



2021-22

EMPLOYER

INFORMATION



REVISED 6/2021

RATE INFORMATION

***** EFFECTIVE 7/1/2021 ATRS RATES INCREASE *****

EMPLOYERS, PLEASE MAKE SURE THAT YOUR PAYROLL SYSTEM HAS BEEN UPDATED FOR PAYMENTS ISSUED ON OR AFTER 7/1/2021

FISCAL YEAR	CONTRIBUTION RATES
2021 - 2022	MEMBER - 6.75% EMPLOYER - 14.75% SURCHARGE - 4.00%
2022 - 2023 *	MEMBER - 7.0% EMPLOYER - 15.00% SURCHARGE - 4.00%
2023- 2024 *	MEMBER - 7.0% EMPLOYER - 15.00% SURCHARGE - 4.00%

* SUBJECT TO ATRS BOARD APPROVAL

NOTE TO APSCN EMPLOYERS

APSCN **cannot** update the ATRS member / employer deduction for every employer. Please contact your APSCN Field Representative by opening a service desk ticket and they will be glad to provide the instructions on how to manually change the deductions or give instructions on the process to import the changes.

PLEASE MAKE SURE EACH ATRS DEDUCTION CODE HAS BEEN UPDATED BEGINNING 7/1/2021. BE SURE TO DOUBLE CHECK BOTH REGULAR AND FEDERAL.

2021 LEGISLATIVE UPDATES

Each year there may be updates to ATRS laws, rules, and procedures. Provided below is an overview. Please contact our office for additional information.

DISABILITY RETIREMENT DETERMINATION

Bill #	Act #	Description	Effective Date
HB1279	Act 223	This bill was needed to in order to add some additional fairness and equity to the disability retirement approval process. Any favorable determination letter from the SSA has been an after-thought up to this point. Currently, if a member is denied benefits by the medical committee, they must return to work in order to file a new application for disability retirement. Often, as in the cases of degenerative diseases, this is not practical. A one-time second review for members that can provide additional medical records adds fairness to the	8/1/2021

RECIPROCITY - FINAL AVERAGE SALARY

Bill #	Act #	Description	Effective Date
HB1319	Act 221	This bill replaced the previous complicated formula that involved blending service rendered in a reciprocal retirement system with ATRS service to calculate a retiree's final average salary. Members still get the full benefit of their reciprocal service credit and now only need to be a member of a reciprocal system for two (2) or more years to get the benefit of a higher final average salary from a reciprocal system. This bill also resolved a conflict between reciprocal systems in which concurrent service occurs by allowing ATRS to refund contributions if the member forfeits ATRS service that is concurrent with another reciprocal system (both member & employer).	3/2/2021

EMPLOYER REPORTING - EFT

Bill #	Act #	Description	Effective Date
HB1320	Act 220	This bill removes employer reporting deadlines and penalties from the law since they are already specified in ATRS Rules. If the Board decides to modify these deadlines and penalties, the rule making process of the A.P.A. is a more efficient process. This bill also requires all employers to submit their monthly contributions using electronic funds transfer by 7/1/2022.	8/1/2021

UNUSED SICK LEAVE IN THE FINAL AVERAGE SALARY

Bill #	Act #	Description	Effective Date
HB1339	Act 189	This bill was needed to ensure compensation for unused sick-leave, which is taxable salary, would continue to be included in the calculation of final average salary for members employed at state agencies or institution of higher education. It repealed language in the law that has never been enforced by ATRS to exclude such compensation.	8/1/2021

2021 LEGISLATIVE UPDATES

TECHNICAL / MINOR CORRECTIONS

Bill #	Act #	Description	Effective Date
HB1326	Act 229	<p>This bill makes a series of technical corrections that will improve the over-all administrative functions at ATRS. Notable corrections under this bill are as follows:</p> <ul style="list-style-type: none">• Clean up language regarding the definition of interest rates;• Clarify that any noncontributory service can be purchased as contributory service;• Clarify that members do not have to be active to purchase service;• Clean up code regarding the purchase of National Guard service;• Clarifies that terminating members should not plan to be re-employed by an ATRS employer;• Align ATRS law with the IRS Code regarding the required minimum distribution;• Reorganize the section regarding contract buyout agreements;• Reiterate the purpose for the July 1 start of benefits once a member accrues a full year of service;• Clarifies that T-DROP balances are part of a member's residue	7/1/2021

CORRECTION OF ERRORS - UNREPORTED SERVICE

Bill #	Act #	Description	Effective Date
HB1340	Act 190	<p>This bill changes the law to specify that when unreported or under-reported service is well documented and undisputed, the five-year look-back period should not apply. ATRS will be permitted to collect the member and employer contributions due on any unreported salary along with interest. Members may elect to convert contributory service into noncontributory service in cases where members owe contributions on their salary due to employer errors.</p>	7/1/2021

TERMINATION OF EMPLOYMENT & NORMAL RETIREMENT AGE (SEPARATION REQUIREMENTS)

Bill #	Act #	Description	Effective Date
SB174	Act 290	<p>This bill does not change the requirements that a member of ATRS must have 28 years of service or have attained the age of 60 in order to receive full retirement benefits.</p> <p>The IRS requires members to have a bona fide termination of employment or have attained the "normal retirement age" in order for a member to start drawing retirement benefits. This bill changes the definition of the "normal retirement age" to be age 65 with 5 years of actual service OR at least age 60 with 38 total years of actual service, T-DROP service and reciprocal service. A member that has attained the normal retirement age is able to draw full retirement benefits and remain employed without separating from employment.</p> <p>This simplifies the separation period requirements by eliminating the one-month separation period and retaining the six (6) month separation for members who are not 65 or have met the new definition of "normal retirement age" .</p>	9/1/2021

2021 LEGISLATIVE UPDATES

RECIPROCITY UNDER AN ALTERNATE RETIREMENT PLAN

Bill #	Act #	Description	Effective Date
HB1275	427	This bill allows an ATRS member to establish reciprocal service in an alternate retirement plan established by an Arkansas university or vocational school if the member makes any withdrawal from the alternate retirement plan that are not penalized by IRS Code. This bill establishes the basic rule that all funds must remain in the alternate retirement plan in order to establish reciprocal service. However, exceptions for withdrawals made after the member reaches the age of 59 ½ and eligible rollover transactions under the Internal Revenue Code are allowed.	3/23/2021

RECIPROCITY CLARIFICATION

Bill #	Act #	Description	Effective Date
HB1325	711	This bill clarifies and improves the subchapter that deals with reciprocity. It allows each system to define the final average salary used in reciprocal calculations. It contains a grandfather clause regarding the use of the highest final average salary for anyone who currently has reciprocal service. This bill will ensure that there are no conflicts with general reciprocal law and ATRS law.	7/1/2021

CONTRACT FOR 185 DAYS OR MORE AND CONTRIBUTORY DESIGNATION

Bill #	Act #	Description	Effective Date
SB232	443	This bill allows ATRS members who are still in noncontributory status to be able to accept contracts up to 184 days and not be mandated into the contributory designation, thus required to make contributions to ATRS. Once a member is under a contract for 185 days or more, they will be required to make contributions to the system.	7/1/2021

SUMMER YOUTH PROGRAM EXCEPTION

Bill #	Act #	Description	Effective Date
HB1300	691	This bill allows youth participants working during the summer as part of specific summer work programs to not be considered employees of the school. The ATRS covered employer in these summer work programs have entered an agreement with the program administrator to serve as a pass-through fiscal agent for a program between 6/1—8/31. Employers will need to provide ATRS with a copy of the Memorandum of Understanding (MOU) or agreement.	8/1/2021

NOTEWORTHY FROM ATRS

Below is some additional information from ATRS. Please contact our office for additional information.

FROM OUR BENEFITS & COUNSELING DEPARTMENT

Member Portal	Please encourage members to stay in touch with ATRS and have direct access to their specific member account information through our Member Portal on the ATRS website. Instructions on how to sign up for the Member Portal can be found at : www.artrs.gov/registration .
Membership Milestones	<p>It is important for members to be aware of significant reference points in their membership timeline with Arkansas Teacher Retirement System (ATRS). Reaching each milestone provides or improves a significant benefit that affects their future retirement. Understanding the impact of each milestone should be part of any professional, financial, or personal decision making process.</p> <p>Active Status - Members currently employed by an ATRS covered employer and eligible for Service Credit. ACTIVE status is also required for eligibility for Disability benefits and Survivor benefits.</p> <p>Five (5) Years - A member becomes a VESTED member with five (5) years of credited service with ATRS. Reciprocal Service can be used in this service requirement. A VESTED member is eligible to receive retirement benefits at age sixty (60).</p> <p>Ten (10) Years - An active or retired member with a total of ten (10) or more years of actual credited service with ATRS is eligible for a Lump Sum Death Benefit up to \$10,000. Also, a member retiring with ten (10) or more years of actual service with ATRS shall receive a monthly stipend up to \$50 along with their monthly retirement benefit.</p> <p>Five to Twenty-Four (5 - 24) Years - ATRS Member is eligible for Age and Service Retirement at age sixty (60).</p> <p>Twenty-Five to Twenty-Seven (25 - 27) Years - ATRS Member is eligible for Early Retirement at any age with a reduction in benefits.</p> <p>Twenty-Eight to Twenty-Nine (28 - 29) Years - ATRS Member is eligible for Early T-DROP participation with reduction and is eligible for Age and Service (voluntary) Retirement at any age with full benefits.</p> <p>Thirty (30) Years - ATRS Member is eligible for T-DROP participation without reduction.</p>

FROM OUR PRE-RETIREMENT DEPARTMENT

T-Drop Enrollment Effective 7/1/2021	Employers will be sent a T-Drop report of their employees that have entered the program on July 1, 2021 once all applications have been processed. These reports are usually mailed to the employers the first week of July. Please be sure to change the deduction codes on these members to T-Drop to ensure correct reporting and contributions are remitted to the system.
Workshops & School Visits	ATRS has not yet made a decision regarding in person retirement workshop meetings and school visits for the upcoming school year. We will notify employers once a decision has been made at a later date. Counseling is available by phone, email, virtual counseling (via Zoom), and other options are available by appointment.

BASIC INFORMATION FOR EMPLOYERS

ENROLLMENT / MEMBERSHIP

Membership in ATRS is a condition of employment in Arkansas public schools and certain state agencies, colleges and universities. Members who work for certain agencies, colleges or universities in Arkansas may have the option to belong to an alternative system. The ATRS Membership Department maintains member data including enrollment, membership status, changes to name or address, beneficiary elections, etc.

ATRS requests that employers utilize the status verification process provided through our Membership Department to ensure a member is set up with proper deductions at the time they are entered on payroll. Use of the ATRS Termination and Membership Status Sheet eliminates many issues regarding the improper hire of a retired ATRS member and ensures that the ATRS member's contribution status is correctly identified thus limiting errors in reporting. Please note that for ATRS purposes members should be enrolled as one of the following: Contributory, Noncontributory, T-Drop, T-Drop 10, or Working Retiree.

Employers are required to submit a Membership Data Form (MDF) for new hires and each time a current employee has a change in employment position.

MEMBER CONTRIBUTION STATUS

Generally speaking, a member's contribution status is determined by the number of days on their contract. Effective 7/1/2021 - Noncontributory (NC) members have contracts of 184 days or less while Contributory (C) members are contracted for 185 days or more. If a NC member is employed the following fiscal year with a contract of 185 or more days, the member will become C for that year and all future years. *(See Legislative Updates)*

A noncontributory (NC) member may elect to be contributory (C) member by signing an Irrevocable Contributory Election Form prior to the first pay period and if the member has not received wages under any ATRS covered employment for the current fiscal year.

BOOKKEEPER WORKSHOPS

The Membership Department offers Bookkeeper Workshops to provide training for ATRS employer designated staff of school districts, higher education facilities, and state agencies who are charged with providing member records to ATRS.

Beginning 7/1/2021, the Reporting Department will provide training on the ATRS Employer Portal via Zoom training upon request. Contact the Reporting Section Manager to make arrangements.

SERVICE CREDIT

All contracts between an ATRS employer and member that specify the number of days worked by the member shall be used by ATRS to establish the number of days of service worked.

If a member is employed in a position for which a regular and typical work day includes eight (8) hours or more of work time (full-day position), then four (4) hours of work in a day shall be required for a "day" of service. For a member who is not employed in a specialized support position and who does not work four (4) hours or more a day, the total number of hours worked in a fiscal quarter divided by four (4) will determine the number of days to be credited.

ATRS employers have specialized support positions that include work as bus drivers, custodial workers, cafeteria workers, and similar positions that a typical day of service by the member will be less than eight (8) hours of work a day. A member employed, without a contract specifying the number of days of service to be worked, in a specialized support position shall receive a full day of service credit, even if the member works less than four (4) hours in a service day, if the ATRS employer reasonably determines that the member performed the regular and usual service expected of a member in that position during the service day.

Days of absence are considered reportable if the days are for paid leave including, paid sick leave. However, for administrative leave, the member must be on call by the employer for the service to be reportable and counted as credited service.

# OF DAYS WORKED (July 1 - June 30)	SERVICE CREDIT EARNED
1 - 39	NONE *
40 - 79	.25 YEAR
80 - 119	.50 YEAR
120 - 159	.75 YEAR
160 AND OVER	1 YEAR

*Members employed less than forty (40) days during a fiscal year are not eligible for credit or benefits in ATRS that fiscal year; however, a contributory member's service days are carried forward from previous fiscal years until at least forty (40) days of service is obtained by the member.

EMPLOYERS WITH 4 DAY- SCHOOL WEEK

If you are an employer that has adopted a 4-week school week, please contact the Accounting Manager if you have any questions or concerns regarding reporting to ATRS.

SALARY - WHAT IS REPORTABLE?

Employers are required to report all remuneration paid to a member employed in a covered position on which the employer is required to withhold federal income tax under the Internal Revenue code. This includes bonuses, sick leave payouts, etc.

Salary does not include non-monetary income such as vehicles, housing, and personal property. These types of payments should be disbursed on a separate payroll without benefit deductions.

Salary and contributions are reported based on the member's enrollment status. All members should be enrolled as one of the following: Contributory, Noncontributory, T-Drop, T-Drop 10, or Working Retiree.

CONTRACT BUYOUTS / LEGAL AGREEMENTS

Contract buyout agreements, settlements, claims, judgements, arbitration awards, decrees, or court-ordered payments are not reportable to ATRS and neither member nor employer contributions are due to the system. The law requires the covered employer to provide a copy of any agreement or court order under this section to ATRS. The Reporting Department will also request a concise check history or payment detail with the order for additional documentation.

ACTIVE MILITARY DEPLOYMENT

Under the federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), a member has the right to receive credit toward their eligibility for ATRS benefits for the eligible period of their uniformed service if they return to work in an eligible position for an ATRS covered employer.

As the employer you are required to notify ATRS of a member's reemployment within 30 days of their reemployment date. ATRS will send correspondence to the member to explain the process. If you have questions on reporting active deployment, please contact the Reporting Section Manager.

CORRECTION OF ERRORS

If an employer discovers a reporting error or must pay back-wages for a prior fiscal year, please complete a Salary Statement for Service (Form 210) that can be found on the ATRS website. A concise check history or salary supporting documentation must accompany the form.

In many instances, ATRS is not permitted to correct errors beyond the determined look-back period. The look-back period is the current fiscal year and the previous 4 fiscal years. However, when unreported or under-reported service is well documented and undisputed, the look-back period does not apply and ATRS will be permitted to collect the member and employer contributions due on any unreported salary along with interest. Members may elect to convert contributory service into noncontributory service in cases where members owe contributions on their salary due to employer errors. *(See Legislative Updates)*

ATRS EMPLOYER PORTAL

Employers utilize the ATRS Employer Portal to enter Monthly Remittance Reports and Quarterly Totals. Required information is entered based on the date of payment for Active members, School Resource Officers (SRO), member enrolled in T-Drop, Working Retirees, members with a Buy Back, Surcharge contributions on employers outsourced positions as outlined in law.

The ATRS Employer Web Portal is opened from the 20th – 15th. Employers can log into the ATRS Employer Web Portal to enter Delinquent Reporting remittances from the 16th - 19th.

All monthly remittance reports should be entered at the same time on the ATRS Employer Web Portal, and no later than the same day the employer sends their payment and supporting detail / magnetic media. This ensures the system does not receive a payment without documentation. Should ATRS receive a payment without a supporting report the employer will be contacted immediately by email for explanation.

If an employer has nothing to report in a particular section – simply enter zero and enter "Not Applicable" in the note section if there is one on the report. Please complete each section of the Employer Web Portal.

ATRS EMPLOYER PORTAL—Username / Passwords

Each employer has been issued a specific 5 digit employer code that is used as the username for entrance to the ATRS Employer Web Portal. This username will not change. There is only 1 username per employer. The password associated with each account should be user specific and not one of ATRS reset defaults. Employers may update a password under the "Edit My Profile" menu. Forgotten passwords may be reset through the "Forgot Login" link. Enter the 5 digit Employer code as the User name and an email will be sent to the registered email address for the employer. If an employer does not have access to the registered email account or is experiencing login problems, please contact the ATRS Reporting Department.

ATRS EMPLOYER PORTAL—Confirmation Emails

Employers receive a confirmation email from ATRS when the system receives each of the following:

- Monthly Web Portal Remittance
- Monthly Electronic Detail Report
- Quarterly Electronic Detail Report
- Quarterly Summary Totals

ATRS EMPLOYER PORTAL—Employer Contacts

To update employer contact information simply log into the Employer Web Portal and save the changes. ATRS will process the reported changes and update our system. Please update any changes in physical or mailing address, general phone and fax numbers, contact information for the superintendent, accounting / reporting, pre-retirement, enrollment / membership, or other specified persons

EMPLOYER PAYMENTS

ATRS encourages all its employers to remit ALL payments via EFT or ACH. Over 90% of our employers are currently participating in this payment option. Legislation passed at the 2021 session requires employers to remit payments electronically to ATRS by 7/1/2022. Employers that are currently remitting payments to ATRS via paper checks for **ANY** type of remittance (Active, T-Drop, Working Retiree, Buyback, or Surcharge) and are interested in transitioning this year, please contact our office for electronic payment procedures.

EFT Settlement dates should be no later than the 15th. Payments are recorded the date received by our financial institution or date received in our office.

Please DO NOT have multiple employers on the same payment. When possible, please make sure your EFT/ACH includes the ATRS employer number.

Payments may be combined to 1 payment per employer for all types of contributions.

PENALTIES

Employers will be issued a \$150.00 Report Penalty for each of the following types of reports past the deadline.

- Monthly Remittance - Employer Web Portal
- Monthly Supporting Documentation (Active, T-Drop, & Working Retiree)
- Quarterly Totals - Employer Web Portal
- Quarterly Supporting Documentation (Active, T-Drop, & Working Retiree)

An 7.5% Daily Interest Penalty will be issued to an employer for Late Monthly Contributions Payments, including partial payments (Active, T-Drop, Working Retiree, Buy Back & Surcharge)

Failure to remit contributions, penalties, or interest owed, may be deducted from operating funds designated to the employer through the Department of Education and remitted directly to ATRS. ATRS may impose an additional \$500.00 penalty for any item over one (1) month late.

If an employer feels that there were contributing circumstances that should be considered as to why a required report and/or payment was delinquent, they may request the penalty be waived through the Employer Web Portal. Simply, login to the Employer Portal and select Penalty Waiver from the Available Online Forms menu. Complete all of the required fields & click "Submit Request".

REFUNDS / CREDITS

ATRS will issue refunds of contributions paid to the system in error directly back to the employer. Member contribution refunds are processed after the system has reconciled 2nd, 3rd, and 4th quarters. Employer refunds are processed when the system closes the fiscal year.

Please contact our office regarding questions on refunds, correction of errors, or credits. APSCN employers can contact their APSCN Field Representative by opening a service desk ticket for assistance and instructions on how to properly issue reimbursements to members without creating a variance in future reporting.

MEMBER UNDERPAYMENTS

If a member was paid in current year with incorrect payroll deductions resulting in member contributions not withheld / remitted, contributions may be collected through June 30th as arrears payments and reported on each monthly remittance. APSCN employers should utilize the arrears option under the standard ATRS contributory deduction code to collect arrears. This will ensure proper reporting with ASPCN reports. For assistance contact APSCN.

At the close of each fiscal year, underpayments of member contributions are billed by the system directly to the member. There are various options to the member to resolve the underpayment including to choose to make pre-tax payments. The member should contact ATRS to request an Irrevocable Payroll Authorization (IPA) and present this signed form to their employer to set up in their payroll system. IPA deductions are reported to ATRS as Buyback contributions.

ATRS will not credit service to a member until all required contributions and interest, if any, are remitted to the System. It is important to set the member up correctly in your payroll software.

OUTSOURCING / SURCHARGE

Employers that are outsourcing embedded employee services are required to remit a surcharge. "Embedded employee" applies to the following areas that are provided on the premises:

- **Transportation** – Maintenance & operation of vehicles used for regular and daily transport of passengers.
- **Food Service Operations** – Maintenance & operation of a cafeteria or food service.
- **Custodial & Maintenance** – Services for the regular maintenance, repair, and upkeep of grounds or facilities.
- **Security** – Security services not covered under another retirement system.
- **School Nursing** – Regular school nurses, Does not include nursing services provided by school-based health clinic or medical clinic operated on a school campus or healthcare provider other than a nurse or any healthcare service reimbursed or paid for by Medicaid, Medicare, health insurance, or any other third-party payer.
- **Substitute teaching**
- **Teacher's aides**
- **Other** areas of standard support for school operation based on the premises.

If you are unsure if an outsourced position is subject to the outsourcing law, please complete a "Request to Determine" form. It will be reviewed by ATRS and a determination will be made and sent to you in writing.

Not applicable to Nonmandatory and PSHE employers as defined under A.C.A. 24-7-1602

Effective July 2021 Reporting — Monthly reporting should be complete, including Surcharge, at the same time.

ATRS understands the invoices needed for reporting surcharge contributions are not generated by ATRS covered employers, but by outside vendors. Employers may report salaries of outsourced employees during the month invoices are paid to vendors, or since last reporting, instead of when the services were actually performed.



CONTACT US

Please feel free to contact ATRS anytime you have a question or need assistance.

Hours of Operation are:

Monday through Friday, 8:00 am to 4:30 pm

ATRS

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Each ATRS employer has been assigned a team of staff members from the Reporting Department to provide consistent help to all employers. Contact the Reporting Manager for your assigned team.
