



Board Agenda Item #	Agenda # II C
Date:	January 18, 2017
To:	MPS Personnel Committee
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Terri Boatman, Chief Human Resources Officer
RE:	STRS/PERS Challenges

Proposed Board Recommendation

For Information Purposes Only

Background

For several years, Magnolia has had implementation challenges complying with STRS and PERS compliance requirements: including inaccurate payment calculations, reporting, gathering of enrollment forms, and appropriately timely enrollment. These inaccuracies have been identified by our authorizers and via audits. Over the course of the last year, Magnolia staff has taken concrete steps to correct current implementation challenges and begin to address inaccuracies from previous years.

The below chart identifies some of the findings and challenges identified and how they are currently being addressed.

Source	Issue	Corrective Action
FCMAT	STRS/PERS forms not on file	Magnolia has gathered STRS/PERS forms for all eligible employees and begins collection of forms at the end of the fiscal year for the upcoming year.
Authorizers	Accuracy of reports	The finance team now reviews reports prior to their submission.
Authorizers	Accuracy of reports	Hired ExEd to train Magnolia staff on report completion and to verify reports for accuracy prior to submission.

FCMAT	Part-Time employees may have not been enrolled in PERS	When part-time employees exceed a certain number of hours, they qualify to receive PERS. Magnolia has not honored this requirement in previous years. We now monitor the hours of current part-time employees to ensure we enroll them when they qualify. We are reviewing pervious fiscal years to identify and address issues. We are retroactively enrolling employees in PERS at the time that they qualified and bringing payments up to date.
Authorizers	Employees may not have received accurate service credits under the 12 month contracts since a portion of their contributions were made in a new fiscal year and	We have to begin the process of working with the authorizers to apply one full year of service credits to every full-time credentialed employee as appropriate.

Budget Implications

Penalties may be assessed could be assessed for retroactively enrolling employees in retirement plans and there may be fees associated with applying appropriate service credits for all employees impacted by the 12 month contract. The finance team is in the process of assessing the potential liability and working to limit potential fines and fees. This analysis is ongoing and staff will report back to the committee and board at the March meeting.

How Does This Action Relate/Affect/Benefit All MSAs?

Per our Charters, we are required to participate in State Retirement programs. Failure to appropriately report STRS and PERS could negatively impact our standing with our authorizers.

Name of Staff Originator:

Terri Boatman, Chief Human Resources Officer

Attachments

None