

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT AND BENEFITS

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March 8, 2006

Re: *Employer eReporting* file layout requirements

Dear PERS/TRS Employer:

We are pleased to announce the completion of the record layout for "*Employer eReporting*." As announced in the November 2005 issue of the Employers' Edge, *Employer eReporting* will be replacing the current PERS/TRS payroll reporting tool, DataEntr.

Effective July 1, 2006, all payroll information reported to the PERS/TRS will need to be reported to the Division using *Employer eReporting*. DataEntr files will no longer be accepted.

Employer eReporting will be a web-based application available on the Division's web site under Employer Services. Because *Employer eReporting* is web-based, you will no longer be required to install or maintain software on your computer. Updates, including annual rate changes, will be the responsibility of the Division and will be seamless. In order to effectively use this new application you need, at a minimum, a 56K Internet connection (high-speed or broadband connectivity is recommended) and a browser such as Internet Explorer (version 6.x), Netscape Navigator (version 7.x), or Mozilla Firefox (version 1.x).

To help you prepare for conversion to *Employer eReporting*, attached is the new record layout and a document that highlights the changes. The changes to the current record layout are minimal but contain fields that will be required beginning July 1, 2006. These new requirements are due to the passage of Senate Bill 141 (SB 141) during the last legislative session. SB 141 created a new tier under both PERS and TRS. The new tiers are defined contribution plans requiring new data fields for those first becoming PERS/TRS members on or after July 1, 2006. The new fields are required whether you report your payroll data to us manually or electronically. We recommend you begin the process of revising your payroll systems now so you are ready to use the new application by July 1, 2006.

If you have questions regarding the reporting requirements, please contact our Payroll Processing Supervisor, Tammy Vargas at 1-800-821-2251 ext. 5715 or in Juneau at 465-5715. If you or your Information Services support staff have technical questions regarding the attached record layout please contact Larry Woodall at 1-800-821-2251 ext. 2473 or in Juneau at 465-2473.

March 8, 2006

We highly encourage all employers to consider using this new secure application to report payroll data to PERS/TRS electronically. However, if you do not have access to the Internet, we will provide you with a separate reporting tool. This tool will more than likely be a formatted Excel spreadsheet. Please let us know by June 1, 2006, if you will not be able to use *Employer eReporting*.

Attached is a summary of SB 141 covering key components of the bill. For more information, please visit our web site at www.state.ak.us/drb.

Senate Bill 141 (SB 141) and *Employer eReporting* training is tentatively scheduled to begin the week of May 15, 2006. Based on responses received from our September 2005 survey, training will be held in three centralized locations, Juneau, Fairbanks and Anchorage. We will be providing more information related to this training at a later date.

Sincerely,

A handwritten signature in black ink, appearing to be 'W' followed by a long, sweeping horizontal line that curves slightly upwards at the end.

Melanie Millhorn
Director

MM

Attachments

G:/accounting section/sb141/ltr to er for file layout.doc



Employer Executive Summary – SB 141 Overview

Who will be in the Defined Contribution Retirement (DCR) plan?

1. All employees covered by the employer's participation agreement who first become a member of PERS/TRS on or after July 1, 2006.
2. If an employer has chosen to allow its eligible employees to convert (see conversion option below), then any eligible employee who elects to transfer and is approved by the Division to convert from the Defined Benefits (DB) plan to the DCR plan.

Key components of new defined contribution retirement plan noted below:

1. **Conversion Option** – Employers can elect to allow non-vested DB plan members to convert to the new defined contribution retirement plan. Election by employers to allow for non-vested member conversion can be made at any time but the election is irrevocable once made. To elect this option, each employer must submit a participation agreement amendment to the Division for approval together with a resolution by the employer's governing body (a sample amendment and related resolution will be provided by the plan administrator).
 - All employees eligible to convert to the DCR plan will be provided a conversion packet by the Division soon after the Division approves the participation agreement amendment. This packet will be referred to as the "Alaska PERS Choice Kit" or "Alaska TRS Choice Kit"
 - If/when employees elect to convert to the DCR plan, their employer will be required to contribute to the member's individual account an amount equal to the employee's refundable member contribution account balance at conversion. This employer contribution will be paid into the DCR plan no later than 30 days after the member's election per AS 39.35.940(f) and AS 14.25.540(f).
2. **Member's Individual Account** – An individual account will be established for each DCR member into which both employee and employer contributions will be made. Employees invest the balance of their account in investment options made available by the Alaska Retirement Management Board (ARMB).
 - Employees may make additional contributions into their account, subject to limitations on contributions under AS 39.35.780 and AS 14.25.380.
3. **Health Reimbursement Arrangement (HRA)** – An employer funded medical expense reimbursement account that retirees and other eligible terminated members may use to pay qualified medical expenses and/or monthly health plan premiums.
 - The employer's contribution into an employee's account will be reported on each employee's pay record each pay period as a fixed dollar amount. The contribution amount, per employee, will be provided by the administrator to each employer.
4. **Retiree medical benefit** – Retiree medical plan similar to what is provided to Alaska's retired Public Employees' and Teachers' Retirement Plan members today. The primary differences are:
 - Employees are not entitled to this benefit unless they retire directly from the system, and
 - have been an active member for at least 12 months before application for retirement, and
 - have 10 years of service, and
 - have reached the age set for Medicare eligibility; OR
 - have 30 years of service for PERS "all others" and TRS members. Twenty-five years of service for police and fire fighters.
 - Retirees will cost share the premium amount based on years of service once the retiree reaches the age set for Medicare eligibility.

5. **Occupational death and disability benefit** – Members whose employment is terminated because of a total and permanent occupational disability or survivors of members who die in the performance of their duties are entitled to a monthly benefit.
- AS 39.35.890 (d), 39.35.892 (c), 14.25.485 (d) and 14.25.487 (c) require employers to pay contributions into the plan for members or beneficiaries of members who are receiving occupational death or disability benefits. The employer is required to pay both the member's contributions as well as the employer's contributions based on the disabled/deceased member's gross monthly compensation at the time of termination due to disability/death.
 - The plan administrator will notify the employer when an employee/beneficiary has been approved for occupational death or disability benefits as well as when the employee/beneficiary no longer qualifies for such benefits.

Plan Funding and Contribution Levels:				
	PERS		TRS	Contribution applied
	Police/Fire	Others		Towards.....
Employees	8.00%	8.00%	8.00%	Individual account.
Employers	5.00%	5.00%	7.00%	Individual account.
	3.00% ¹	3.00% ¹	3.00% ¹	Health Reimbursement Arrangement.
	1.75%	1.75%	1.75%	Retiree medical plan. Rate is actuarially determined.
	0.40%	0.30%	0.00% ²	Occupational death & disability benefits. Rate is actuarially determined.
Employers total Cost	10.15%	10.05%	11.75%	

¹AS 39.30.370 states, "For each member of the plan, an employer shall contribute to the teachers' and public employees' retiree health reimbursement arrangement plan trust fund an amount equal to three percent of the employer's average annual employee compensation." To implement this statute, the amount to be contributed per employee per pay period will be determined by the administrator and communicated to the employer at a later date.

²This benefit is not currently funded in statute.

Reporting requirements for employers of DCR members:

As currently set in Alaska statute for the Defined Benefits plan, the Defined Contribution Retirement plan also requires all contributions of an employer and the contributions of its employees be transmitted to the administrator as soon as practicable after the close of the payroll period for which the contributions are made (including all necessary information to process each payroll).

Beginning July 1, 2006, the system will not recognize a payroll as being transmitted if;

- the payroll does not include complete data for both DCR and DB members, or
- the full amount due for DB employee contributions and total DCR (employee and employer) contributions are not received.

Only one pay-cycle employee group will be allowed on an individual payroll. For example: if you have a group of monthly employees and a group of semi-monthly employees whose pay period end date falls on the same date, you will need to submit two separate payrolls. One monthly (M) with the pay period end date of mm/dd/ccyy and one semi-monthly (S) with the pay period end date of mm/dd/ccyy.

E-Reporting Record Layouts -- Highlights of Changes

Layout 1 - Payroll Record Layout See [Employer Services website](#) for updated layout

1. Fields 1 thru 5 no changes.
2. Field 6 - Payroll Type: The code “R” for retroactive has been deleted use code “A” instead. A new code “C” now necessary when an employer is matching an employee's account balance when converting from the Defined Benefit plan to the new Defined Contribution plan.
3. Field 7 - Plan: This is a new element necessary to determine which plan an employee participates in. Valid values are “DB” for Defined Benefit or “DC” for Defined Contribution.
4. Fields 8 thru 17 no changes.
5. Field 18 - Was previously Indebtedness Type and Indebtedness Number. No longer needed, converted to filler. Leave blank.
6. Field 19 - Was previously Indebtedness Payment Amount. Now designated for post-tax employee indebtedness payments only. Applies to DB plan employees only.
7. Fields 20 thru 25 no changes.
8. Field 26 - Employer Contribution: New field for employer matching contributions.
9. Field 27 - Employer HRA Contribution: New field for employer contribution to employee's Health Reimbursement Arrangement account. Applies to DC plan employees only. This will be a pre-determined flat dollar amount per employee.
10. Field 28 - Employer Retiree Medical: New field for employer contribution for retiree medical coverage. Applies to DC plan employees only.
11. Field 29 - Employer ODD: New field for employer contribution for occupational death/disability. Applies to DC plan employees only.
12. Field 30 - Indebt Payment Pre-tax: New field for employee pre-tax indebtedness payments. Applies to DB plan employees only.
13. Field 31 - Additional Employee Pre-tax Contribution: New field for additional employee pre-tax contribution. Applies to DC plan employees only.
14. Field 32 - Additional Employee Post-tax Contribution: New field for additional employee post-tax contribution. Applies to DC plan employees only.
15. Field 33 - Employer DBUL contribution: New field for employer contribution to the unfunded liability of the DB plan based on DC plan member wage base. Will be based on a percentage rate calculation. May be required pending new legislation in 2006 legislative session.

Layout 2 - Event Record Layout

1. Field 13 - Contract Service Percentage: New field to indicate the contract service percentage for a part-time teacher. Required on all HIRE and STAT events for part-time teachers.
2. Field 14 - Filler: Previously Termination Reason Code was in column 127. No longer needed. Converted to filler.

Layout 3 - Personnel Record Layout

1. Field 7 - Was previously the Effective Date. No longer needed converted to filler.
2. Field 9 - Was previously the Date Type. No longer needed converted to filler.
3. Field 10 - Was previously Birth Date or Death Date. Now just Birth Date. Death Date no longer needed.

Layout 4 - Payroll Summary Record Layout

1. The payroll summary record needed previously is no longer needed if you use E-reporting. Any employer not using E-reporting will still need a summary record.

#	Field Name	Start	End	Size	Type	Status	Comments
1.	Record Type	001	001	1	A	Required	Always "D"
2.	Fund Code	002	002	1	A	Required	"P" for PERS
							"T" for TRS
							"E" for EPORS
							"J" for JRS
3.	Employer Number	003	005	3	N	Required	Your 3 digit employer number
4.	Filler	006	006	1			Not Used - leave blank, imported data will be ignored
5.	SSN	007	015	9	N	Required	Employee Social Security Number
6.	Action Code	016	019	4	A	Required	"NEW" for New Hire
							"CHG" for Change
							"NAME" for Name change
7.	Filler	020	027	8			Not Used - leave blank, imported data will be ignored
8.	Name	028	057	30	A	Optional	Format: LAST,FIRST MI Comma must be between last and first names, no spaces. Jr., Sr., etc. go before the ",".
9.	Filler	058	058	1			Not Used - leave blank, imported data will be ignored
10.	Birth Date	059	066	8	N	Optional	Format: MMDDCCYY.
11.	Gender Code	067	067	1	A	Optional	"F" for Female
							"M" for Male
12.	Marital Status	068	068	1	A	Optional	"M" for Married
							"S" for Single, divorced or widowed
13.	Address	069	098	30	A	Optional	Mailing street address or post office box of employee
14.	City	099	114	16	A	Optional	Mailing city of employee
15.	State Code	115	116	2	A	Optional	Mailing state of employee
16.	Zip Code	117	126	10	A	Optional	Format: NNNNN or NNNNN-NNNN - the dash must be entered if the second format is used.
17.	Filler	127	172	46			Not Used - leave blank, imported data will be ignored

Total record length is 172 characters.

#	Field Name	Start	End	Size	Type	Status	Comments
1.	Record Type	001	001	1	A	Required	Always "P"
2.	Fund Code	002	002	1	A	Required	"P" for PERS
							"T" for TRS
							"E" for EPORS
							"J" for JRS
3.	Employer Number	003	005	3	N	Required	Your 3 digit employer number
4.	Payroll Cycle	006	006	1	A	Required	"B" for bi-weekly
							"M" for monthly
							"S" for semi-monthly
							"Q" for Quarterly
							"Y" for Yearly
5.	SSN	007	015	9	N	Required	Employee Social Security Number
6.	Payroll Type	016	016	1	A	Required	"N" for normal current payroll
							"A" for prior payroll adjustment
							"C" for DC conversion employer match
7.	Plan	017	018	2	A	Required	Plan Code = DB or DC
8.	Filler	019	019	1			Not used, leave blank, imported data will be ignored
9.	Payroll Ending Date	020	027	8	N	Required	Format: MMDDCCYY
10.	Name	028	057	30	A	Required	Format: LAST, FIRST MI Comma must be between last and first names, no spaces. Jr., Sr., etc. go before the ",".
11.	Department	058	059	2	N	Required	Used by State of Alaska PERS; blank for all other employers.
12.	Division	060	061	2	N	Required	Used by State of Alaska PERS; blank for all other employers.
13.	Region	062	063	2	N	Required	Used by State of Alaska PERS; blank for all other employers.
14.	Personnel Status Code	064	064	1	A	Required	"F" for Full Time
							"P" for Part Time
							"W" for Workers' Compensation Time
15.	Filler	065	065	1			Not used, leave blank, imported data will be ignored
16.	Occupation Code	066	066	1	A	Required	"E" for all EPORS Members in EPORS
							"J" for Non-Contributing Judges in JRS
							"R" for Contributing Judges in JRS
							"A" for All Others PERS in PERS
							"C" for Inland Boatman Union in PERS
							"E" for Elected Officials in PERS
							"F" for Firemen in PERS
							"M" for Marine, Mates, Pilots in PERS
							"P" for Peace Officer in PERS
							"L" for TRS Legislator in TRS
							"T" for Teachers in TRS
17.	Bargaining Unit	067	070	4	A	Required	Used by State of Alaska PERS; blank for all other employers.
18.	Filler	071	074	4			Not used, leave blank, imported data will be ignored
19.	Indebt Payment Post-tax	075	081	7	N	Required	Zero fill if amount is zero
20.	Employee Gross Earnings	082	089	8	N	Required	Zero fill if amount is zero
21.	Employee Geographical Differential Percent	090	094	5	N	Required	Used by State of Alaska PERS; blank for all other employers.
22.	Employee Contribution	095	101	7	N	Required	Zero fill if amount is zero
23.	Employee Voluntary/Supplemental	102	108	7	N	Required	Voluntary is PERS only; Supplemental is TRS only, zero fill if amount is zero.
24.	Life Volume	109	111	3	N	Required	Used by State of Alaska PERS; blank for all other employers.
25.	Employee Hours Worked	112	116	5	N	Optional	Mandatory for PERS part-time or workers' compensation time for record type = N. Optional for record type = A. Not allowed for record type = C.
26.	Employer Contribution	117	123	7	N	Required	Zero fill if amount is zero
27.	Employer HRA	124	130	7	N	Required	Zero fill if amount is zero
28.	Employer Retiree Medical	131	137	7	N	Required	Zero fill if amount is zero
29.	Employer ODD	138	144	7	N	Required	Zero fill if amount is zero
30.	Indebt Payment Pre-tax	145	151	7	N	Required	Zero fill if amount is zero
31.	Additional Employee Contribution Pre-tax	152	158	7	N	Required	Zero fill if amount is zero
32.	Additional Employee Contribution Post-tax	159	165	7	N	Required	Zero fill if amount is zero
33.	Employer DBUL	166	172	7	N	Required	Zero fill if amount is zero

Total record length is 172 characters.

Layout 2

Event Record Layout

3/14/2006 9:00 AM

#	Field Name	Start	End	Size	Type	Status	Comments
1.	Record Type	001	001	1	A	Required	Always "E"
2.	Fund Code	002	002	1	A	Required	"P" for PERS
							"T" for TRS
							"E" for EPORS
							"J" for JRS
3.	Employer Number	003	005	3	N	Required	Your 3 digit employer number
4.	Filler	006	006	1			Not used, leave blank, imported data will be ignored
5.	SSN	007	015	9	N	Required	Employee Social Security Number
6.	Event Type	016	019	4	A	Required	"HIRE" = Employee hire
							"STAT" = Status or Occ code change
							"LWP" = PERS LWOP
							"ALWP" = TRS active LWOP
							"ILWP" = TRS inactive LWOP
							"SAB" = TRS sabbatical leave
							"TSE" = TRS service end
							"TERM" = Employee termination
7.	Event Effective Date	020	027	8	N	Required	Format: MMDDCCYY. Effective date of this change.
8.	Name	028	057	30	A	Required	Format: LAST,FIRST MI Comma must be between last and first names, no spaces. Jr., Sr., etc. go before the ",".
9.	Filler	058	063	6			Not used, leave blank, imported data will be ignored
10.	Personnel Status Code	064	064	1	A	Required	"D" for DC Occupational Death or DC Occupational Disability
							"F" for Full Time
							"P" for Part Time
							"W" for Workers' Compensation
11.	Filler	065	065	1			Not used, leave blank, imported data will be ignored
12.	Occupation Code	066	066	1	A	Required	"A" for All Others in PERS
							"C" for Inland BoatMan Union in PERS
							"D" for Special School District in PERS
							"E" for Elected Officials in PERS or EPORS
							"F" for Firefighter in PERS
							"J" for Non-Contributing Judges in JRS
							"L" for TRS Legislator in TRS
							"M" for Marine, Mates, Pilots in PERS
							"P" for Peace Officer in PERS
							"R" for Contributing Judges in JRS
							"T" for Teachers in TRS
							"W" for Rehire Retiree under HB161/SB242 in PERS and TRS
							"Y" for Rehire Retiree(P/F) under HB161/SB242 in PERS
13.	Contract Service Percent	067	068	2	N	Required for	Contract service percentage for part-time teacher
						TRS P/T on	Required for TRS P/T HIRE or STAT otherwise leave blank
						HIRE/STAT	
14.	Filler	069	172	104			Not Used - leave blank, imported data will be ignored

Total record length is 172 characters.