OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2002-01

TO: All ISIS HR-Paid Agencies

FROM: Jena W. Cary
Director

SUBJECT: Act 455 of the 2001 Regular Session
LASERS Rehired Annuitants

Act 455, passed during the 2001 Regular Session, made some changes to the LASERS laws regarding retired employees who return to work. Among other things, the Act requires the following of rehired annuitants:

“Upon reemployment of a retiree, the employer shall remit employer contributions to this system based on the employer contribution rate that applies to the reemployed retiree’s position on the date of such reemployment. Additionally, the employer shall withhold employee contributions from the reemployed retiree’s compensation based on the employee contribution rate that applies to the reemployed retiree’s position on the date of such reemployment and remit such contributions to this system.”

Any rehired retiree (full time or part time) who is working on June 30, 2001, must begin making these contributions effective the pay period beginning June 25, 2001. Any retiree (full time or part time) who is rehired after June 30, 2001, must also make contributions.

This change will not be automatically changed by ISIS HR. Agencies must identify all rehired LASERS retirees and make changes to the employees' tax model code in ISIS HR prior to the pay period close on July 9, 2001. This will require agencies to move the employee to the LASERS plan in Benefits, and change the Tax Model Code information on the employee’s record effective 6/25/01. According to OSIS, agencies can run transaction code ZP50 (Basic Pay Informational/Statistical Report) by personnel area and tax model code to assist in identifying these employees. Rehired annuitants currently set up in ISIS HR with tax model code U5 (medi/no retirement) must be changed to U4 (retirement/medi). Employees set up with tax model code U6 (no FICA/no retirement) must be changed to U3 (retirement/no FICA).

Agencies should contact LASERS for questions about Act 455 of the 2001 Regular Session, contact the ISIS Help Desk for assistance with changing the benefit plan or tax model, and contact a member of the Wage and Tax Administration Unit of OSUP with any other questions:

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