Partnering to Build Financial Security for Members and their Families

Wyoming Retirement System

EMPLOYER UPDATE

Spring 2016

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This edition of the Employer Update focuses on pension member requirements

A multi-employer pension system, like the Wyoming Retirement System (WRS), must rely on the cooperation of all participating employers to achieve sound administration and compliance with legal requirements. Adherence to common standards is the best way to achieve the results we all want—equity among participating employers, member participants, as well as fiscal soundness of the System.

WRS standards or requirements are all based on statutes, administrative rule or policy. For your convenience, a summary of key requirements follows and you can direct questions to Renee Winfrey at renee.winfrey@wyo.gov. Statutory references can be found at http://retirement.wyo.gov/home/legislativelinks.html.

Please share this information with your HR and Payroll Departments and any personnel and/or others that may find it beneficial. WRS thanks all its participating employers for their partnership.

Member Enrollment

In general, all employees must be enrolled in WRS beginning from the date of employment regardless of any probationary period the agency may apply for other purposes. Probationary periods are not allowed for purposes of retirement plan enrollment.

Participating employers must enroll both full-time and regular part-time employees. An exception exists for cities, counties, and towns as they have the option to cover only their full-time employees. Please see W.S. 9-3-405(a)(ii)(A) for specifics.

An employee is considered regular part-time if the employee works 25 hours or more per week. Employers may expand upon the definition of regular part-time by including employees regularly working less than 25 hours per week; however, this definition is not subject to change or cancellation after the effective date of your participation agreement.

Employees meeting the definition of "member" according to Wyoming Statues must be enrolled in one of the WRS defined benefit plans. Please see W.S. 9-3-402(a)(vii) for the definition of "member" for the Public Employees Plan.

Multiple Pension Plans

The large majority of WRS' members are in the Public Employee Plan. Smaller plans exist for judges or public safety professionals because those occupations necessitate a unique benefit structure. It is very important an employee is enrolled into the correct plan.

There are often questions about which employees belong in the Law Enforcement Plan. The Law Enforcement Plan includes county sheriffs, deputy county sheriffs, municipal police officers, investigators of the Wyoming Livestock Board meeting the specifications of W.S. 7-2-101(a)(iv)(E), investigators employed by the Wyoming State Board of Outfitters and professional guides meeting the specifications of W.S. 7-2-101(a)(iv)(J), correctional officers, probation and parole agents employed by the Wyoming Department of Corrections, Wyoming Law Enforcement Academy instructors, University of Wyoming campus police officers, and detention officers or dispatchers for law enforcement agencies.

If an employee performs law enforcement duties as a

Multiple Pension Plans continued…

secondary job function or on a temporary or emergency basis, that does not necessarily equate to eligibility for the Law Enforcement Plan. To verify which pension plan employees belong in, contact WRS.

Sometimes when an employee switches positions, it means the employee must switch pension plans. It is best if the employee understands this before making a decision to change positions. For example, a person working for a county sheriff's office with full-time duties of a dispatcher would be in the Law Enforcement Plan. If that person changes jobs and starts working for the county sheriff in a clerical position, the individual would need to be moved to the Public Employees Plan. Please call WRS if you have any questions about which plan to enroll an employee.

Acceptable & Unacceptable Salary

WRS wants to ensure employers are aware of what qualifies as acceptable salary for retirement contributions. When contributions are reported on unacceptable salary, it creates the need for an adjustment and will ultimately delay an employee's request to retire or refund.

Acceptable Salary for Retirement Contributions

- Pay for current services rendered, including pay for extra duties
- Longevity pay (paid monthly)
- On-call pay
- Pay for used administrative, sabbatical, annual, sick, vacation, or personal leave
- Any pay for compensatory time, provided any such pay for compensatory time is earned within the last twelve months
- Any retroactive compensation payments pursuant to court orders, arbitration awards, or litigation and grievance settlements
- Pay to teachers for National Board Certification (Starting July 1, 2016 WRS is requiring pension contributions for compensation to teachers for National Board Certification. See recent message from WRS at http://retirement.wyo.gov/Media.aspx?mediaId=1378)

Examples of Unacceptable Salary

- Fringe benefits, including payments for unused annual, sick, vacation, or personal leave
- Housing allowances
- Transportation expenses, including stipends and vehicle expenses
- Cell phone reimbursements
- Early retirement incentive pay
- Severance pay
- Bonuses
- Medical insurance paid by the employer
- Workers compensation benefits
- Disability insurance premiums or benefits
- Payments received by a member in lieu of previously employer-provided fringe benefits under an agreement between the employee and participating employer entered into within sixty months before retirement, or any other payment which may reasonably be construed to be a fringe benefit
- Any payment made during any three-year period of employment which is deemed to increase highest average salary for the primary purpose of increasing a retirement benefit

Contribution Reporting

Monthly contribution uploads and payments must be received by WRS no later than the 12th of the month for the previous month. Late payments accrue interest at the rate of 7.75%.

Reporting Hours Worked

WRS wants to stress the importance of reporting employees' actual hours worked. Not doing so will be problematic for employees when they apply for pension benefits. A default of 174 hours is acceptable only for full-time contract or full-time exempt employees.

Service Break

When completing the monthly contribution upload, make sure to accurately specify whether an employee is terminated or on a service break. WRS has noticed employers sometimes terminate an employee when the employee is actually on a service break. This could result in the employee being moved from the Public Employee Plan Tier 1 to Tier 2, which has a reduced benefit structure.

Verification of SSNs

When uploading a new employee, ensure the SSN entered is correct. You can do this by asking a new employee to verify the SSN when logged into the Participant Portal.

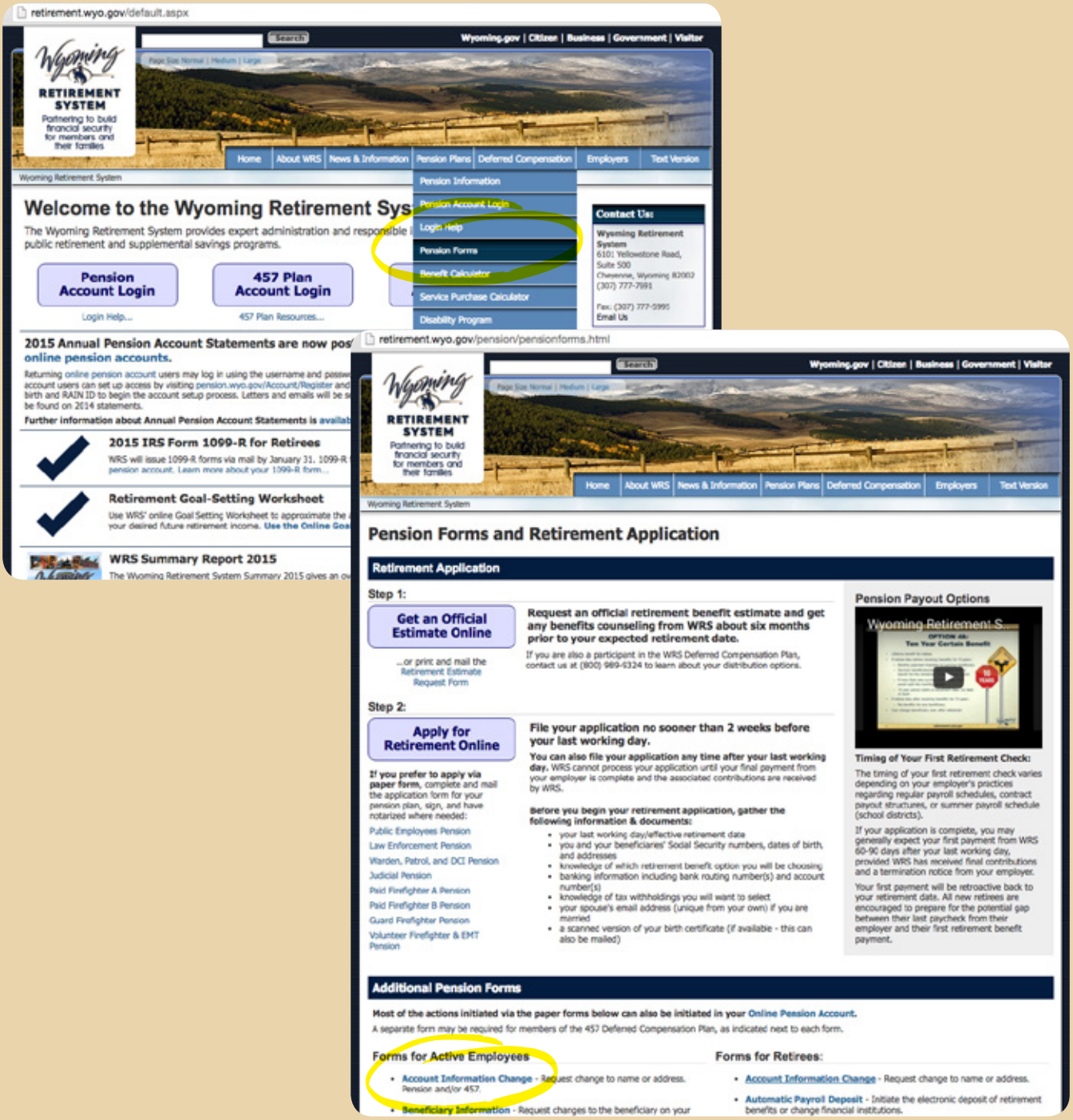
An erroneous SSN results in either bad information in the WRS database or an employee having two accounts, if enrolled previously. This may create problems when the employee tries to access his or her account via the Participant Portal, as well as when refunding or retiring. If you find this has occurred contact WRS as soon as possible.

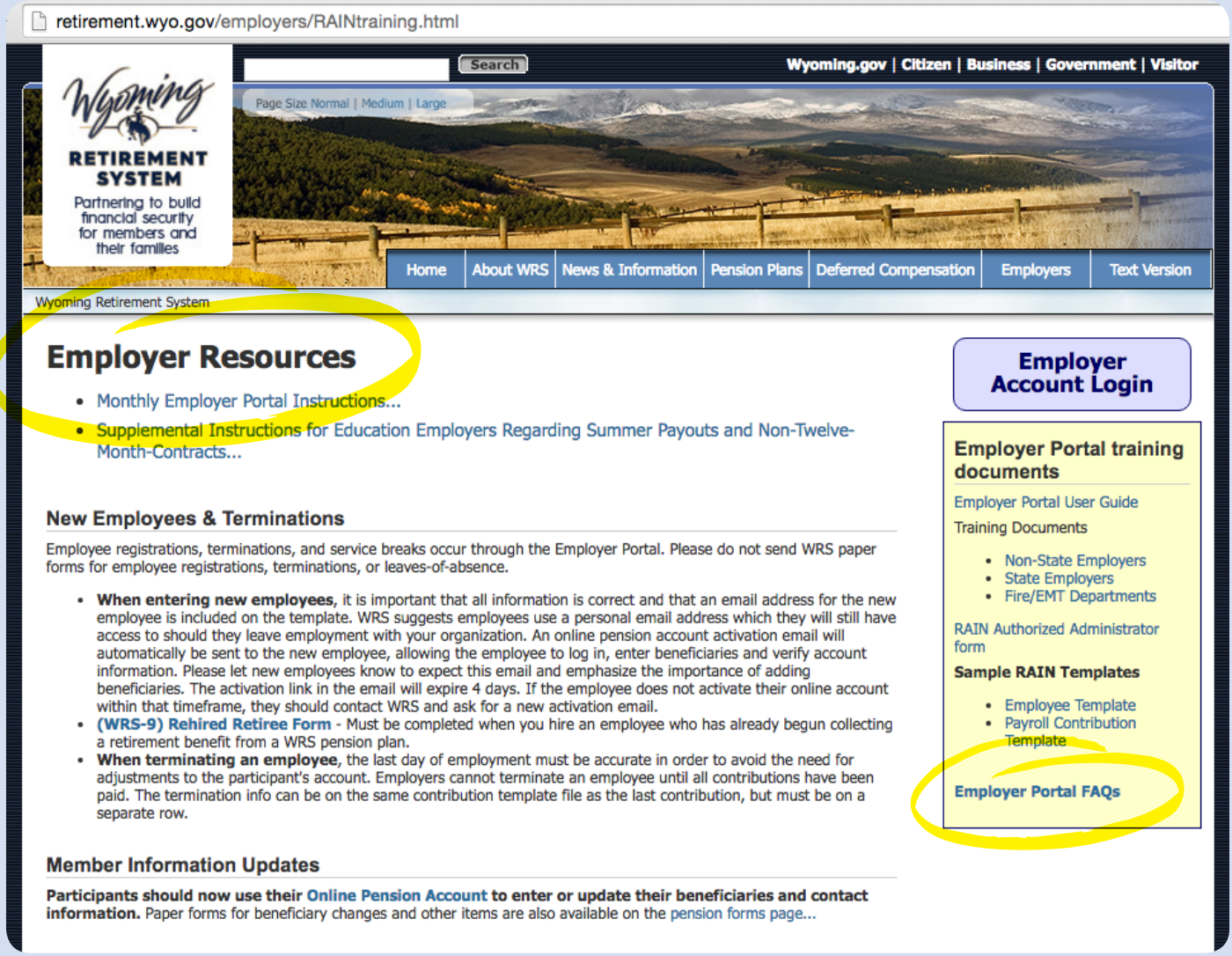
Name Changes for New Employees

If you are uploading a new employee who is currently in the WRS system from previous employment with a different name, please follow the procedures listed below.

Access our website at retirement.wyo.gov, from the home page click on the blue tab titled Pension Plan, then choose Pension Forms, scroll to the bottom of the page and click on Account Information Change. This form must be completed by the employee and faxed or mailed to WRS as soon as possible, along with legal documentation supporting the change. Once the employee's record has been updated by WRS, the employer can add the employee via the Employer Portal with the correct name information.

If there is a problem with the employee's date of birth please email renee.winfrey@wyo.gov with backup documentation listing the correct date, this change will be completed by WRS.



Employer Resources

The WRS website has a page filled with resources for employers. (From the home page click on the blue tab titled Employers, then choose Training & Resources.) New users of the Employer Portal should view the video on it, as well as the Employee Upload video. WRS recommends reviewing *Monthly Employer Portal Instructions* when completing the contribution upload. *Employer Portal FAQs* is also popular.