

PMRS UNDER REMOTE OPERATIONS PLAN

PMRS continues to operate under our emergency operations plan. The Commonwealth indicates that this will remain unchanged through at least the end of the year.

Essential PMRS staff are working remotely, with a primary focus on continuing uninterrupted benefit payments, processing new retirements, managing death benefits, and keeping current on member enrollments and terminations.

We understand that there are other needs during this time – such as benefit estimates – which we will complete as quickly as possible. Unfortunately, however, you may experience delays during this time. We are very sorry.

Preferred Methods of Communication

Here are the best ways to reach us during emergency operations:

- General updates: PMRS website, www.pmr.state.pa.us
- Forms submission: Email to ra-rscompletedforms@pa.gov or fax to 717-783-8363
- Inquiries: Email ra-staff@pa.gov or call 717-787-2065 or 1-800-622-7968

Please note, however, there is limited ability to answer calls in real time. Please leave a message and PMRS will respond within 48 hours.

Electronic communication is strongly preferred. However, if it is not feasible, mail can be sent to:

PA Municipal Retirement System
P.O. Box 1165
Harrisburg, PA 17108-1165

3Q20 Quarterly Report of Contributions Form

- Enclosed is the Quarterly Report of Contributions Form (PMRB-21) for the third quarter of 2020. Please complete, date, sign, and return this form to our office **by October 31, 2020**.
- Third quarter contributions to be credited to a member's account are **due by September 30**. Interest will be charged on second quarter contributions received after September 30.
- A Revenue Transmittal Form (PMRB-20) must be completed and included with all checks submitted to PMRS. This form is available under the "Forms" section of our website and can be completed online but will need to be printed, signed and mailed with the checks.

2019 Act 205 Actuarial Valuation Report (Non-County Plans)

- PMRS has completed the 2019 Act 205 Actuarial Valuation Reports for all plans who completed the Act 205 Plan Declaration to select PMRS as 3rd party administrator.
- If you received an **“URGENT REMINDER-FINAL NOTICE”** email from the PA Department of the Auditor General’s Municipal Pension Reporting Program (MPRP), the 2019 Act 205 Actuarial Valuation Report for your plan was completed by PMRS and is ready for you to log back in to the Department of Community & Economic Development’s (DCED) Municipal Statistics website (<https://munstats.pa.gov/forms/>) and review, certify, and submit to the PA Department of the Auditor General’s MPRP. You can do so by taking the following steps:
 - 1) Click on “Your Act 205 Form Tasks” at the bottom of the Start page
 - 2) Go to step 3. Form Links on the light blue banner at the top, and
 - 3) Click on the aforementioned form under “Your Available Tasks.”
 - 4) Click through the form’s tabs at the top and ‘Submit’ the report on the Certification tab.Please make every effort to submit the 2019 Act 205 Actuarial Valuation Report for your plan as continued delinquency will subject your municipality to a mandatory audit review by the Auditor General’s Bureau of Municipal Pension and Liquor Audits and may detrimentally affect the amount of your 2020 allocation of General Municipal System State Aid. If you have any additional questions about the new e-filing process, please contact the MPRP at 1-833-852-4335 or 717-787-3637 or email at MPRP@PAAuditor.gov.
- If you have not completed the Act 205 Plan Declaration to select PMRS as 3rd party administrator, please contact Charity Rosenberry at 717-425-5525 or email at charosenbe@pa.gov for further instruction so that PMRS can complete the 2019 Act 205 Actuarial Valuation Report for your plan.

2019 Year-End Financial Activity Reports and Annual Member Statements

- PMRS went live with a substantial upgrade to our plan administration software and separated the plan level accounting functions by implementing the agency’s first accounting system, Microsoft Dynamics, the first of the year. This transition in addition to disruptions in normal government operations due to COVID-19 has caused some bottlenecks in processing and the 2019 year-end reporting process is behind our normal schedule. Our top priority is to reduce the backlogs in processing and get caught up by the end of December. We sincerely apologize for these delays.
- PMRS will continue to use the **“first come, first served”** policy for preparing and distributing these reports and statements.
- The placement of your plan can be found by checking the municipal ranking under the “Municipalities/Year-End Financial Activity Reports” section of our website.

- The 2019 Year-End Financial Activity Reports will be distributed via email and the Annual Membership Statements will be distributed via mail as in the prior year.

2019 PMRS Comprehensive Annual Financial Report (CAFR)

- PMRS anticipates the 2019 PMRS CAFR will be posted to the “Publications” section of our website by November 30, 2020.

2021 Minimum Municipal Obligation (MMO) Worksheets

- The 2021 MMO worksheet used to calculate the plan’s financial requirement for 2021 should be completed by the plan's Chief Administrative Officer, approved by the plan’s board, and returned to our office by October 5.

2020 State Aid

- The Pennsylvania Department of the Auditor General administers the state’s General Municipal Pension System State Aid Program and distributes these funds annually to eligible municipalities **by October 1**.
- The Municipal Pension Plan Funding Standard and Recovery Act (Act 205 of 1984) requires municipalities to **deposit state aid funds into the pension plan within 30 days of receipt**.
 - If only one pension plan is maintained by the municipality, then the total amount of the state aid received by the municipality must be allocated to this plan.
 - If more than one pension plan is maintained by the municipality, the municipality must determine how these funds are to be allocated between its pension plans.
- Written confirmation should be provided identifying the total amount of state aid received and how it was allocated between pension plans.
- A Revenue Transmittal Form (PMRB-20) must be included with all checks submitted to PMRS and identify the source of payment as “State Aid – Act 205.”
- State aid can be allocated to defined benefit and cash balance plans as follows:

Defined Benefit Plans

- If the 2020 MMO was previously paid to PMRS, these funds can be used to reimburse the municipality’s general fund and any excess funds must be deposited into a pension plan within 30 days of receipt.
 - If a municipality has more than one pension plan, it must first meet each plan’s MMO and then the excess state aid may be allocated between its plans.

- If the 2020 MMO was not previously paid and the state aid is less than the 2020 MMO, the entire amount must be deposited into a pension plan within 30 days of receipt and the balance of the MMO paid by December 31, 2020.
- If the 2020 MMO was not previously paid and the state aid is more than the 2020 MMO, the entire amount must be deposited into a pension plan within 30 days of receipt.
 - If a municipality has more than one pension plan, it must first meet each plan's MMO and then the excess state aid may be allocated between its plans.

Cash Balance Plans

- These funds can be used to reimburse the municipality's general fund for payments made to PMRS for the 2020 annual bill (administrative fees), municipal for member contributions, and new member enrollment fees.
- If a terminated member's contributions were forfeited to the Municipal Account, these funds must be used first as a credit before any state aid can be used to pay pension costs.
- State aid received in excess of the amount reimbursed to the general fund and total forfeitures must be deposited into a pension plan within 30 days of receipt.
 - **If state aid received exceeds the total annual pension costs for cash balance plans, the excess state aid must be returned to the Pennsylvania Department of Auditor General unless the municipality has a defined benefit plan.**
 - **Note:** *If the municipality has a defined benefit plan, the excess state aid funds can be deposited into a defined benefit plan if the normal cost rate is not 0% and the actuarial value of assets do not exceed the total pension liability.*

2020 Annual MMO

- The 2020 Annual MMO is **due by December 31, 2020**.
- Delinquent interest will be assessed against the unpaid plan obligation as of January 1, 2021 and include interest charges from January 1, 2020.

2019 GASB 68 Reports

- PMRS anticipates the 2019 GASB 68 Reports will be posted to the "Municipalities/GASB 68 Reports" section of our website **by March 31, 2021**.
- The reports for authorities with an earlier fiscal year-end will be released prior to all other municipalities with a December 31 year-end.

Plan Document Upgrade Project

- The IRS requires each pension plan administered by PMRS to be restated every six years. PMRS has migrated approximately 900 plans to new documents, while fewer than 100 plans remain outstanding.
- For employers who have received an updated draft, **it is crucial that your governing body review, formally approve, and return these documents to PMRS as soon as possible.** To finalize the documents and ensure compliance, they will be reviewed and approved by the PMRS Board.

Systems Upgrade

PMRS continues to work on fine-tuning our plan administration software.

Fundamentally the recent upgrade accomplished two things:

- (1) it moved plan administration functionality into the cloud, allowing much greater flexibility as well as secure remote capabilities that we did not previously have; and
- (2) it separated plan administration from plan-level accounting as those accounting functions also transitioned into new web-based accounting software.

The most exciting feature associated with the upgrade will be real-time, self-service features for plan sponsors, employees, and retirees.

Plan sponsors will be able to directly upload new and update employee information; salary and contribution data; and employment event changes (terminations, leaves of absence, etc.) directly into the system, bypassing the previously paper-intensive process.

Employees will be able to run their own retirement estimates in real time and have “what if” capabilities related to alternative retirement dates, salary increase projections, and spousal benefit options, for example.

Retirees will be able to update data, such as address or beneficiary contact information.

Stay tuned for more information as this process rolls forward.