

FAQ from Act 10/32 Employment Category Change Webinars

Q: What is the “last payroll date” for the mass employment category change?

A: The last payroll date requirement on the mass employment category change has generated many questions. The last payroll date refers to the last day of the pay period where pre-Act 10 contribution rates apply and will be the date employees switch from their current employment category to their new employment category. This is the last day of the pay period prior to the first full pay period on or after June 29, 2011.

Example: An employer has pay periods from 6/27/2011 until 7/10/2011 and from 7/11/2011 until 7/24/2011. The last payroll date for the mass employment category change is 7/10/2011 (last day of the pay period prior to the first full pay period on or after June 29, 2011). Hours and earnings from all pay periods from the beginning of 2011 until 7/10/2011 are included on the mass employment category change. This includes the hours and earnings from the 6/27/2011 until 7/10/2011 pay period even if the paycheck date was not until two weeks later due to payroll lag. This is similar to a termination in which the actual termination date is reported but the hours and earnings may include earnings from paychecks after that the termination date due to payroll lag.

Q: How will my WRS annual report be affected by this mass employment category change?

A: The WRS annual report for 2011 will be significantly different from previous years. Prior to submitting an annual report, a mass employment category change for all employees must be submitted to ETF and verified by ETF staff. Each agency will be contacted by ETF staff when the mass employment category change has been verified and the annual report may be submitted. The annual report will consist of all active employees and any employees on a leave of absence in their new employment categories and only requires hours and earnings from the first full pay period on or after June 29, 2011, to the end of the year.

Q: Do I include WRS eligible employees on the mass employment category change who are not paying WRS contributions due to a current collective bargaining agreement?

A: Yes. Even if employees are not paying contributions into the WRS, they are still being credited with an individual account based on their WRS employment category and need to be included on the mass employment category change.

Q: How do I know which terminations from 2011 need to be included on the mass employment category change?

A: It will depend on their termination date.

- Employees who terminated prior to your first full pay period on or after June 29, 2011, will not need be included on the mass employment category change because they only had hours and earnings associated with the pre-Act 10/32 rates.

- Employees who were previously enrolled at your agency and who then terminated during or after your first full pay period on or after June 29, 2011, should be included on the mass employment category.

Example: An employee terminates in September of 2011, and you report their final hours and earnings for 2011 on his or her termination report to ETF. This employee still needs a category change because ETF needs to know their first half of the year earnings based on your pay periods to ensure they receive the correct amount in their employee account. Once the category change is reported, ETF will adjust their termination to ensure that the second half of year is correct. Most of our reporting applications for this category change (both the Account Update and the ETF-generated Excel File) will include both your active employees enrolled prior to August 1, 2011, and your employees who terminated after June 29, 2011.

Q: Do I include employees enrolled in the WRS during or after my first full pay period on or after June 29, 2011, on the mass employment category change?

A: No. These employees only have hours and earnings associated with post-Act 10/32 rates. ETF will internally switch the majority of these employees to their new employment categories. Be aware that ETF's reporting applications will include anyone with an enrollment date prior to August 1, 2011. Please skip any employees who may be listed on our reporting applications but who should not be on the mass employment category change. ETF staff will verify all employees and work with employers to ensure every employee is enrolled in the new employment category.