



Important Payroll Information

FYE Payroll Reporting

All June 2015 payroll reports and contributions are due to our office in a balanced status no later than July 8 (five working days after June 30).

Your payroll report needs to be submitted according to the payroll schedule provided to us. Changes to this schedule are only allowed for extenuating circumstances. Varying from your regular reporting schedule can impact your employees' service credit and membership service. If you have additional paydays in any month, contact our office before submitting any reports for that month. We will assist on coordinating the consolidation of paydays within your regular reporting schedule.

Please note the following information to help ensure the accuracy of your payroll reporting:

- Reports received after July 8, including amended June payroll reports, will not be reflected on the members' annual statements.
- Do not submit extra buyback payments with your June payroll. A buyback contract allows only one full payment per month. Buyback contracts do not require payments in months when no compensation is received.
- The 2013 Montana Legislature removed bonuses from the definition of compensation for all retirement systems. A bonus is a one-time temporary payment in addition to, and not considered part of, base pay. Do not withhold retirement contributions on bonuses paid to your employees. When reporting bonuses, enter the amount in the bonus section on your Contributing Report only. Do not add this amount to the regular earnings.
- Complete your Working Retiree and Noncontributing Employee (NCE) report before your Contributing report. Otherwise errors will occur.
- Working retirees over 70½ years old are not subject to employer contributions or certification. Do not pay employer contributions on them. Be sure to report them on your Noncontributing Employee report, not on your Working Retiree report. When you enter your working retiree's earnings and hours in the Working Retiree report, the employer contribution amount is automatically calculated and populated into the Working Retiree contribution box on your contributing report.
- Working Retiree Certifications are due within 10 days after your payroll has been submitted. Certifications received after 10 days will be assessed a daily penalty.

Contribution Rate Changes

PERS - In fiscal year 2016, the employer contribution rate increases 0.1% for all employers. This additional employer contribution rate increases 0.1% every year from fiscal year 2014 through fiscal year 2024. The increased employer contribution must be submitted on the first Payroll Report in July, even if the hours were worked in June. The employee contribution rate remains at 7.90%

PERS Rate Increases	Effective 7/1/2014	Effective 7/1/2015
Central Payroll & University	8.27%	8.37%
City, County & Other Agencies	8.17%	8.27%
School Districts & High Schools	7.90%	8.00%

HPORS – In fiscal year 2016, the employee contribution rate increases 1.0%. This additional employee contribution rate increases 1.0% every year from fiscal year 2013 through fiscal year 2016. The employer contribution rate remains the same at 28.15%.

HPORS Rate Increases	Effective 7/1/2014	Effective 7/1/2015
Employee Contribution Rate hired Prior to 7/1/1997	11.00%	12.00%
Employee Contribution Rate hired After 7/1/1997 or Elected GABA	11.05%	12.05%

We need your help! Each July we mail Annual Statements to members. Unfortunately, a significant number of these statements are returned due to incorrect addresses. Please ensure your employees' addresses are up – to - date and you have deleted the address of employees who have terminated on the MPERA Web Reporting System. Our system will maintain every address you submit until you manually delete the address on our Web Reporting System. Excluding an address in your uploaded address file will not delete the record. For instructions on reporting and deleting addresses, please see our [Employer Reporting Handbook](#). Instructions begin on page 36.

UPDATES

Governmental Accounting Standards Board Statement (GASB) #68

MPERA asks that you please communicate with our financial staff regarding GASB #68, which sets new pension plan reporting requirements for employers and non-employer governmental contributing entities. The statement must be implemented by governmental employer and non-employer contributing entities for fiscal years beginning after June 15, 2014 (that is, for years ended June 30, 2015 or later).

Here are a few major differences of the new pension standard over those previously issued:

- An employer, whether they participate in a single-employer or multi-employer cost sharing pension plan, must show a pro-rata share of any net pension liability of the plan;
- The pension expense recognized by an employer may be different than the actual contributions paid to the plan;
- An employer who receives non-employer entity contributions will likely have to record grant revenue as a result;
- A non-employer contributing entity may have to reflect a pro-rata share of a plan's net pension liability;
- A non-employer contributing entity will have to reflect grant expenditures for contributions made on an employer entity's behalf to a pension plan;
- Employer and non-employer entities will reflect items classified as deferred inflows and outflows of resources;
and
- Note disclosures to the financial statements for multi-employer cost sharing plans are now more similar to those previously required of single employer plan disclosures..

Important note for all State of Montana agencies and the Montana University System (MUS): All component units will be responsible for reflecting note disclosures as an employer entity within their stand-alone financial statements. In addition, all MUS units will be required to reflect their transactions on BANNER as deemed appropriate. The Department of Administration (DOA) will record all accounting transactions on SABHRS and will determine the related note disclosures for the State's CAFR.

Public Employee Retirement Information System (PERIS) Project

Our PERIS computer system replacement implementation date has been delayed until May, 2016. You will continue reporting contribution payrolls using our current web reporting system and file formats.

Please be aware when PERIS is implemented there will be several changes in employer reporting such as:

- A new file format. If you have not already worked with your vendor, or internal IT programming staff, or changed your format to the new layout, please visit our website at mpera.mt.gov/vendorsupport.shtml for more information.
- Employer IDs – each employer will be issued either a new Employer ID that will allow you to report multiple systems and pay groups.
- Portal Access Managers (PAMs) – Employers will designate their own PAMs that will grant access for their staff for employer reporting. MPERA will set up your PAMs and your PAMs will grant access to your employees.

In the next few months we will be sending out information about the PERIS timeline and training for the new system. Be sure to watch our [website](#) for regular updates on the PERIS project.