

Bowling Green State University
PeopleSoft Information Item
ESC Submission: May 10, 2004



Identification Information:

<i>Reference Number</i>	HCM-0006
<i>Functional Area</i>	Payroll/HR
<i>Title</i>	Employer contributions to retirement plans and employee benefits will be shown on pay advice

Background Information:

Currently, the pay stubs show deductions from the employee's earnings for their taxes and benefit elections. Although, the university contributes to the retirement program that the employee is enrolled in (PERS, STRS and or ARP), these contributions do not show on the pay stub. Other benefits paid by the University for the employee such as medical and life insurance, fee waivers for the employee or their dependents, and contributions for Medicare do not show on the pay stub at the current time.

Information Item:

When PeopleSoft payroll goes live, the BGSU (**employer**) contributions for the employee's retirement program and all other benefits will show on the pay advice (new term).

This includes any **employer** deductions that are required to go to PERS and STRS state retirement systems and or to the Alternative Retirement Plan (ARP) Vendor elected by the employee in lieu of PERS or STRS.

For an employee eligible for STRS, BGSU contributes 14% of their gross pay to STRS. For a full-time faculty member who has chosen the Alternative Retirement Plan in lieu of STRS, 3.5% of the 14% paid by BGSU still goes to STRS and the remaining 10.5% goes to the ARP vendor that the employee has selected.

Due to unfunded pension liabilities at STRS and as required by law, a portion of the BGSU contribution for an ARP employee of 3.5% is required to be sent to STRS. This does not enroll the employee into STRS but is our obligation to pay.

With PeopleSoft, for those faculty members enrolled in ARP, there will be separate lines under the employer section of the pay advice that will show an amount going to STRS which represents the 3.5% portion, and a line for the 10.5% which is sent to the ARP vendor.

Currently, there is no unfunded pension liability at PERS for a member enrolled in an ARP. Therefore, BGSU contributes its full portion to the ARP vendor. However, every three years based on actuarial review, that policy is reviewed and could change.

