

HR Fundamentals

November 21, 2017

Including:

- MUS Retirement Plan Changes, effective February 1, 2018
- Updates and Reminders
 - Time keeping
 - Paying an employee for a one-time service – Quick reference guide
 - Benefits helpful hints

MUS Retirement Plan Changes:

What is Happening?

- MUS has partnered with an outside consulting firm, Meketa Investment Group, Inc., to evaluate and deliver the best possible investments and services through the MUS retirement plans
- Several retirement plan enhancements coming to the
 - Montana University System Retirement Plan MUSRP (formerly the Optional Retirement Plan), and
 - 403(b) plans – optional plans elected by employees
- Including:
 - Consolidation of the 403(b) investment providers to one service provider, TIAA, and
 - A new streamlined investment menu that will include options from a variety of well-known investment firms

MUS Retirement Plan Changes:

When?

- Effective February 1, 2018
- Contribution(s) taken from the February 2018 pay check

Why?

- The changes:
 - Offer a more robust array of investment options so more of our employees' retirement money keeps working for them
 - Lower costs
 - Capitalize on trends and changes in the retirement services industry
 - Simplify administrative functions and participant experience

MUS Retirement Plan Changes:

What are some of the impacts?

- The MUS plans are currently individually-owned contracts for both the 401(a) and 403(b) between the participant and the vendors
- In order for the plan to be able to significantly lower fees, provide a best in class line-up, and increase the service level from TIAA, the plans need to move from these individual contracts to the group contracts
- Part of this change includes individual participants moving their existing asset balance from their individual contract, as allowed by their current investments, to the new group contracts, which would include moving from an annuity product if they are in one to the proposed investment lineup
 - The proposed lineup currently does not include an annuity option
- As of 2/1/18 member contributions to MUS-RP and 403(b)s will go into the new MUS retirement plans with the group contracts

MUS Retirement Plan Changes:

Do I have a 401(a) or 403(b)?

- Paystub coding chart

Paystub Descriptors Indicating the Employee's Retirement Plan(s)

	Description seen on paystub	Retirement Plan	Affected or Unaffected on 2/1/18
Mandatory Retirement Deductions	PERS Pre 7/1/11 Member	Classified PERS	Unaffected
	PERS Post 7/1/11 Member	Classified PERS	Unaffected
	Working RE ER Contrib PERS	Working Retiree PERS	Unaffected
	MT TIAA-CREF CLASSIFIED 7-1-11	Classified TIAA	Affected
	MPERA portion of TIAA-CREF ER	Classified TIAA	Affected
	MT TIAA-CREF Clsf prior 7-1-11	Classified TIAA	Affected
	TIAA-CREF Retirement	Professional/Faculty TIAA	Affected
	TIAA-CREF 1% Employer	Professional/Faculty TIAA	Affected
	Teachers Retirement System	Professional/Faculty TRS	Unaffected
	Game Warden/Peace Officers Ret	University Police Officers	Unaffected
403(b) and 457 Deductions	Annuity - AETNA (% Gross)	VOYA 403(b)	Affected
	Annuity - AETNA (\$ Amount)	VOYA 403(b)	Affected
	Deferred Compensation (%Gross)	Empower 457	Affected
	Deferred Compensation (\$ Amt)	Empower 457	Affected
	Annuity - MetLife (% Gross)	MetLife 403(b)	Affected
	Annuity - MetLife (\$ Amount)	MetLife 403(b)	Affected
	Annuity - TIAA-CREF (% Gross)	TIAA 403(b)	Affected
	Annuity - TIAA-CREF (\$ Amount)	TIAA 403(b)	Affected
	Annuity - VALIC (% Gross)	VALIC 403(b)	Affected
	Annuity - VALIC (\$ Amount)	VALIC 403(b)	Affected

Please note that employees whose mandatory retirement is unaffected may also have an optional 403(b) account which is subject to this change

MUS Retirement Plan Changes:

Communication and Support for Active Employees	
Week of 10/30/2017	Campus Leadership Communication
Ongoing	TIAA financial consultants available to answer questions over the phone, online and in-person.
12/01/2017	Announcement Email/Letter
12/31/2017	Transition Guide Mailing (regulatory mailing)
12/31/2017	MUS Retirement Plan website updated (www.TIAA.org/montana)
Week of 1/8/18	On-campus employee meetings/seminars, education, and information desk begin
Ongoing	Continued education

MUS Retirement Plan Changes:

How will eligible employees and retirees be informed?

- Campuses will hold information meetings
- The Transitional Guide will be mailed to the home address, containing detailed information about the:
 - Retirement plan enhancements and changes
 - New investment fund lineup
 - Options for current plan assets in the new plan
- TIAA will offer:
 - Educational seminars (in-person and on-line)
 - Meetings with TIAA Financial Consultants, and
 - Information and advice by telephone or via the website
- Electronic updates will be available throughout the transition period at www.TIAA.org/Montana
- The MUS is committed to continuing to work to provide the resources its employees need to understand and plan for their financial future

Updates and Reminders

Updates and Reminders:

Time Keeping and the Fair Labor Standards Act (FLSA)

- In order for an employee or job* to be FLSA exempt (ineligible for overtime) three tests are applied:
 - Salary basis
 - Salary threshold
 - Duties
- When the criteria of one or more tests is not met, the employee's or job*'s FLSA status becomes non-exempt (over-time eligible)
- MUS contracts, and Letters of Appointment are used for FLSA exempt positions only. Because UHR is discovering errors in this regard, for a short time MSU is allowing:
 - An employee whose current, active contract is found to be FLSA non-exempt to temporary move into “non-exempt on contract status”, but
 - No new contracts are to be issued in situations of FLSA non-exempt status

** When an employee holds multiple positions, FLSA guides us as and when it is appropriate to consider each job separately, and when as a whole. Please consult the Compensation-Classification Team.*

Updates and Reminders:

Time Keeping and the Fair Labor Standards Act (FLSA)

- The MUS Staff Compensation Plan (MUS SCP) contains both FLSA exempt and non-exempt roles
 - If non-exempt MSU currently allows for:
 - Full-time employees/jobs to be paid on a salaried or an hourly basis
 - Part-time employees/jobs must be paid on an hourly basis

Paying an Employee for a One-time Service:

Employee Type	One payment method	Comments
Classified OT eligible employees full-time	Must pay overtime at appropriate rate	Employee reports actual hours worked on the appropriate date on timesheet. May use current position # with an 01 suffix to create another job and bill to another department.
Classified OT eligible employees part-time	Must pay at appropriate hourly rate and overtime if applicable	Employee reports actual hours worked on the appropriate date on timesheet. May use current position # with an 01 suffix to create another job and bill to another department.
Classified OT exempt employee Full-Time	Should be pre-approved: Please use an Add comp form	Must be routed for appropriate signatures
Classified OT exempt employee Part-Time	Should be pre-approved: Please use the Strategic Pay flexible pay option form, section: one time, non-base increasing payment	email to comp-classification@montana.edu
Graduate Assistants	Submit EPAF "Student Job -45 posn 51 suf (BZJBSU)"	Use SD suffix. Put the one pay amount in the rate field. Effective date should be the first of the pay period. Last day worked should be the last day of the pay period
MUS contracted non-faculty employee Full-Time	Should be pre-approved: Please use an Add comp form	Must be routed for appropriate signatures
MUS contracted non-faculty employee Part-Time	Should be pre-approved: Increase FTE for one month	<div style="border: 1px solid gray; padding: 2px; display: inline-block;">More options</div> Memorandum must be routed for appropriate approvals Contact comp-classification@montana.edu for memorandum template
Non-Tenure Track Faculty Full-Time	Increase FTE for one month. Letter of Appointment (LOA) if different department; LOA Modification if same department	Please use regular LOA/Modification and EPAF and regular routing for approvals May use current position # with an 0L suffix to create another job in the same department. Different department uses its own pooled NTT position number and .0L suffix
Non-workstudy student worker	Submit EPAF "Student Job -45 posn 51 suf (BZJBSU)"	Use SD suffix. Put the one pay amount in the rate field. Effective date should be the first of the pay period. Last day worked should be the last day of the pay period
Non-Tenure Track Faculty Part-Time	Increase FTE for one month. Letter of Appointment (LOA) if different department; LOA Modification if same department	Please use regular LOA/Modification and EPAF and regular routing for approvals May use current position # with an .01 suffix to create another job in the same department. Different department uses its own pooled NTT position number (.00 suffix)
Service Excellence awards recipients: classified employee	Should be pre-approved. Please use the Lump Sum Bonus flexible pay option form. Award is subject to payroll taxes and withholding	email to comp-classification@montana.edu
Service Excellence awards recipients: contracted employee	Please send list to payroll, include partial GID, name, index and type of award account is 61308. Award is subject to payroll taxes and withholding	email to Renee.Lineback@montana.edu cc Maxt@montana.edu
Short term worker	Must pay an hourly rate and overtime if applicable	Employee reports actual hours worked on the appropriate date on timesheet. May use current position # with an 01 suffix to create another job and bill to another department.
Tenure Track Faculty Part-Time	Should be pre-approved: Increase FTE for one month	Memorandum must be routed for appropriate approvals Contact comp-classification@montana.edu for memorandum template
Tenure Track Faculty Full-Time	Should be pre-approved: Please use an Add comp form	Must be routed for appropriate signatures
None of the above, or need assistance with any of the options or forms?	Please email comp-classification@montana.edu	

Benefits Helpful Hints & Reminders:

Affordable Care Act(ACA)

ACA Common Scenario #1:

- When hiring an employee that has previously been employed at the Montana University System within the last Fiscal Year(FY), into a position that is not typically benefits eligible, there is a chance they could qualify for Medical Insurance benefits under the Affordable Care Act(ACA).
- If the employee has worked equal to or over 1560 hours in the previous FY, they qualify for Medical Insurance, and are considered to be in a benefits eligible position.
 - The employee is then given the choice of accepting the Medical Insurance, or waiving the coverage.
 - Even if the employee waives the coverage offered under the ACA, they are still considered benefits eligible, and the employer is still required to pay the employer contribution of \$1054/month.

* Please contact your Benefits Technician to determine eligibility.

Benefits Helpful Hints & Reminders:

ACA Common Scenario #2:

- When decreasing an employee's FTE to below .5, making them ineligible for benefits under the MUS eligibility guidelines, it is possible that they are eligible for Medical Insurance benefits under the ACA guidelines.
- If the employee has worked equal to or over 1560 hours in the previous FY, they qualify for Medical Insurance, and are considered to be in a benefits eligible position.
 - The employee is then given the choice of accepting the Medical Insurance, or waiving the coverage.
 - Even if the employee waives the coverage offered under the ACA, they are still considered benefits eligible, and the employer is still required to pay the employer contribution of \$1054/month.

* If there has been a 6 month or longer break in service, the employee is not eligible for ACA Medical Insurance benefits.

Benefits Helpful Hints & Reminders:

General Reminders

Also when hiring back a former employee:

- An employee has to have a 6 month or longer break in service in order to be allowed to make 'New Hire' insurance elections. If there has not been a 6 month break in service, the benefit eligible employee must be re-enrolled in the insurance elections that they had in effect previously .

When an Employee Waives Insurance Coverage:

- Even if the employee waives their insurance coverage, they are still considered to be in a benefits eligible position, and the employer is still required to pay the employer contribution of \$1054/month.

Benefits Helpful Hints & Reminders:

General Reminders continued...

Terminating benefits:

- An employee's position has to be terminated in order to terminate their insurance coverage.
 - At the end of an employee's contract, they are defaulted into a Leave without Pay status. Leave without Pay status does not trigger the end of the employee's benefits. The employer will still be responsible for the employer contribution, and the employee is still responsible for any "out-of-pocket" premium amounts, until the date the position is terminated.
- If your employee is no longer employed, be sure to have submitted a termination EPAF with the termination date.
 - Insurance will be terminated at the end of the month in which we receive official notification(EPAF) that the position has ended.

Benefits Helpful Hints & Reminders:

General Reminders continued...

Benefit Eligibility:

- If you have an Academic Year employee that is not currently benefits eligible, and the department intends to give that employee benefits for Spring 2018, please notify the Benefits Team no later than 11/30/2017.
 - NTTs are typically appointed semester-to-semester, and therefore do not meet the '6 months into the future' contract requirement to become benefits eligible.
 - By notifying the Benefits Team by 11/30/2017 that your department intends to appoint an employee for .5 FTE or greater for Spring 2018, and that employee has .5 FTE in December, they will become benefits eligible 12/01/2017, as December + Spring 2018 gives them 6 months into the future of .5 FTE employment.

* An email will suffice as notification to your Benefits Technician.