SURS RETURN-TO-WORK: NEW LIMITS AFFECTING THE COST AND PROCEDURES TO EMPLOY SURS ANNUITANTS

Presented by: Nanci N. Rogers
SURS RETURN-TO-WORK: NEW LIMITS AFFECTING THE COST AND PROCEDURES TO EMPLOY SURS ANNUITANTS

- Amends SURS article of Pension Code (40 ILCS 5/15-139.5)

- Limits College’s ability to employ or re-employ SURS annuitants without potential financial penalty
Employers who employ an “affected annuitant” after August 1, 2013 will be charged an employer contribution equal to the annuitant’s annual retirement annuity.

Employer required to notify SURS within 60 days of employing any SURS annuitant and certify specific information about compensation and work schedule.

Significant penalties for failure to timely pay employer required contribution or timely report required information to SURS.
TWO PART TEST FOR DETERMINING AFFECTED ANNUITANT STATUS

- SURS annuitant becomes an affected annuitant on the first day of the academic year following the academic year in which both of these conditions are met:
  - Works more than 18 paid weeks after August 1, 2013 for one or more SURS employers; and
  - Receives compensation during an academic year greater than 40% of highest annual rate of earnings earned before retirement.
TWO PART TEST FOR DETERMINING AFFECTED ANNUITANT STATUS

- Paid week is any week in which annuitant works at least one paid day.

- Time worked is cumulative, not specific to any single academic year.

- Remains an affected annuitant unless and until annuitant suspends retirement annuity and re-participates in SURS.
EMPLOYER CONTRIBUTION FOR EMPLOYING AFFECTED ANNUITANT

- Equal to the annualized retirement annuity parable to the annuitant for the month in which the first paid day of employment occurs for the academic year.

- In other words, employer contribution is twelve times the monthly annuity received during the first month of employment as affected annuitant.

- If employed by more than one employer, contribution is prorated among employers for the respective portion of total compensation paid to the annuitant in the academic year.
LIMITED EXCEPTION FOR GRANT FUNDED EMPLOYEES

- Periods of employment and compensation paid solely from work funded by federal, corporate, foundation or trust funds, or grants of State funds do not count toward affected annuitant status.

- No employer contribution is due if annuitant is compensated solely from such federal or state funds or grants.
EMPLOYER NOTICE AND CERTIFICATION REQUIREMENTS

- Notify SURS within 60 days of hiring any SURS annuitant (beginning 8/1/13).

- Information must include:
  - Copy of employment contract, or if no contract, then rate of pay and anticipated length of employment;
  - Whether annuitant is paid from federal, corporate, foundation or trust funds, or grants of State funds;
  - Employer’s determination whether annuitant is already affected annuitant.
EMPLOYER NOTICE AND CERTIFICATION REQUIREMENTS

- For each annuitant, employer must also certify to SURS:
  - number of paid days and paid weeks worked in the academic year, and
  - amount of compensation paid in the academic year.

- Failure to identify and notify SURS of the required information will result in required employer payment equal to double the retirement annuity for employing affected annuitant.
RECOMMENDATIONS FOR COMPLIANCE

- Identify all current employees who are or have been SURS annuitants and require them to complete an annual certification providing the following information:
  - Whether they are presently receiving a SURS annuity;
  - whether they presently are or will be employed by another SURS employer, in addition to the College;
  - a copy of their Certification of Retirement Annuity statement issued by SURS, which indicates the highest annual rate of earnings during their final rate of earnings period.

- If College is not certain it has identified all current or former SURS annuitants, send a memo to all employees requesting the same information as listed above.
RECOMMENDATIONS FOR COMPLIANCE

- Comply with the new SURS notification requirements no later than October 1, 2013.

- Submit the required certifications to SURS for the 2013-14 academic year.
RECOMMENDATIONS FOR ASSESSING ADDITIONAL SURS CONTRIBUTION LIABILITY

- Consider amending current employment application to require applicant to certify the following additional information:
  - Whether applicant is currently a SURS annuitant;
  - If so, provide a history and record of any current and former employment with a SURS employer;
  - Acknowledgment that College may require applicant to provide additional information or documentation to ensure compliance with SURS reporting requirements.
RECOMMENDATIONS FOR ASSESSING ADDITIONAL SURS CONTRIBUTION LIABILITY

- Monitor the schedule and compensation for each employed annuitant throughout the 2013-2014 academic year to determine when and whether one or both of the qualifying conditions for becoming an affected annuitant might be satisfied.

- Consider establishing an automated alert, through the College’s payroll system or otherwise, to notify the College if an employed annuitant is approaching the 18 paid week and/or 40 percent earnings conditions.
STUDENT IDENTIFICATION NUMBER SECURITY

Presented by: Nanci N. Rogers
Essential Questions Related To Security of Student ID Numbers

- Are they Directory Information or protected education records?
- Should Student IDs ever be sent through email?
- What if the College outsources its email service?
Are Student IDs Directory Information or protected education records under FERPA?

- Directory Information is information contained in an education record that generally is not considered harmful or an invasion of privacy if disclosed.

- Student IDs are **not** Directory Information unless they cannot be used to access education records without a PIN password, or other key information.
Should Student ID numbers ever be sent through email?

- If not Directory Information, then protected by FERPA and should not be sent via email without authorization and appropriate security measures.

- If Directory Information, use caution to ensure PIN, password or other key information is not assessable via email.
What if the College outsources email?

- Same considerations as above, and
- Ensure that email host is FERPA compliant and maintains adequate security and privacy policies and procedures.
- Read and understand the “terms of service.”
QUESTIONS?