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# *Wage, Service and Contribution Guide*

User-friendly instructions to submit wages, service and contributions  
for your MERS Defined Benefit Plan within the Employer Portal

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**Please Note:** This guide is revised periodically to ensure clarity and accuracy of defined benefit reporting policies and procedures. Please refer to [www.mersofmich.com](http://www.mersofmich.com) for the most updated version of this publication.

## Introduction

The Municipal Employees' Retirement System (MERS) of Michigan is an independent, professional retirement services company that was created to administer the retirement plans for Michigan's local units of government on a not-for-profit basis.

This guide is a resource for those responsible for reporting wage and service information to MERS. As your municipality's Reporting Contact, you have access to report financial and employee information to MERS through the Employer Portal.

### Your responsibilities in this role may include:

- Reporting employee hire and termination dates
- Reporting employee wages and contributions in accordance with your plan provisions
- Reporting employee leaves of absence through usage of wage discrepancy codes
- Making wage and contribution corrections as necessary
- Submitting and retrieving files
- Receiving and reviewing invoices and submitting payments
- [Reporting rehired retirees](#)
- Receiving benefit information such as financial reports, news alerts and quarterly statements and sharing this information with others in your municipality

## Changing or Updating Contact Information

To update your contact information, click on the following [link](#) or [contact MERS](#).

## Resources

MERS has created a dedicated resource page for Reporting Contacts on [our website](#). This page provides you with information on submitting wage and contribution data, understanding reporting limits and MERS discrepancy codes, reporting guides, videos, forms and more.

In addition, portal training is available through our Service Center. Call today to [schedule a training](#) at your convenience.

The screenshot shows the MERS Reporting Contact page. At the top, there is a navigation bar with the MERS logo and the text 'Municipal Employees' Retirement System'. To the right of the logo are social media icons for Facebook, LinkedIn, and YouTube, and a 'Log In' button. Below the navigation bar is a green header with the following tabs: PARTICIPANT, RETIREE, EMPLOYER, MEDIA, and MERS. A search bar is located on the right side of this header. The main content area has a breadcrumb trail: Home | Employer | Content By Role | Reporting Contact. The title 'Reporting Contact' is centered in a large font. On the left, there is a 'Content By Role' sidebar with a list of links: Primary Contact, HR Contact, Finance Contact, Reporting Contact, and Elected Official & Boards. Below this sidebar is a 'Contact Change Request' link. The main content area features a red 'Reporting' banner. To the right of the banner, there is a welcome message: 'As your municipality's Reporting Contact, you have access to report financial and employee information to MERS through the Employer Portal.' Below this, it lists 'Your responsibilities in this role may include:' followed by a bulleted list: Reporting employee hire and termination dates, Reporting employee wages and contribution, Updating employee and beneficiary information as changes occur, Submitting and retrieving files, Receive invoices and submit payments, Report hours worked by employees, and Receiving benefit information such as financial reports, news alerts and quarterly statements and disseminating this information with others in your municipality. At the bottom, there are two sections: 'New to Your Role?' with a 'WELCOME' sign and a list of links: 'Who is MERS?' and 'Your MERS Team'; and 'Resources for Your Role' with a list of links: 'Employer Reporting Project (OB, Hybrid, DC)' and 'Wage, Contribution & Reporting Information'.

## Employer Portal Basics

### Logging In

1. Log into the Employer Portal from [www.mersofmich.com](http://www.mersofmich.com)



2. Select **Defined Benefit Employer Portal**



### Two-Factor Authentication and Passwords

The Employer Portal requires two-factor authentication (2FA), where a code is sent via text or phone call to verify your identity. This extra layer of security will protect you by making it more difficult for someone to gain unauthorized access to your account.

### One-Time Set-Up

You will only need to confirm your existing login one time. During this initial set up process, you will be prompted to enter and confirm your phone number (used to receive a text or phone call when logging in to your account) and email (used when resetting your password). Texts, calls and emails regarding the log in process will come from our recordkeeper, Alerus.

If you do NOT know your username, contact our Service Center at 800-767-6377.

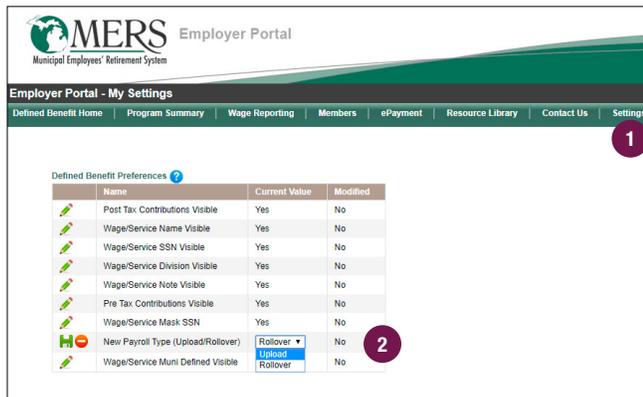
### Resetting Your Password

Once you set up your account with 2FA, you will be able to reset your password by clicking on the "Forgot Password" link on the page where you are prompted to enter your password. You will then be prompted to enter your username. A verification code will be sent via email. On the Reset Password page, you will enter your username, the code you received via email and your new password.

## Settings

Through the settings tab, you set your user preferences.

1. Click on **Settings**
2. Edit your preference for new payroll report



## Frequency of Reporting

You are required to submit wage and contribution information to MERS on or before the 10th of each month for earnings paid in the previous month.

- You will be assessed a late fee per report for each month it is late
- Wages are reported based on the wages paid during the reporting month
- Invoices are due to MERS by the 20<sup>th</sup> of the month



## Important Notes!

1. Wages are reported based on **when they are paid**.

### Example

Employee is paid bi-weekly for working August 1st through August 31st. August wages reported by September 10th will consist of three pay periods:

- August 1st
- August 15th
- August 29th

2. Service credit is awarded based on **hours worked (or paid for) within the calendar month**.

### Example

An employee is awarded service credit for August if they worked (or received pay as if they worked) the required number of hours needed in a calendar month.

- August 1st - August 31st service is reported by September 10th

For more information on remitting contributions to MERS, see the ePayment Guide [here](#).

## Program Summary

### Plan Provisions

Under the **Program Summary** tab, you can find a summary of your plan provisions.

Plan provisions are decided on and adopted by your municipality and provide parameters for your defined benefit plan. Provisions include determinations on who is eligible for plan participation, service credit qualification requirements, your plan multiplier, vesting requirements, leaves of absence elections, definition of compensations and employee contribution rates (if applicable., etc. Many of these details can be found under Program Summary in the Employer Portal.

### Locating Actuarial Reports, Census, and GASB Information

MERS sends out Annual Actuarial Valuations (AAV) in May and June each year, and you can expect to receive yours by June 30. If you need information in your AAV to finalize your municipality's budget prior to receiving the newest AAV, we recommend that you use your most current version.

Under the **Program Summary** tab you can access your two most recent reports. If you need an older report, you can contact [MERS or your Benefit Plan Coordinator](#).

Your census includes the following data points for each employee group:

Active Employees	Retirees & Beneficiaries	Vested Former Employees (Deferred)
Individual ID	Individual ID	Individual ID
Municipality #	Municipality #	Municipality #
Division #	Division #	Division #
Participant Name	Participant Name	Participant Name
Gender	Gender	Gender
Date of Birth	Date of Birth	Date of Birth
Reported Wages	Recipient Type (Retiree/Beneficiary)	Total Benefit Service Months
Valuation Wages	Payment Option Elected	Vesting Service Months
Total Benefit Service Months	Beneficiary Date of Birth	Valuation Service Months
Vesting Service Months	Beneficiary Gender	Termination Date
Valuation Service Months	Retirement Date	
Projected Retirement Date	Monthly Pension Amount (Pre-Social Security Retirement Age)	
Estimated Monthly Straight Life Benefit	Monthly Pension Amount ( Current or Post-Social Security Retirement Age)	

## Add a New Hire

### New Application

From the Member Search page (found in the drop down on the **Members** tab), you can enter new hire information. While **we strongly encourage employees to add their own beneficiary information through their myMERS account**, you also have the ability to enter if for them here, if needed.

The New Application and New Hybrid Application links (in the gray tool bar just under the navigation bar) take you to the member application page. The Hybrid Member Application will only show if your municipality has a hybrid division and is used to enter the employee into the defined benefit plan **ONLY**.

**Please note:** To enroll a new hybrid participant via upload, you will need to complete the new hire application process for the defined benefit portion and then add the employee to the defined contribution portion payroll file on their next wage contribution reporting. Defined benefit enrollment must be entered in the system **PRIOR** to defined contribution enrollment. Otherwise, if you are not doing the upload (and reporting manually), you will need to upload the form to Alerus to have them add the participant into the system.

1. Click on New Application.

The screenshot shows the 'Employer Portal - Member Search' interface. At the top, there is a navigation bar with links for 'Defined Benefit Home', 'Program Summary', 'Wage Reporting', 'Members', and 'ePayment'. Below this, a 'New Application' link is highlighted with a red circle containing the number '1'. Underneath, there is a 'Member Search' section with a question mark icon. This section contains three input fields: 'Last Name', 'First Name', and 'National ID'. To the right of the 'Last Name' field is a 'Status' dropdown menu. To the right of the 'First Name' field is a 'Division' dropdown menu. At the bottom of the search section are two buttons: 'Search' and 'Clear Search'.

The Membership Application Screen is used for entering new hire information and beneficiaries. All **BOLD** fields are required.

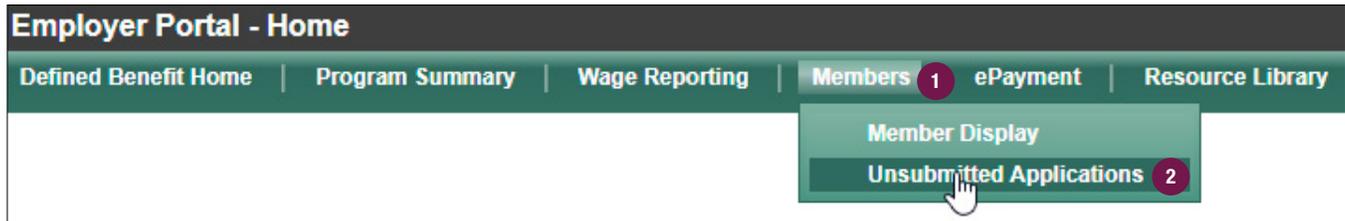
2. Enter a hire date in the given format. You may enter the date manually or pick a date from the pop-up calendar by clicking on the arrow.
3. Press tab or enter.

When you click away from the field, the screen refreshes and the division menu is filled with available division as of the hire date.

4. Select the division.
5. Enter remaining new hire data.
6. Enter email address.
7. Save
8. Validate
9. Submit Application

## Unsubmitted Applications

1. Hover over **Members** tab.
2. Select **Unsubmitted Applications**



All membership applications that have been saved, but not yet submitted are displayed in a grid. In order to submit a saved application from the list, click the **Edit** pencil icon to open the **Membership Application** screen.

3. Click **Edit** icon.

Unsubmitted Membership Applications (Defined Benefit) (1)				
	Description	State	Last Updated	
<b>3</b> → 	Sample, Test ()	Unsubmitted	7/23/2020 10:52:25 AM	

15 Records / Page    Jump to Page 1    Page 1 of 1

4. Finish filling in required fields
5. Save
6. Validate
7. Submit Application

## Wage Reporting

### Plan Eligibility

Plan Eligibility defines which employee classifications are covered by the retirement plan. If an employee classification is included in the plan, then employees will receive service credit if they worked (or receive pay as if they worked) the required number of hours. *Employees must be reported to MERS when they become plan eligible (i.e. date of hire into the plan).*

If an employee classification is excluded from the plan, the employees are not eligible, and should not be reported. Information on who should be reported to MERS can be found in your municipality's Adoption Agreement, which outlines employee classifications as seen to the right.

#### Special Employee Classifications

If included, employees:

- Must be reported to MERS each month
- Must meet the hour requirement defined to earn a month of service credit
- Must have service reported for the months whereby the requirement was satisfied
- Must have employee contributions withheld on wages reported (if applicable); no exceptions; no opt-outs

#### Probationary Periods

Probationary periods **are allowed** if adopted, the employee's date of hire and monthly wage reporting **begin the day following** the probationary period; service credit is not awarded for the probationary period. Employee contributions (if applicable) are also not required during the probationary period.

### MERS Wages

An employee's reportable wage is defined by the division's Definition of Compensation. Reported wages are used to calculate an employee's Final Average Compensation (FAC) for benefit calculation and used to determine required employer and employee contributions. Wages paid to employees which fall within the elected definition must be reported to MERS. Contact your [Benefit Plan Coordinator](#) if you are reporting a wage that is not covered under your current definition of compensation.

If you elect to include a special classification (chart below), then the employee will be required to meet the Service Credit Qualification as defined under section IV (Provisions) in order to earn a month of service. Excluded classification will require additional information below.

To further define eligibility (select all that apply):

Employee Classification	Included	Excluded
<b>Temporary Employees:</b> Those who will work for the municipality fewer than _____ months in total.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Part-Time Employees:</b> Those who regularly work fewer than _____ per _____.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Seasonal Employees:</b> Those who will work for the municipality from _____ to _____ only.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Voter-Elected Officials</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Appointed Officials:</b> An official appointed to a voter-elected office.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Contract Employees</b>	<input type="checkbox"/>	<input type="checkbox"/>

If excluded, employees:

- Are not reported to MERS
- Are not required to meet the hour requirement defined for division
- Will *not* accrue service credit
- Will *not* pay employee contributions
  - Adoption Agreements specify the number of months or hours part-time, temporary, and seasonal employees may work. For modifications to your agreements, please contact your BPC
  - If an excluded employee is promoted and placed into an eligible division, their date of hire is effective with the **date of promotion**

MERS offers four definitions of compensation:

<b>Standard Definitions</b> <i>Standard definitions are non-modifiable</i>	<b>Base Wages</b>	<b>Box 1 Wages (from W-2)</b>	<b>Gross Wages</b>	<b>Custom Definition</b>
<b>Types of Compensation</b>				
<b>Regular Wages</b> Salary or hourly wage X hours PTO used (sick, vacation, personal, bereavement, holiday leave, or unclassified) On-call pay	All Regular Wages included	All Regular Wages included	All Regular Wages included	TBD
<b>Other Wages</b> Shift differentials Overtime Severance issued over time (weekly/bi-weekly)	Excluded	All Other Wages included	All Other Wages included	TBD
<b>Lump Sum Payments</b> PTO cash-out Longevity Bonuses Merit pay Job certifications Educational degrees Moving expenses Sick payouts Severance (if issued as lump sum)	Excluded	All Lump Sum Payments included	All Lump Sum Payments included	TBD
<b>Taxable Payments</b> Travel through a non-accountable plan (i.e. mileage not tracked for reimbursement) Prizes, gift cards Personal use of a company car Car allowance	Excluded	All Taxable Payments included	All Taxable Payments included	TBD
<b>Reimbursement of Nontaxable Expenses</b> (as defined by the IRS) Gun, tools, equipment, uniform Phone Fitness Mileage reimbursement Travel through an accountable plan (i.e. tracking mileage for reimbursement)	Excluded	Excluded	Excluded	TBD
<b>Types of Deferrals</b>				
<b>Elective Deferrals of Employee Premiums/Contributions</b> 457 employee and employer contributions 125 cafeteria plan, FSAs and HSAs IRA contributions	All Elective Deferrals included	Excluded	All Elective Deferrals included	TBD
<b>Types of Benefits</b>				
<b>Nontaxable Fringe Benefits of Employees</b> Health plan, dental, vision benefits Workers compensation premiums Short- or Long-term disability premiums Group term or whole life insurance > \$50,000	All Nontaxable Fringe Benefits included	Excluded	All Nontaxable Fringe Benefits included	TBD
<b>Mandatory Contributions</b> Defined Benefit employee contributions MERS Health Care Savings Program employee contributions	All Mandatory Contributions included	Excluded	All Mandatory Contributions included	TBD
<b>Taxable Fringe Benefits</b> Clothing reimbursement Stipends for health insurance opt out payments Group term life insurance < \$50,000	Excluded	Excluded	All Taxable Fringe Benefits included	TBD
<b>Other Benefits / Lump Sum Payments</b> Workers compensation settlement payments	Excluded	Excluded	All Other Lump Sum Benefits included	TBD

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## Employee Contributions

Employee contribution rates are defined by you through your Employee Contribution Rate provision by division. Here are some important considerations:

- Eligible employees **are required** to pay contributions (if in a contributory division) based on wages reported to MERS, regardless if service is earned

If you are required to report using a contribution discrepancy code when reporting employee contributions to MERS, this likely means we do not have the most up-to-date employee contribution rate on record. Modifications to employee contribution rates require adoption through MERS. Contact your benefit plan coordinator to initiate a change.

- Overpaid employee contributions must be refunded to the employee, by you.
  - You are required to submit a correction to MERS, changing the original contribution amount reported. Upon submission, you will receive a credit adjustment (through the portal) the next business day, which allows you to refund the employee.
  - A [contribution discrepancy code](#) is required to explain the variance in reporting.
- Underpaid employee contributions must be collected and remitted to MERS the month collected.
  - Contribution underpayment(s) is collected from an employee's future paycheck through pre-tax withholding, if feasible. You may accept a lump sum payment by check and report payment as post-tax contributions in month payment is received.
  - A [contribution discrepancy code](#) is required to explain the variance in reporting.

## Service Credit

Eligible employees earn service credit for a calendar month if they work (or receive pay as if working) the required number of hours defined by you through the Service Credit Qualification provision by division.

## Leaves of Absence

### Disability, Workers' Compensation, and Family Medical Leave Act (FMLA) – *effective 1/1/2021*

The Leave of Absence provision defines whether or not an employee is eligible to earn service credit while on disability, workers' compensation, or FMLA leave.

**Regardless if an eligible employee is awarded service credit while on the selected type(s) of leave:**

- Report any earned wages to MERS during this period with applicable contributions.
- Do not report third-party wages to MERS. With no wage reporting, employer contributions are not required. You may, however, submit additional voluntary contributions for the month (voluntary amount is deferred by you).
- Use the appropriate leave type [Discrepancy Code](#) to report the employee's absence to MERS.
- Use the 'Note Field' to include the employee's dates of leave taken within the month; including the employee's hourly rate (prior to leave).
- MERS will skip leave months when determining the employee's FAC for benefit calculation. Lump sum payments issued during a leave month will not be used in the calculation of the benefit. Please ensure your employee is made aware.

### Based on employer adoption:

- If service credit is not allowed, service is not awarded during the employee's absence, unless the service credit qualification requirement is met (i.e. partial month of leave).
- If service credit is allowed, service is awarded for each month at the time of reporting (regardless of hours worked).
  - For contributory divisions, employee contributions are required to retain service credit. Additional contributions are not required if the employee worked a partial month (i.e. first or last month of leave).
  - Employee contributions are collected based on the Service Credit Qualification requirement by division for only the months whereby no wages were reported.
  - A re-payment plan is established by you to allow the employee up to three times the length of leave, to a maximum of five years, to pay their required contributions
  - Extra contributions are withheld from the employee's future pay on a pre-tax basis, and reported to MERS as they are collected each month.

#### Example

If 120 hours is required for service credit qualification, employee contributions shall be equal to 120 hours times the employee's hourly rate (prior to leave).

Reporting extra contributions will require usage of a [contribution discrepancy code](#) to explain the variance reported.

## Military Leave

Military Leave is governed by Section 8 and Uniformed Services Employment and Reemployment Act (USERRA), which affords an employee the right to vesting, eligibility, and in some cases service credit (for the calculation of benefit) for qualified military leaves of absence if the employee returns to their same employer within the timeframe required by USERRA.

### Who's eligible?

- Employees called to military service who return w/in timeframes established by USERRA
- Employees called to military service who die while serving (HEART Act)

#### Military Service Includes:

- Active duty
- Training duty
- Funeral duty
- Other types of military services
- National Guard duty, including active or inactive duty for training

### To qualify for military leave of absence, all requirements must be met; the employee:

- Must be actively employed with employer and provide notice of required leave (except when prevented by military necessity)
- Must have not already exceeded the 5-year cumulative limit allowed
- Must have a discharge other than 'dishonorable for service' to qualify
- Must return for reemployment with same employer within required timeframe allowed:
  - **Military leaves up to 30 consecutive days** – employee must return for reemployment the first calendar day following return from leave (employee is eligible for an 8-hour 'period of rest' before reporting back to work).
  - **Military leaves of 31-180 days** – employee must return for reemployment within 14 days following return from leave (completion of service).
  - **Military leaves of 181 days or more** – employee must return for reemployment within 90 days following return from leave (completion of service).

- » **If a soldier is disabled** and unable to return right away, USERRA provides a longer time period for returning to employment.
  - An employer may choose to extend the period allowed for reemployment (up to 2 years) if the employee is hospitalized with an injury or illness that occurred or was aggravated during their military leave of absence.
- » **If a soldier cannot return due to death or disability** (while serving on active duty), time spent up to the date of death or disability must be credited for vesting and eligibility purposes.
  - An employer may award benefit service for time spent up to date of death/disability.
  - If an employer decides to grant service credit, employee contributions are deemed to have been paid if HEART act applies.
- » **Michigan National Guard regarding COVID** – National Guard service that is not **under** the direction of the federal government is covered by a Michigan military service statute and has all the same terms, with the sole exception that if the employee serves any amount of time less than 180 days, he/she has 45 days to return to work.

#### When reporting the employee's military leave to MERS, it's important to:

- Use the Military Leave Discrepancy Code for each month of leave taken
- Include dates of leave taken for each month; dates of leave are reported in 'Note Field' of monthly reporting spreadsheet
- Historical wages are not reported during the employee's leave period
- Service credit is not awarded during the employee's leave period
  - Service and wages (and contributions, if applicable) are adjusted through a corrected report for the employee's entire period of leave upon return to active employment

#### Upon a service member's return to active employment:

When the employee returns to active employment, historical wages are reported to MERS for the employee's military leave. The compensation required to be reported is the amount the employee would have earned in pension reportable compensation if the employee had been working instead of performing military service. This amount must factor in all raises, bonuses and any other pension reportable compensation the employee would have received during the period of military leave, and the amount must be determined based on the number of hours the employee regularly works.

#### Guidelines

- **To calculate an employee's historical wage**, multiply the employee's rate of pay by the number of hours the employee normally works in a calendar month to determine the amount of historical wage to report for each month of military leave.
- **If the employee's work hours are variable**, calculate the hours by looking back over the 12-month period prior to the employee's leave and use those hours to project hours during the period of the leave.
- **If the employee was employed less than 12 months** prior to leaving for military service, the employer is required to determine the average rate of compensation during the period of employment immediately preceding the military service.
- MERS may use historical wages reported when determining the employee's highest final average compensation (FAC) period for benefit calculation.

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**Employer contributions** are required if benefit service is awarded. The employer must make the contribution attributable to the employee's military absence **no later than ninety days after the date of reemployment**, or when plan contributions are normally due for the year in which the military service was performed, whichever is later.

- Employer contributions are based on the employee's historical wages reported
  - Historical wages and employer contributions are **only** required to the extent the employee elects to make up their required contributions to the Plan to earn service credit
  - Employer is required to remit service and wage corrections **once all employee contributions are collected**
  - Employer is responsible for establishing a repayment plan to collect required employee contributions
    - » Withhold **pre-tax** amount from future paychecks
    - » Ensure contributions are collected before 3x length of leave taken; max 5 years
- Employer contributions are not required, **if** the employee elects not to receive service credit and/or does not repay missed employee contributions for the period of leave
  - **The employer is responsible to ensure the employee is credited with service for vesting and eligibility purposes, if benefit service credit is not awarded. This information must be reported to MERS through written correspondence requesting the employee's vesting and eligibility service be adjusted**

**Employee contributions** are required if the employee is in a contributory division and wishes to receive service credit (for benefit calculation) for their leave of absence. Repayment of contributions start when the soldier returns to work, and must be collected before 3x the service leave has occurred, up to 5 years, as long as the employee is still in active status.

- Employee contributions are required based on historical wages reported (if the employee is in a contributory plan and **wants to receive service credit for the purpose of benefit calculation**)
  - Employee contributions must be made while the employee is employed
  - Employee may pay a portion of the employee contributions required and get a pro-rated amount of benefit service credited (but always full vesting and eligibility credit is awarded)
  - If benefit service is not awarded historical wages and contributions are not required
  - **Employee contributions are not required to receive vesting and eligibility service credit**
- Employee contributions are withheld from an employee's future pay on a **pre-tax** basis and reported to MERS **in the reporting month collected**
  - Reporting extra contributions will require usage of a contribution discrepancy code to explain the variance reported
  - Employee contributions should be reported as post or pre-tax based on whether they were withheld from wages or paid directly to employer, e.g., check

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Summary	
Wages	Wages will reflect either, zero or the amount of wages paid to an employee during their month of leave
Wage Discrepancy Code	Wage code is required (regardless if system prompts user to enter code) to describe leave taken
Service Credit	Service will reflect either, Yes (Full) or No based on leave(s) provision for division
Contributions	Contributions will reflect either zero, the amount collected based on wages paid to an employee during their month of leave, or the amount collected based on Service Credit Qualification requirement  If contributions are not paid; you are required to submit a corrected report to remove service credit previously awarded
Contribution Discrepancy Code	No code required, if contributions remitted align with wages reported
Notes Field	A note is required to report leave dates taken within each month when submitting data to MERS, e.g.: <ul style="list-style-type: none"> <li>• April dates: 04/01/2020 to 04/24/2020</li> <li>• May dates: 05/01/2020 to 05/15/2020</li> </ul> Also include the employee's hourly rate

## Prepare Report

1. Hover over **Wage Reporting** tab
2. Select **Prepare a Report** from the dropdown menu

Based on the user's settings, either an upload payroll report or a rollover report displays. For more information on how to change your settings, please see the [settings section](#) of this guide.

3. If you are planning to use the **Upload Payroll Report** process and need assistance in how to perform this action, proceed to [page 21](#); otherwise, proceed to **Step 6**.
4. If you are electing to manually enter payroll data through the rollover a **Payroll Report Function** and need assistance in how to perform this action, proceed to [page 23](#); otherwise, proceed to **Step 8**.
5. If you need to understand how to **Terminate an Employee from your DB plan**, proceed to either:
  - a. [Page 18](#) for direction on how to terminate an employee when reporting your monthly data, as the employee's termination date is within the month of reporting.
  - b. [Page 29](#) for direction on how to backdate an employee's termination, as he/she terminated in a previous month; this requires submission of a corrected report.



6. If you need to understand how to **'Transfer an Employee'**, proceed to either:
    - a. [Page 20](#) for direction on how to transfer an employee within the month of reporting
    - b. [Page 30](#) for direction on how to report a transfer that already took place
  7. If you need to understand how to **'Report a Leave of Absence'**, proceed to [page 20](#)
  8. Once your data has been either uploaded or rolled over:
    - a. Ensure the correct period has been selected
    - b. Ensure the number of pay periods is correct. *If this is incorrect, it may require additional usage of wage discrepancy codes.*
    - c. Locate your employee(s) and verify and/or update their data as necessary
- **MERS Wages** – Enter the corrected wage issued to the employee. *You will only report wages in accordance with your Definition of Compensation for division.*
  - **Wage Discrepancy** – A [wage discrepancy code](#) is required **IF** the wage is flagged when checking for errors. An explanation is required if wage reported is more or less than allowable threshold. Reported wages are validated against a previous month whereby service was earned but no wage discrepancy code was reported – this may not be the employee's last wage reported.
  - **Pre-Tax Contributions** – Enter pre-tax contributions withheld. Contributions entered are validated using the division's employee contribution **rate in effect and on file with MERS** based on wages reported.
  - **Post-Tax Contributions** – Correct post-tax contributions withheld. Contributions entered are validated using the division's employee contribution **rate in effect and on file with MERS** based on wages reported.
  - **Contribution Discrepancy** – A [contribution discrepancy code](#) is required **IF** the contributions are flagged when checking for errors. An explanation is required if contributions do not align with the wages reported (amount is based on employee % rate for division). If the amount you are reporting is based on a different rate, contact your benefit plan coordinator to have the division's rate updated. **This will avoid having to use future contribution discrepancy codes.**
  - **Service** – Full = Service is awarded; No = Service is not awarded
  - **Status** – Not modifiable; field will reflect previous reporting detail, e.g., Active
  - **Status Change Date** – If a status change date is required, proceed to correcting the employee's report specifically; labelled as 'Correct Employee', steps outlined for this process can be found on [page 29](#), then you may proceed to either entering a 'Backdate a Termination' or 'Apply Transfer'.
  - **Note** – This **Note Field** is required **when a discrepancy code has been used**. A note should be entered here to explain the wage and/or contribution variance being reported. *If an adequate note is entered, e.g., required dates for a leave of absence (LOA), breakdown (amount of a lump sum payout, type, and period), and extra contributions withheld, etc. then it will prevent future follow-up from MERS staff when employee record audits are performed.*
  - **Muni Defined** – Employer note field only; data enter is only pertinent to you
- .....

## Terminating an Employee and Reporting with Final Wages

In order to report a separation of employment a termination status is required. If the employee is or has terminated their employment in the same month being reported to MERS, an employee's status may be changed. If this is not the case, proceed to [page 30](#) for directions on how to submit a backdated termination.

1. Enter employee wage and contribution data for the month. Ensure service reporting is accurate.
2. To change employee's status, click the drop down arrow in the status field.
3. Choose **Terminated**.
4. Enter the date of termination (last day worked or wages paid for as if employee was working).
5. Page will automatically refresh to include a "final wages" row. To enter the employee's final wages, keep the "report final wages next month" checked **IF** the employee will receive any payroll wages in the month following. Otherwise, uncheck this box if all wages have been issued within this reporting month and report proper breakdown based on wages issued.

Report Period: 4/1/2020 - 4/30/2020

Number of Pay Periods:

— Report Totals ?

Member Count: 5    Wage Total: \$14,584.20    Pre-Tax Contribution Total: \$729.22    Post-Tax Contribution Total: \$0.00

National ID	Name	Transfer	Div	MERS Wages	Wage Discrepancy	Pre-Tax Contrib	Post-Tax Contrib	Contribution Discrepancy	Service	Status	Status Change Date
		<input type="checkbox"/>	01 - General	\$3,395.20		\$169.76	\$0.00		Full	Active	
		<input type="checkbox"/>	01 - General	\$3,926.60		\$196.34	\$0.00		Full	Active	
		<input type="checkbox"/>	01 - General	\$0.00		\$0.00	\$0.00		Full	Terminated	
		<input type="checkbox"/>	01 - General	\$2,961.60		\$148.08	\$0.00		Full	Deceased	
		<input type="checkbox"/>	01 - General	\$4,300.80		\$215.04	\$0.00		Full	Active	

National ID	Name	Transfer	Div	MERS Wages	Wage Discrepancy	Pre-Tax Contrib	Post-Tax Contrib	Contribution Discrepancy	Service	Status	Status Change Date
		<input type="checkbox"/>	01 - General	\$3,395.20		\$169.76	\$0.00		Full	Terminated	4/11/2020

— Final Wages

Report Final Wages Next Month	Sick Leave	Longevity	Personal	Vacation/PTO	Other	Regular Wages	Vacation Hours Paid	Vacation Hours Per Year
<input checked="" type="checkbox"/>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,395.20	0	0

- **MERS Wages** – Total amount of wages issued to the employee based on Definition of Compensation for the division.
  - **Final Wages** – When an employee is/has terminated employment there is often lump sum payments issued outside of the employee's regular earnings. This is known as '**Final Wages** or **Final Month Includible Wages**'. If issued, and reported within the MERS wages, a breakdown is required.
  - **Final Wages Row** – A breakdown of 'MERS wages' reported is required when the wages equal more than an employee's regular earnings. All wages reported should be in accordance with your Definition of Compensation. Once a breakdown of wages is provided, the '**Regular Earnings field**' will populate automatically when tabbing out or when the '**Check for Errors**' button is clicked.
- .....

### Example

An employee in a contributory division terminates on January 31<sup>st</sup> and receives his last check on February 7<sup>th</sup>. For the month of January you will report:

- Wage, contribution, and service will be reported as usual
- Change employee's status to termination and enter DOT = 1/31
- Ensure final wage box is checked, which reflects 'Report Final Wages Next Month'

In the month of February, you will report:

- Wages paid and contributions withheld from 2/7 paycheck (report includible wages based on Definition of Compensation)
  - No service will be awarded for February
  - Provide final wage breakdown (The FMI wages row does require a five-field breakdown for the following items, sick, longevity, personal, vacation/PTO, and other
- When reporting final wages, ensure amounts reported are attributable and includible for the calculation of employee benefit
- Provide detailed notes if you feel an explanation is needed to avoid a follow-up call from MERS staff when processing the employee's retirement benefit

### Report a Transfer

An employee transfer is allowed to an open DB division and may be performed within your regular monthly report IF the employee's transfer has occurred within the same month you are reporting. A corrected report is needed to report a transfer that has already occurred.

Please note:

- Employee contributions should withheld and be reported based on the transfer date. You may be prompted to enter a 'Contribution Discrepancy Code' if the transfer occurred in the middle of a month, as the contributions remitted may not align with the new division's rate. The portal will apply the new division's rate effective the first of the month.
- Currently DB to DB transfers are allowed within the portal. Contact your benefit plan coordinator if a plan type transfer is needed.
- If you have adopted the Alternative Transfer Provision and it is in effect but a transfer is not allowed, contact your benefit plan coordinator for assistance.
- If you have not adopted the Alternative Transfer Provision, you will only be able to transfer an employee into an open division. Contact your benefit plan coordinator for assistance.

Example: If the transfer takes place on September 30, the new rate will be effective September 1. You decide on the amount of contributions to collect during a transfer month. The following month does require the new rate be withheld.



To report a transfer:

1. Locate your employee
2. Click the 'transfer' box next to their name
3. Under the division field, select the correct division to transfer the employee to
4. Update the employee's status field to 'Transfer'

National ID	Name	Transfer	Div	MERS Wages	Wage Discrepancy	Pre-Tax Contrib	Post-Tax Contrib	Contribution Discrepancy	Service	Status	Status Change Date	Note
		<input checked="" type="checkbox"/>	01 - Local 214/Crthse			\$0.00	\$0.00		Full	Active		
		<input type="checkbox"/>	01 - Local 214/Crthse			\$0.00	\$0.00		Full	Active		
		<input type="checkbox"/>	11 - Gen. Non-Union			\$0.00	\$0.00		Full	Active		
		<input type="checkbox"/>	12 - Senior Elec. Off			\$0.00	\$0.00		Full	Active		
		<input type="checkbox"/>	13 - Snr. Teamsters			\$0.00	\$0.00		Full	Active		
		<input type="checkbox"/>	14 - Non Elected			\$0.00	\$0.00		Full	Active		
		<input type="checkbox"/>	20 - Sheriff/Sheriff			\$0.00	\$0.00		Full	Active		
		<input type="checkbox"/>	21 - COAM			\$0.00	\$0.00		Full	Active		
		<input type="checkbox"/>	UT - Local 214/Crthse			\$0.00	\$0.00		Full	Active		

### Report a Leave of Absence

All leaves of absence must be reported to MERS regardless if the potential for service credit is allowed or not. A leave of absence should be reported within the first month of the employee's leave.

To report an employee's leave of absence, please refer to [page 12](#) for specific details.

1. Locate your employee
2. Report wages paid and contributions withheld (if applicable)
3. Regardless if you are prompted to enter a wage discrepancy code, enter one to describe the employee's leave taken; do this by selecting the wage discrepancy code which describes the LOA taken
4. Award service based on the leave provision
5. Enter a note in the Note field to reflect the employee's leave date for the month and rate of pay.

Report Period	Transfer	Div	MERS Wages	Wage Discrepancy	Pre-Tax Contrib	Post-Tax Contrib	Contribution Discrepancy	Service	Status	Status Date	Note
03/2020	No				\$0.00	\$0.00		Full	Active		
02/2020	No				\$0.00	\$0.00		Full	Active		
01/2020	No				\$0.00	\$0.00		Full	Active		
12/2019	No				\$0.00	\$0.00		Full	Active		
11/2019	No				\$0.00	\$0.00		Full	Active		

WC began MM/DD/YY; WC ended MM/DD/YY

## Upload Payroll Report

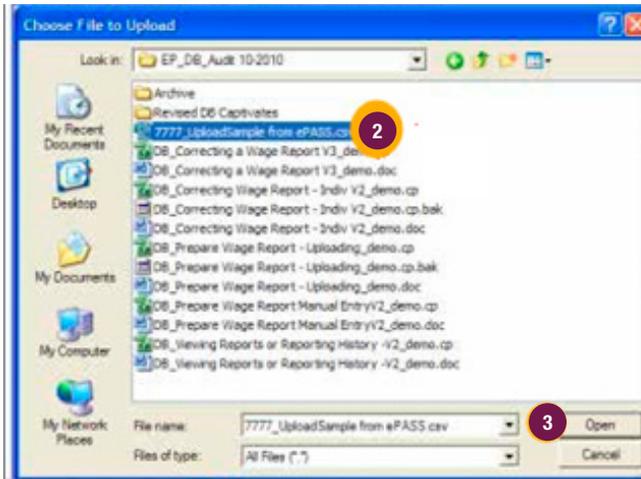
1. Select **Browse** (if using Internet Explorer) or **Choose File** (if using Google Chrome)

2. Select the file you wish to upload. The nine fields of the upload file are:

Column	Field Name	Valid Entries
A	Social Security Number REQUIRED	Nine characters, no dashes. Leading zeros must be present.
B	Status REQUIRED	
C	MERS Wages REQUIRED	For zero wages, enter a numeric 0.
D	Contributions REQUIRED	For zero contributions, enter a numeric 0 or leave blank.
E	Service Credit Code REQUIRED	F (Full) or N (None)
F	BLANK	MUST STAY IN CSV template
G	BLANK	MUST STAY IN CSV template
H	BLANK	MUST STAY IN CSV template
I	Contribution Tax Code (REQUIRED)	A (after tax) or B (before tax)

**Note:** CSV template must have the header row removed prior to submissions. The file does not include the divisions. Changes to an employee's division can only be made after the file is uploaded.

The CSV template can be found [here](#).

3. Click **Open**4. Click **Upload**

Once the payroll report displays, data may be changed directly in the system rather than needing to upload a new report.

## 5. Enter the number of pay periods

6. Click **Save**7. Click **Check for Errors**8. Click **Preview & Submit**

9. You must acknowledge the information is accurate to the best of your knowledge and reported in accordance with each division's plan provisions (definition of compensation, service credit qualification, leave of absence, and elected contribution percentage rate for employees)

**Reporting Certification**

I acknowledge and agree that the wage and contribution information I am submitting is true and accurate to the best of my knowledge. For each participating employee, I have accurately reported wages using the definition of compensation on file for each division and have granted service credit following the day of work definition adopted for each division.

For adjustments to wage and contribution reporting due to recent benefit modifications, I affirm that these have been approved by the governing body of the municipality and the appropriate adoption paperwork was submitted to MERS. I understand that it is my responsibility to notify MERS of benefit changes as soon as administratively feasible.

Any corrections that have been reported will be reflected on a new adjusted invoice the following business day. I understand that the wages and contributions I have reported will impact the following year's annual actuarial report and the required minimum employer contribution for this division and/or municipality. I affirm that if there were system-generated errors (or warnings) occurring within the report I am submitting, I have addressed them and made modifications where necessary.

I acknowledge that MERS has given me the necessary tools to report accurate and complete data using this portal.

Where there are contradictions with the MERS Plan Document and the reporting process I am using to calculate and report wages and contributions, the MERS Plan Document controls.

By checking this box, I acknowledge and agree that the wage and contribution information I am submitting is true and accurate to the best of my knowledge.

9

10. Select either submit payroll report or submit payroll report without bill

11. Receive confirmation of report submission

Report Period: 4/1/2020 - 4/30/2020

Thank you for submitting your report. For your reporting history, please go to Reporting History page under the Wage Reporting menu.

## Manually Enter a Payroll Report with the Rollover a Payroll Report Function

1. You can choose to either **Copy Prior Wages**, or create a clean report using **Clear Wages**

MERS Employer Portal  
Municipal Employees' Retirement System

Employer Portal - Prepare Report

Defined Benefit Home | Program Summary | **Wage Reporting** | Members | ePayment | Resource Library | Contact Us

Save | Check for Errors | Preview & Submit | Add Member | Add Retiree Rehire | **Copy Prior Wages** | Clear Wages | Upload

2. Enter the appropriate data
3. Enter the number of pay periods
4. Click **Save**
5. Click **Check for Errors**

MERS Employer Portal  
Municipal Employees' Retirement System

Employer Portal - Prepare Report

4 Benefit | 5 Program Summary | **Wage Reporting** | Members | ePayment | Resource Library | Contact Us

Save | Check for Errors | Preview & Submit | Add Member | Add Retiree Rehire | Copy Prior Wages | Clear Wages | Upload | Apper

Report Period: 4/1/2020 - 4/30/2020

Number of Pay Periods: 0

Report Totals

Member Count: Wage Total: Pre-Tax Contribution Total: Post-Tax Contribution Total:

6. Click **Preview & Submit**

MERS Employer Portal  
Municipal Employees' Retirement System

Employer Portal - Prepare Report

Defined Benefit Home | Program Summary | **Wage Reporting** | Members | ePayment | Res

Save | Check for Errors | **Preview & Submit** | Add Member | Add Retiree Rehire | Copy Prior Wages

7. You must acknowledge that the information is accurate to the best of your knowledge and reported in accordance with each division's plan provisions (definition of compensation, service credit qualification, leave of absence, and elected contribution percentage rate for employees)

**Reporting Certification**

I acknowledge and agree that the wage and contribution information I am submitting is true and accurate to the best of my knowledge. For each participating employee, I have accurately reported wages using the definition of compensation on file for each division and have granted service credit following the day of work definition adopted for each division.

For adjustments to wage and contribution reporting due to recent benefit modifications, I affirm that these have been approved by the governing body of the municipality and the appropriate adoption paperwork was submitted to MERS. I understand that it is my responsibility to notify MERS of benefit changes as soon as administratively feasible.

Any corrections that have been reported will be reflected on a new, adjusted invoice the following business day. I understand that the wages and contributions I have reported will impact the following year's annual actuarial report and the required minimum employer contribution for this division and/or municipality. I affirm that if there were system-generated errors (or warnings) occurring within the report I am submitting, I have addressed them and made modifications where necessary.

I acknowledge that MERS has given me the necessary tools to report accurate and complete data using this portal.

Where there are contradictions with the MERS Plan Document and the reporting process I am using to calculate and report wages and contributions, the MERS Plan Document controls.

By checking this box, I acknowledge and agree that the wage and contribution information I am submitting is true and accurate to the best of my knowledge.

Submit Payroll Report | Cancel Submission | Submit Payroll Report Without Bill

8. Select either **submit payroll report** or **submit payroll report without bill**
9. Receive confirmation of report submission

Report Period: 4/1/2020 - 4/30/2020

Thank you for submitting your report. For your reporting history, please go to Reporting History page under the Wage Reporting menu.

## Errors and Warnings – Discrepancy Codes

To help ensure wage, service, and contribution data is reported correctly, system validations are in place for you to indicate any wage and/or contribution discrepancies. Indicating reasons for wage or contribution discrepancies now reduces the need for MERS to follow-up with you in the future when an employee record is reviewed.

### Wage Discrepancies

A wage discrepancy code is required if an employee's wage amount is 25% more or less than the wages reported for the most recent month in which there was NO wage discrepancy code used (if service awarded) or a previous month where the NPAY code was used to reset wage validation.

Code for Uploaded Reports	Manual Entry Drop Down Menu Options	Description	Considerations	Additional Data Needed in the Note Field
NPAY	New Pay Rate	Reporting an employee's <b>change in salary</b> (when in same division) or to perform a wage validation reset for month of wage reported	Using this code will apply a system reset for future wage validations	
HCNG	Hours Higher/Lower	Used to report a higher wage variance due to overtime, shift differential, on-call pay, etc. OR used to report a lower wage variance due to a fluctuation in hours	See your Service Credit Qualification provision ( <i>effective 1/1/2021</i> ) to determine if service credit should be granted  If variance is due to a leave of absence, ensure proper leave code is selected	Overtime, part-time eligible, etc.
DISB	STD/LTD	Reporting a disability leave (short- or long-term and/or sick and accident)	See your Leave of Absence provision to determine if service credit should be granted	Report employee's leave dates taken within the month reported, e.g., 04/01/20–04/30/20
FMLA	Family Medical Leave Act	Reporting FMLA-approved leave	Do not report third-party wages to MERS	FMLA began MM/DD/YY FMLA intermittent leave
WCMP	Workers' Compensation	Reporting a work-related leave	Employee contributions, if applicable, are required (see <a href="#">here</a> for additional info)	WC began MM/DD/YY; WC ended MM/DD/YY

Code for Uploaded Reports	Manual Entry Drop Down Menu Options	Description	Considerations	Additional Data Needed in the Note Field
MILT	In Military Service	Reporting an employee's qualified military leave (active deployment, National Guard, etc.)	<p>You must allow service for a qualified leave: a historical wage is required for wage reporting for each month of leave; corrected report required upon employee's return</p> <p>Example: 160 (normal hours worked) x \$25 = \$4,000 (historical wage to report for each month of leave)</p> <p>Employee contributions = \$4,000 x EE % rate for division</p>	Military began MM/DD/YY; Military ended MM/DD/YY
NHIR	New Hire/No Wages	Reporting a new employee to MERS	Reporting shall begin with employee's original date of hire, unless a probationary period has been adopted through MERS	
RTRO	Retro Pay	Reporting one-time payments due to a contract settlement or retro wage adjustment	Payment type, amount, and period are required in note section	Wage adjustment = \$AMT Period = MM/DD/YY to MM/DD/YY
VCTN	Payout	Reporting a one-time lump sum payment, often paid annually	Payouts can be issued during the year or at the time of termination of employment	PTO/Vacation/Holiday/ Comp-time/Personal = \$AMT  Period = MM/DD/YY to MM/DD/YY
OTH	Other	Reporting one-time miscellaneous includible wage not covered by another discrepancy code	<p>Regardless of the reason, explain the variance in the note section, including payment type, amount, and period (if applicable)</p> <p>Reporting multiple wage types and / or for varies reasons</p>	<p>Variable compensation, perfect attendance, on-call, or shift differential pay, etc. = \$AMT</p> <p>Additional wages after DOT = \$AMT</p> <p>Layoff eff. = MM/DD/YY</p> <p>COVID-19 and associated wages, if applicable</p> <p>Annual limitation met</p> <p>New pay + wage adj. = \$AMT</p>

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## Contribution Discrepancies

A contribution discrepancy code is required if an employee's contribution amount is .025% more or less than the expected percentage of MERS wages.

Code for Uploaded Reports	Manual Entry Drop Down Menu Options	Description	Considerations	Additional Data Needed in the Note Field
NWRT	New Rate	There has been a plan change, which impacts the employee contribution rate for the division	Adoption paperwork is needed to initiate the change. Ensure a note is provided to explain the variance.  This will eliminate discrepancy reporting	Rate chg. eff = Mth/Year - withholding x%
NWBU	New BU w/ Diff Rate	Reporting a contribution variance due to an employee's transfer into a different division	Ensure the employee has been transferred into correct division	TFR-effective = Mth/Year
WAGE	Make Up Prev Wages	Reporting a contribution variance due to employee paying more or less than required in a month		More/less remitted in Mth/Year due to under/overpayment in Mth/Year
DISB	STD/LTD	Reporting contribution variance due to employee's short- or long-term disability or sick and accident leave	Contributions are required on wages reported to MERS	STD began MM/DD/YY; STD ended MM/DD/YY
OTH	Other/Contact MERS	Reporting a one-time contribution variance not covered by another code  Reporting multiple contribution variances		New hire Change in position; termination of employment; multiple reasons; e.g., new pay + wage adj. one-time includible payment; variable compensation payments; perfect attendance pay, etc.  COVID-19 and associated wages, if applicable



## Correcting a Report

The portal allows for two types of corrections:

1. **Corrected Period Report** – when corrections are needed to multiple employee records
2. **Corrected Individual Report** – when a correction is needed to a specific employee's record

When submitting a wage / contribution correction for an employee, the full corrected amount must be reported for the month you are correcting (do not just report the difference).

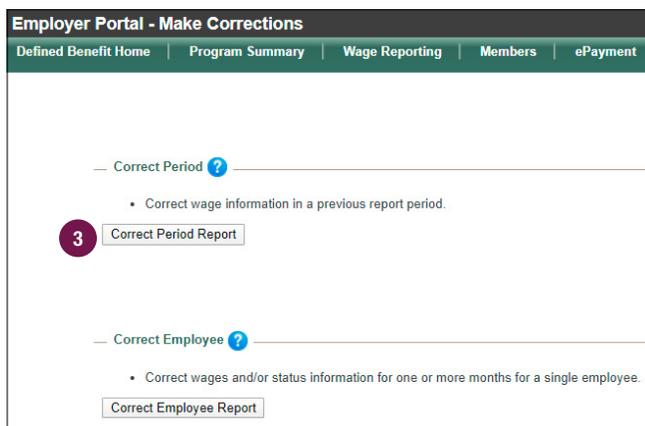
### Corrected Period Report

To make corrections to multiple employee records, proceed as follows:

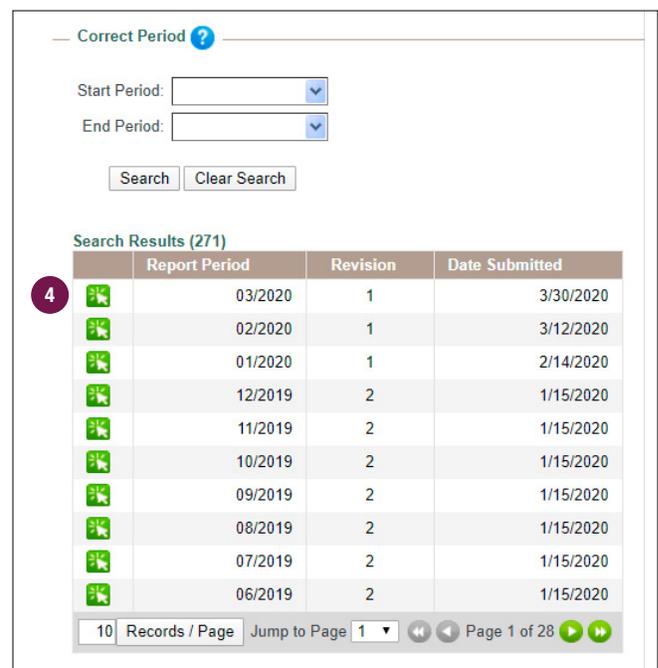
1. Hover over **Wage Reporting**
2. Select **Make Corrections**



3. Click on **Correct Period Report**



4. Click the green box next to the payroll report you wish to correct. You may also specify a start/end date.



5. When the report displays, enter your corrections

**Note:** Whether you are initiating a 'Correct Period' report or a 'Correct Employee' report, the following steps will be the same.

Report Period: 3/1/2020 - 3/31/2020  
Revision Number: 2

Number of Pay Periods: 2

Name or ID Filter:  Filter Show All

Report Totals ?

Member Count: Wage Total: Pre-Tax Contribution Total: Post-Tax Contribution Total: \$0.00

National ID	Name	Div	MERS Wages	Wage Discrepancy	Pre-Tax Contrib	Post-Tax Contrib	Contribution Discrepancy	Service	Status	Status Change Date	Note	Muni Defined
					\$0.00	\$0.00		Full	Active			
					\$0.00	\$0.00		Full	Active			

- Ensure the correct period has been selected
- Ensure number of pay periods is correct
- Locate your employee(s) to correct, then
  - **MERS Wages** – Enter the corrected wage (**the ‘full corrected amount’ must be reported for the month you are correcting – do not just report the difference**)
  - **Wage Discrepancy** – A [wage discrepancy code](#) is required **IF** the wage is flagged when checking for errors. An explanation is required if wage reported is more or less than allowable threshold. Reported wages are validated against a previous month whereby service was earned, but no wage discrepancy code was reported. This may not be the employee’s last wage reported.
  - **Pre-Tax Contributions** – Correct pre-tax contributions, **IF** wrong amount was previously reported; *additional contributions withheld should be reported in month withheld*
  - **Post-Tax Contributions** – Correct post-tax contributions, **IF** wrong amount was previously reported; *additional contributions withheld should be reported in month withheld*
  - **Contribution Discrepancy** – A [contribution discrepancy code](#) is required **IF** the contributions are flagged when checking for errors; explanation is required if contributions do not align with the wages reported (amount is based on employee % rate for division)
  - **Service** – Full = Service is awarded; No = Service is not awarded
  - **Status** – Not modifiable; field will reflect previous reporting detail, e.g., Active
  - **Status Change Date** – If a status change date is required, proceed to correcting the employee’s report specifically; labelled as ‘Correct Employee’, then proceed to either ‘Backdate a Termination’ or ‘Apply Transfer’
  - **Note** – Enter a note to explain the reasoning for the correction made
  - **Muni Defined** – Employer note field only; data enter is only pertinent to you

6. Click **Save**

7. Click Check for **Errors**

8. Correct any errors, and review warnings. See the [Errors and Warnings section](#) of this guide for additional information.

9. Click **Preview and Submit**

10. Check totals to ensure everything is correct

**Note:** The corrected amount should be the total amount, not the difference between the submitted report and the corrected report.

11. Click **Submit Corrections**

A confirmation message displays the corrections have been submitted to MERS.

**Note:** When making a correction, it is important to report the full amount (not just the difference).

## Corrected Employee Report

This action is recommended when there is only one employee to terminate and report wages for, or the status needs to be retroactively reported (also known as backdate termination, applying a transfer, reporting a leave of absence, etc.).

The steps outlined in the [‘Correct Period’ report](#) would be the same if initiating a ‘Correct Employee’ report. Just be sure to click on **Correct Employee Report** in step 3.

Below you will find information on how to:

- Change a status – report a backdated termination
- Apply a backdated Transfer – report a transfer effective with a different month
- Report a Retro-Active Adjustment payment
- Smooth employee’s annual compensation paid in accordance with 401(a)(17) limits.

### Status Change - Backdating a Termination

1. If an employee terminated before the month in which is currently being reported, a separate corrected employee report is required to make the status change.
2. After locating your employee, towards the bottom of the screen you’ll find a “Backdate Termination” field.
3. In the dropdown menu, select the accurate report period to correct.
4. Enter employee’s termination date and click apply.
5. When the correction is applied, a ‘final wages’ row will appear for you to provide a breakdown of the employee’s final wages.

**Employer Portal - Make Corrections**

Defined Benefit Home | Program Summary | Wage Reporting | Members | ePayment

— Correct Period ?

- Correct wage information in a previous report period.

Correct Period Report

— Correct Employee ?

- Correct wages and/or status information for one or more months for a single employee.

Correct Employee Report

Correcting

— Employee History (37)

Report Period	Transfer	Div	MERS Wages	Wage Discrepancy	Pre-Tax Contrib	Post-Tax Contrib	Contribution Discrepancy	Service	Status	Status Date	Note	Modified	Muni Defined
03/2020	No				\$0.00	\$0.00		Full	Active			No	
02/2020	No				\$0.00	\$0.00		Full	Active			No	
01/2020	No				\$0.00	\$0.00		Full	Active			No	
12/2019	No				\$0.00	\$0.00		Full	Active			No	
11/2019	No				\$0.00	\$0.00		Full	Active			No	

5 Records / Page      Jump to Page 1      Page 1 of 8

— Unreported Periods (0)

— Unreported Periods

Unsubmitted Report:  Add Report

— Apply Transfer

New Division:  From: 03/2020 Transfer

2 Backdate Termination

Report Period: 03/2020 Termination Date:  Apply 4

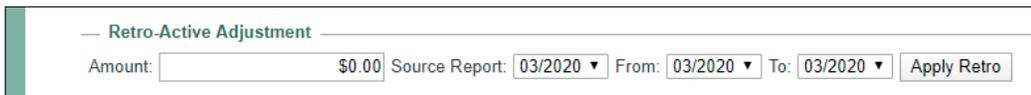
3

### Report a Backdated Transfer



1. After locating the employee to backdate their transfer, at the bottom of the screen, you'll find the **'Apply Transfer'** section.
2. Select the month and year the transfer was effective for the employee.
3. Select employee's new division he/she should be transferred to.
4. Click **Transfer**.
5. Ensure correct employee contributions are remitted.

### Report a Retro-Active Adjustment



1. After locating the employee to report their retroactive adjustment, at the bottom of the screen, you'll find the **'Retro-Active Adjustment'** section.
2. Enter the retro-active adjustment amount to be reported.
3. Select the report you wish to correct to include the retro amount to report.
4. Enter the period the retro-active adjustment covers.
5. Click **Apply Retro**.
6. Ensure correct employee contributions are remitted.

### Smooth Annual Compensation



1. After locating the employee to correct their annual compensation amount, at the bottom of the screen, you'll find the **'Smooth Wages for 401(a)(17)'**.
2. Select the year to correct.
3. Enter the annual allowable compensation amount (in accordance with IRS limitations)
4. Click **Apply** to equally spread wages over each reporting month within the calendar year.

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## Voluntary Contributions

You may contribute more than the minimum required contributions, as these additional contributions will earn investment income and may result in lower future contribution requirements.

Voluntary contributions can be submitted at a division level, ensuring that contributions are correctly applied to the division you intended. Additionally, reporting voluntary contributions can be done outside of your regular reporting cycle; payments can be cancelled prior to submission.

- The function to report voluntary contributions is located under Wage Reporting and the page title will be **Voluntary Contributions**
- The voluntary contribution report will be available as a bill summary PDF file
- You will receive an invoice and can make payments on the ePayment site
- Back-dating does not allow for earnings retroactively – gains and losses will be based on date paid, not reporting period
- This option will be available for any division with employees or retirees, even if the division is closed

**There are two ways in which your additional contributions can be applied:**

1. To accelerate the time in which your plan is funded, through allocating contributions to a Surplus Division
2. To reduce future contribution requirements, through allocating contributions to a division

To establish a Surplus Division, please contact your [benefit plan coordinator](#).

***MERS strongly encourages employers to contribute more than the minimum contribution.***



— Voluntary Contributions Report —

Report Period:

Expected Contribution Total:

— Current Report Summary —

Division	Additional Contributions
[Blurred]	<input type="text" value="\$0.00"/>



## Reporting History

Reporting History allows you to view and print payroll reports previously submitted.

1. Hover over Wage Reporting
2. Select Reporting History
3. Select the report you want to view

Click on the green box to the left of the month you want to view. Once that row is highlighted, scroll down your screen to the "View Reports" area, where you will find smaller reports for each month to help you locate the information you are looking for.

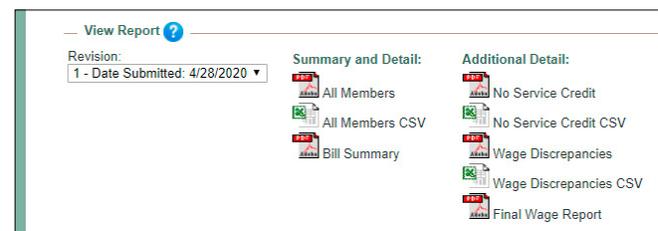


Report Period: 5/1/2020 - 5/31/2020

All Reporting Periods (272) ?				Corrected Individual Reports (11)		
	Report Period	Revision	Submit Date	Description	Submit Date	Details
	05/2020	1	Unsubmitted			
	04/2020	1	4/28/2020		2/10/2020	
	03/2020	1	3/16/2020		8/22/2019	
	02/2020	1	2/17/2020		6/27/2019	
	01/2020	1	1/20/2020		10/8/2018	
	12/2019	1	12/27/2019		9/11/2018	
	11/2019	1	11/25/2019		9/11/2018	

### Explanation of Available Reports

- **All Members** – A summary report of participants, along with revisions made to their wage and contribution data (*also available in CSV format*).
- **Bill Summary** – A summary of division totals, total employee contributions and estimated employer contributions by divisions.
- **No Service Credit** – A summary report by division of participants who were not awarded service credit (*also available in CSV format*).
- **Wage discrepancies** – A summary report by division, then by participant of wage and contribution discrepancies reported (*also available in CSV format*).
- **Final Wage Report** – A summary report by division of those participants who had final wages reported and their associated amounts reported in each field of the final month includible wage fields (regular wages, sick leave, longevity, personal, vacation/PTO, other).



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## *Working in Retirement – Reporting a Rehired Retiree*

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### ***Understanding Reporting Guidelines***

You are required to report rehired retiree data to MERS through your defined benefit monthly wage and contribution report. When reporting salary and hours of service for a rehired retiree, there are some guidelines to follow. These guidelines apply regardless if the position is a 'MERS-covered' position. A rehired retiree cannot be re-enrolled in a MERS Defined Benefit plan, Hybrid plan or Defined Contribution plan; however, they can be enrolled into the MERS 457 Program or Health Care Savings Program.

You must determine whether your rehired retiree is returning to a *regular employee* or **independent subcontractor position** or to an *elected/appointed official position*. No formal or informal agreement may exist or have occurred surrounding reemployment of your retiree. Regardless of position, the rehired retiree is not eligible for a second pension benefit.

**Regular (non-elected/appointed) or an Independent Contractor Position** – A job *not* elected by citizens

- Requires a 60 day bona fide separation between the date the retiree terminated employment to the date the retiree is rehired is required
- May work up to 1,000 hours in calendar year (does not apply to Defined Contribution)
- Requires a [Working in Retirement Certification form \(F-29c\)](#) filed with MERS; **form requires both employer and retiree signature**
- If any of above criteria is not met, retirement payments will be suspended until termination of [re]employment or age 72. In addition, employee will be required to repay any retirement payments received, which may also have tax consequences

**Elected Official Position** – A voter-elected position (or appointed voter-elected) determined by citizens

- If re-elected/appointed into the same position, a two year separation between the date the retiree terminated employment to the date the retiree is rehired is required
  - If re-elected/appointed into a different position, a 60 day bona fide separation between the date the retiree terminated employment to the date the retiree is rehired is required
  - There is no 'hour' limitation
  - Requires a [Working in Retirement Certification form \(F-29c\)](#) filed with MERS; **form requires both employer and retiree signature**
  - If any of above criteria is not met, retirement payments will be suspended until termination of [re]employment or age 72. In addition, employee will be required to repay any retirement payments received, which may also have tax consequences
-

## Reporting Rehired Retiree Data

1. Hover over **Wage Reporting** tab
2. Select **Prepare a Report** from the dropdown menu



3. Add Rehired Retiree



4. Select Retiree from retired employees listed on perform Member Search. After selecting your retired employees, from your list, they will appear at the bottom of your monthly wage report.

Report Period: 4/1/2020 - 4/30/2020

- Click the desired member from the grid below to select it
- Click the 'Add Selected Member' button to add the member to the report.
- These members are your retired employees which you can report as rehired.

— **Member Search** —

Last Name:  Division:

First Name:

National ID:

— **Members (62)** —

	National ID	Name	Status	Division
<input type="checkbox"/>	[REDACTED]	[REDACTED]	Retired	[REDACTED]
<input type="checkbox"/>	[REDACTED]	[REDACTED]	Retired	[REDACTED]

5. Enter the number of hours worked for reporting month
  - 'Total Hours through 'x'' = will populate as hours are reported. No hours will display for the first reporting month. This field will aid you in remembering the total number of hours worked/reported. This field is uneditable.
  - Retirees previously rehired and not reported must be reported with 'catch-up hours'. The 'Hours' field should include the total amount of hours worked within current calendar year
6. Enter wages paid for retiree(s) for reporting month
  - 'Total Wages through 'x'' = will populate as wages are reported. No wages will display for the first reporting month. This field will aid you in remembering the total amount of wages reported. This field is uneditable
  - Note: Retirees previously rehired and not reported must be reported with 'catch-up wages'. The wage field should include the total amount issued to the retiree from the retiree's rehire date to current reporting date
7. Status = Pre-populated as 'Rehired';
  - Upon termination of [re]employment select 'Terminated'
8. Status Change Date = Enter date retiree was rehired or terminated
9. Click **Save**
10. Click **Check for Errors**
11. Click **Review and Submit** once your entire report has been finalized

Total Rehired Retirees (1)							
National ID	Name	Hours	Total Hours through 3/31	Wages	Total Wages through 3/31	Status	Status Change Date
		5 0	0	6 \$0.00	\$0.00	Rehired ▼	8

10 Records / Page      Jump to Page 1 ▼      Page 1 of 1

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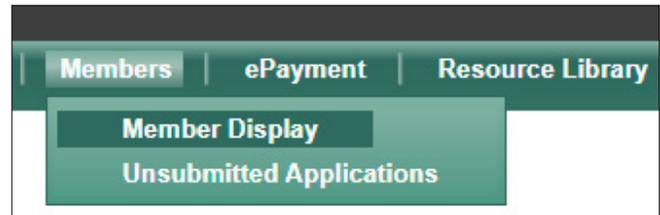
## Employee Information and Reports

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Here you can select the employees to add to a Wage History Report. You can also:

- View and print copies of employee applications with the view icon
- View and print account documents
- Select current history data to view and print
- Edit employee data

1. Hover over the **Members** tab on the navigation bar
2. Select **Member Display**
3. To find a member's record or view a group of members, begin your search by entering specific search criteria in the Member Search fields.
4. Click the **Search** button.



You may search by first or last name using all or part of a member's name, the National ID (SSN) by using the full or partial number, status, and work division. You can base your search using one field or a combination of fields to narrow your results.

**Note:** A combination of search criteria may be entered to display a specific group of employees. For example, to show all active employees in a specific division, select "Active" from the Status menu and the "Division" from the Division menu.

If all employees are needed in the report, only enter the dates for the period you want and select "Create Report" for All Results.

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## Glossary of Terms and Icon Descriptions

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### Key Terms

- **Includible Wages** – are employee monies reported to MERS based on Definition of Compensation for division. Wages reported are used to:
  - Determine pension benefits
  - Calculate required employee contributions, if applicable
  - Calculate required employer contributions; which reflect as MERS Billable Wages'
- **Excluded Wages** – are monies issued to employee as compensation, which are not includible based on definition and are not reportable to MERS
- **Excepted Wages** – are monies issued to employee for hours worked in a month when the Service Credit Qualification requirement is not met; these wages are reportable to MERS
  - Employee contributions are required for any payments issued and reported to MERS
  - You are not billed for 'excepted wages'

### Icon Descriptions

-  **Help:** Clicking on this icon will open an online help application that will describe the screen and functions within each screen where the icon is displayed
  -  **Add:** Clicking on this green "plus" icon will open another portion of the displayed screen
  -  **Edit:** This icon indicates the item displayed is able to be edited. Clicking on the pencil will open the edit function within the screen
  -  **Select:** This arrow icon is a selection icon. By clicking on it you are able to select the field. Selecting a specific field could move you to another screen or simply highlight the information adjacent to the icon
  -  **Save:** This is a save icon. By clicking it, you save the information or changes to the data fields you have been working with
  -  **Cancel:** Clicking this icon cancels any data or information you have been working with and the previous information returns
  -  **Delete:** Clicking this icon will delete the row
  -  **View:** Clicking on this icon will take you to a separate document window so you can view and print documents in the view panel
  -  **PDF:** Clicking on this icon will take you to a pdf document file that you can view and print. Please note that some web browsers may have pop-up blockers that prevent the file from opening. Check your browser settings for more information.
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*This publication contains a summary description of MERS benefits, policies or procedures. MERS has made every effort to ensure that the information provided is accurate and up to date (as of 10/06/2020). If this publication conflicts with the relevant provisions of the Plan Document, the Plan Document Controls. MERS, as a governmental plan, is exempted by state and federal law from registration with the SEC. However, it employs registered investment advisors to manage the trust fund in compliance with Michigan Public Employee Retirement System Investment Act. Past performance is not a guarantee of future returns. Please make independent investment decisions carefully and seek the assistance of independent experts when appropriate.*

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*Municipal Employees' Retirement System of Michigan  
1134 Municipal Way, Lansing, MI 48917  
800.767.MERS (6377) • [www.mersofmich.com](http://www.mersofmich.com)*