School Employees Retirement Contributions
Change In Commonwealth Reimbursement

Questions and Answers

How is this different from previous reimbursement procedures?

A. In the past, school entities received the first three of the four quarterly reimbursement payments based on the total wages and salaries reported to PSERS multiplied by 50% of the reimbursement rate. The fourth quarterly payment was based on the wages and salaries that the school entities reported to the LECS Comptroller's Office. Also, any funds owed to schools entities as a result of Act 29 were distributed at the end of the fiscal year. With this change, schools will now receive the reimbursement as required by Act 29 each quarter.

Q. What effect will this have on my quarterly cash flow?

A. School entities that have a market value/personal income aid ratio (MV/PI AR) greater than .500 will receive the additional funds required by Act 29 each quarter rather than waiting until the reimbursement payment for the final quarter of the fiscal year (September payment).

Q. What if my Market Value/Personal Income Aid Ratio (MV/PI AR) changes during the year?

A. The quarterly payment will be based on the MV/PI AR in effect the time the payment is calculated. Revisions will not be made to payments that have already been disbursed.

Q. How does PSERS determine the salaries for the new vs. existing employees?

A. PSERS will match the salaries reported by the school entity to the enrollment date to PSERS of each employee and determine for reimbursement purposes, which employees qualify as new and which employees qualify as existing. If an employee has an enrollment date of June 30, 1994 or earlier, then PSERS will accumulate those salaries as existing salaries. If an employee has an enrollment date of July 1, 1994 or later then PSERS will accumulate those salaries as new salaries.

Q. If a school employee leaves their current district for employment in another district, will their PSERS Enrollment date change when the new district enrolls them in PSERS?

A. No. The employee retains their original enrollment date.

Q. Is it still necessary to track new vs. existing employees at the school entity level?

A. Yes. The determination of whether an employee is considered new or existing is necessary for reporting salaries to the LECS Comptroller's Office for reimbursement of Social Security/Medicare Taxes.

Q. How will audit adjustments and revisions to prior period wages/salaries affect my reimbursement?

A. All adjustments, whether they be due to audit or a revision of previously reported wages/salaries will be scheduled with the final reimbursement payment of the fiscal year (September payment).

Q. Will it still be necessary for the school entity to file a Reconciliation of the State Share of the PSERS Retirement Contributions (PDE-335)?

A. No. The PDE-335 is being eliminated. However, you will still be required to file a PDE-2105, Reconciliation of Social Security and Medicare Taxes.

Q. Who should I contact if I have questions about whether an employee is classified as new or existing?

A. Questions related to salary classification should be referred to your PSERS Reporting Unit Contact person.