

Member Retirement and Refund Application Submission Period Employers Need to Wait for Member Receipt of Final Paycheck

Past PMRS Policy and Procedure on Retirement and Termination Application Submission

Generally, PMRS has accepted Member “Application for Retirement Benefits” (PMRB-8) for retirement and “Application for Return of Contributions” (PMRB-4) for membership termination both before and after a Member’s Employment Termination Date. Given the amount of time needed by both PMRS staff and the Pennsylvania Treasurer’s office to review new Retiree benefit payments, every effort was made to receive and process forms as quickly as the employer was willing to send them.

Over the past few years, however, there has been a noticeable increase in discrepancies between the compensation and employee contribution amounts reported on the employee retirement and termination forms and the amounts subsequently reported on the final quarterly report for those employees. In virtually every instance when these discrepancies were found, the incorrect amounts had been reported on the retirement and contribution refund forms while the amounts on the quarterly reports were identified to PMRS as the correct figures by the municipality.

Current PMRS Policy/Need to Implement Best Practices

In order to improve the accuracy of initial benefit payment calculations, PMRS is implementing a new “best practice” intended to decrease error rates and streamline retirement and termination processing activity. It will consist of the following two changes:

- Revised ***Application for Retirement Benefits*** (PMRB-8) and ***Application for Return of Contributions*** (PMRB-4) **will now require a date identifying the Employee’s final paycheck receipt date.** Both our Member Services and Financial Management staff will be aware of the final pay in relation to a Member’s Employment Termination Date and be in a better position to discuss any possible issues with the Employer related to final salary and contribution totals.
- **PMRS will no longer accept any completed retirement and termination forms until after the final paycheck date.** This is intended to give the employer every opportunity to submit accurate salary and contribution information and to reduce the pressure on employers to submit forms as quickly as possible after the Member has terminated employment.

Impact on Initial Member Monthly Benefit Payments

This practice will reduce the likelihood that initial retirement benefit payments can be completed within 30 days of the Member’s employment termination date. Members should plan for a **minimum 60-day period** between their employment termination date and receipt of their initial retirement benefit payment. For refunds of contributions, members should expect a **minimum 60 to 90-day period** between their employment termination date and receipt of their contribution refund. Even greater efficiencies are expected when PMRS implements the new PMRS Plan Administration System which will be driven by electronic payroll submissions.

Changes in Application for Retirement Benefits Form

5. Last Day of Compensated Employment ____/____/____ MM DD YYYY	8. If the dates in blocks 5 and 6 are not the same, please explain why in this section:
6. Effective Date of Termination ____/____/____ MM DD YYYY	
7. Date of Final Paycheck* ____/____/____ MM DD YYYY <small>*Form cannot be submitted to PMRS before this date</small>	

Expected Improvements with Enhanced PMRS Plan Administration System

In expectation of the new PMRS system implementation later this year, these application submission changes will allow for establishing a standardized and consistent time frame in which Members can confidently rely on receiving their initial retirement benefit and contribution refund payments. Once the new PMRS system is implemented, it is anticipated that Members will be able to receive their initial retirement benefit payment within a four to six-week period after PMRS receives their completed Retirement or Contribution Refund request.