs. those receiving annual payout of vacation leave. I was just about to go to invoice and the ERIC system showed our payment at \$1,000 more than the payment according to my payroll reports. Needless to say, I did not press the button to generate an invoice until I could determine why the difference in payments amounts. After much research, the total payment according to my payroll reports was correct. I worked with a different MPERA rep to figure out how to make the report in ERIC correct. Ultimately, we didn't separate out the sick and vacation leave in ERIC; then everything balanced correctly.