

## EMPLOYER NOTICE

### Contributory Election Window

TO: All APERS-Participating Employers  
FROM: Jana Hemleb, Member Records Supervisor  
DATE: June 20, 2011  
SUBJECT: Act 140 of 2011 (Contributory Election Window)

Act 140 of 2011 gives all non-contributory members who are active in the system on July 1, 2011 six (6) months from July 1, 2011 to elect coverage under the contributory provisions. If members elect contributory coverage, the effective date of their coverage is the first payroll period that is paid and reported to APERS for January 2012, and the coverage is prospective only.

#### **Contributory Provisions**

The benefit provisions for non-contributory members who elect coverage under the contributory provisions are the same as the provisions for existing contributory members. Contributory members contribute five percent (5%) of their pre-tax salary (before federal and state taxes). This percentage is set by law and cannot be changed administratively. The contributory provisions for members who elect coverage during the 6-month period will be effective beginning with the January 2012 report month; and the law does not allow members to change prior non-contributory service to contributory service through any type of conversion or purchase.

#### **Communication**

To inform non-contributory members about the contributory election window, we used the following communication methods: a Going Contributory newsletter mailed to members' home address (early June 2011), Going Contributory seminars, and the APERS website ([www.apers.org](http://www.apers.org)). Seminar dates and locations are posted on our website.

#### **Making the Election**

Non-contributory members who wish to remain under the non-contributory provisions do not need to take any action. Non-contributory members who wish to elect coverage under the contributory provisions must complete a *Contributory Election Form*. The election form includes a beneficiary designation section that requires a notary acknowledgement, and it includes an employer acknowledgement section. Once members elect coverage under the contributory provisions, their coverage will be for their current employment and all future employment covered under this system.

We must receive the election form in our office by December 31, 2011. After we receive properly completed election forms, we will send correspondence to members to confirm that we received and processed their election. In December we will send a preliminary list to employers of all their employees who elected to be covered under the contributory provisions, and we will send a final list to employers as soon as possible after the December 31, 2011 deadline.

#### **Concurrent Employment**

If members have concurrent employment with APERS-covered employers, their coverage under the contributory provisions will apply to all employers. When we identify these situations, we will notify all applicable employers.

#### **Reporting**

For members who elect contributory coverage, on the December 2011 monthly earnings and service reports you must terminate the member from the non-contributory report (Plan "N") by entering a "T" in the N/T/D column, and on the January 2012 monthly service and earnings report you must add the member to the contributory report (Plan "K") by entering an "N" in the N/T/D column.

You cannot report members as both non-contributory and contributory in the same month. Please review your payroll schedules to ensure that you begin the employee's retirement plan deduction with the first payroll period to be reported for the January 2012 report month as required by the law.

#### **For Additional Information**

If employees or employers have any questions about the contributory election window, please contact a call center representative toll-free at (800) 682-7377.

