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## Frequently Asked Questions

## Overview

This chapter outlines how employing agencies report contributions to LASERS. Every agency that employs eligible members of LASERS must submit a certified monthly retirement report. The accurate reporting of information is important because it is used to determine when members can retire and the amount of their retirement benefit. LASERS depends on each agency to properly report each member's earnings and contributions. The inaccurate reporting of a member's name, address, Social Security number, or contributions may cause a delay in benefit payments.

## How Are Contributions Reported?

Contributions are reported monthly to LASERS by employing agencies. The monthly retirement report should include earned compensation of all employees who were paid during the period reported, the monthly base pay of the employee, and individual employee and employer contributions. Contributions are reported through two electronic systems:

- ① File Transfer Protocol (FTP)  
or
- ② Employer Self-Service (ESS)

### **FILE TRANSFER PROTOCOL (FTP)**

LaGov and Non-LaGov agencies may report contributions to LASERS through the FTP process. It is important that agencies ensure that the FTP file conforms to the correct reporting requirements. To ensure proper layout of the FTP file, visit [www.lasersonline.org](http://www.lasersonline.org) to view the "FTP File Layout Guide for SOLARIS (State of Louisiana Retirement Information System)" under the "Employers" section.

### **EMPLOYER SELF-SERVICE (ESS)**

For agencies reporting through ESS, visit [www.lasersonline.org](http://www.lasersonline.org) to view the "Self-Service Contribution Reporting Guide" under the "Employers" section. This user guide is designed to give agencies step-by-step direction in submitting employee and employer contributions to LASERS.

## How Are Contributions Remitted?

Along with the monthly reporting, contributions are remitted monthly to LASERS by employing agencies. Contributions are remitted by:

- ① Employer-initiated Bank Transfer  
or
- ② Automated Clearing House (ACH)

### EMPLOYER-INITIATED BANK TRANSFER

An agency may remit contributions to LASERS through an employer-initiated bank transfer known as the Electronic Funds Transfer (EFT). An agency that remits contributions through the EFT process will initiate the electronic contribution payment to LASERS. Initiating the payment authorizes the agency's bank to send the money directly to the LASERS bank account. This process may involve bank fees.

### AUTOMATED CLEARING HOUSE (ACH)

Automated Clearing House is a contribution payment method primarily used by agencies that remit through ESS. Unlike the EFT process, the payment is initiated by LASERS. The agency must report contributions through ESS. Once the report is received, LASERS will set up the direct withdrawal from the agency's bank account. There are no fees involved with this process.

For LASERS to initiate the process, [Form FIS: Agency Authorization for Direct Withdrawal](#) must be submitted by the agency. This form is submitted once, when an agency is set up to report through ESS. An updated form would only be required when there are changes to any account information.



*The EFT payment process may involve bank fees, while the ACH payment process does not.*

## When Are Contributions Submitted?

Employee contributions (EEs) and Employer contributions (ERs) are reported to LASERS on a monthly basis. By law, all monthly reports and contribution payments **must be submitted within 15 days after the close of each calendar month.**

### DELINQUENT AGENCY PAYMENTS

If an agency's monthly reports and contribution payments **are not received timely**, then the contributions will be considered delinquent and will be subject to interest from the date the payments became delinquent. LASERS will calculate and bill agencies for interest payments. Delinquent reporting can cause a delay in a member receiving his or her first monthly retirement check, a refund of contributions, or the proper service credit at the end of each calendar year.

If an agency does not report contributions for a single member in a timely manner, an administrative error may occur. Refer to the section *Retroactive Payments Versus Administrative Errors* in this chapter.

### CALENDAR YEAR-END REPORTING

While it is extremely important for agencies to report contributions timely every month, it is even more critical at the end of each year. LASERS distributes a Liaison Memorandum in November of each year to remind agencies of the importance of closing out the year in a timely manner. Without all earnings and contributions reported, members will receive incomplete and/or inaccurate annual statements, which can affect retirement calculations.

## Annual Employer Contribution Rates

Employer contribution rates change every fiscal year. These rates are determined each year based on an actuarial formula and are approved by the Public

Retirement Systems' Actuarial Committee (PRSAC). Once approved, these rates must be used to calculate employer contributions submitted to LASERS beginning in the July reporting period. This includes payrolls with a check date of July, regardless of when earned. LASERS issues a Liaison Memorandum each year once the rates are approved. This memorandum includes a chart that lists the updated employer contribution rates by retirement plan.

### HISTORICAL CONTRIBUTION RATES

Occasionally, agencies need to access employer contribution rates from previous fiscal years. These historical employee and employer contribution rates are organized by retirement plan and can be found on the LASERS website at [www.lasersonline.org](http://www.lasersonline.org) in the document "Historic Agency Contribution Rates," located in the Employer section of the website.

## Common Reporting Issues

There are a few common errors that can occur when contributions are reported. The most common errors are reporting contributions at an incorrect contribution rate, incorrect retirement plan, omitting employees, reporting employees in error and reporting base pay incorrectly. When reporting errors occur, an **exception** is created on the member's account. The most common exception is created when contributions do not match earnings reported by the agency.

When an exception is created, LASERS sends correspondence to agencies to alert them to the problem. Agencies should resolve the issue within 30 days. ESS agencies will see an error message when submitting the monthly contribution report, but these exceptions will not stop the submission of the report. If the issue is not resolved, it can affect a member's annual statement, benefit calculations, service credit, and refund of contributions.

### VIEWING EXCEPTIONS THROUGH ESS

Exceptions on a member's account can be viewed through ESS. Once an agency logs into the ESS system, agencies should select "Employer Inquiry" and enter the member's Social Security number. All Member Services and Fiscal Exceptions that exist on a member's record will be listed.

A detailed description of exceptions can be found in Appendix B of the "Self-Service Contribution Reporting Guide" located at [www.lasersonline.org](http://www.lasersonline.org).

## Retroactive Payments Versus Administrative Errors

Due to reporting issues, agencies may need to submit payments for members for previous months. It can sometimes be difficult to determine when payments are considered a retroactive payment or an administrative error.

### RETROACTIVE PAYMENTS

Retroactive payments occur when a lump sum of contributions for a single member is reported within 12 months of determining the reporting issue. In cases where a lump sum is reported, agencies should correctly calculate the member's employee and employer contributions due based on the rate in effect for the retroactive months. To ensure that contributions are allocated correctly, agencies should submit documentation to LASERS showing a month-by-month breakdown.

### Reporting Adjustments Through ESS

The "Pay Adjustment" feature in ESS is a method that allows agencies to report and correctly allocate retroactive payments made to members. These adjustments are considered retroactive payments and can be made within the previous 12 reporting months. For more information on how to report adjustments through ESS, view the "Self-Service Contribution Reporting Guide" found at [www.lasersonline.org](http://www.lasersonline.org).

### ADMINISTRATIVE ERRORS

Administrative errors occur when a lump sum of contributions for a single member is reported beyond one year. When an administrative error occurs, the member's employee and employer contributions must be paid along with compounded interest. Refer to the section *Administrative Errors* in Chapter 5: Purchases, Transfers & Reciprocals.

## Reporting Contributions on Military Differential Pay

While a member is on military leave under the provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA), he or she may elect to remit contributions to LASERS. If this option is not chosen, then the member can elect to purchase the military leave. Whether a member elects to remit contributions or to purchase the leave, the member's contributions or purchase cannot currently exceed a combined five years of service credit. For more information on USERRA Military Leave Purchases and Non-USERRA Military Leave Purchases, refer to [Chapter 5: Purchases, Transfers & Reciprocals](#).

The right to remit contributions is extended to members of a uniformed service who performed duty on a voluntary or involuntary basis, including:

- ❖ Active duty
- ❖ Active duty for training
- ❖ Initial active duty for training
- ❖ Inactive duty training
- ❖ Full-time National Guard duty
- ❖ Absence from work for an examination to determine the member's fitness for any of the above types of duty
- ❖ Funeral honors duty performed by National Guard or reserve members
- ❖ Duty performed by intermittent employees of the National Disaster Medical System (NDMS), which is part of the Department of Homeland Security – Emergency Preparedness and Response Directorate (FEMA), when activated for a public health emergency or approved training to prepare for such service

The uniformed services consist of the following:

- ❖ Army, Navy, Marine Corps, Air Force, and Coast Guard
- ❖ Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, and Coast Guard Reserve
- ❖ Army National Guard or Air National Guard
- ❖ Commissioned Corps of the Public Health Service
- ❖ Any other category of persons designated by the President of the United States in time of war or emergency

If a member elects to remit contributions while on military leave, these contributions are considered "differential pay" and are not submitted through LaGov. The contributions must be submitted by the member directly to his or her agency. The agency will then remit the employee and employer contributions to LASERS. Since these contributions are not reported through LaGov, the agency must submit documentation with the funds, by submitting either a letter or LASERS [Form 02-06: Application for Purchase of Military Service](#). The employee's share of contributions must be submitted as non-tax sheltered (after-tax contributions) and will be posted to the member's LASERS account as non-tax sheltered.

## Liaison Memoranda

Liaison Memoranda are issued by LASERS to notify agencies of important updates and information. These updates may include changes to employer contributions, DROP interest rates, training sessions throughout the state, changes to law, and changes to retirement plans.

### SUBSCRIBING

It is strongly encouraged that the Human Resources Liaison and Personnel Officers subscribe to Liaison Memoranda. When a Liaison Memorandum is issued, it is distributed to agencies through this subscription. To subscribe to liaison memos:

- ① Visit [www.lasersonline.org](http://www.lasersonline.org)
- ② Click on the "[Employers](#)" link
- ③ Select "Liaison Memoranda"
- ④ Select "Liaison Memo Subscription" from the menu
- ⑤ Complete important information and click "Submit"

### ARCHIVED LIAISON MEMOS

When a Liaison Memorandum is issued, it is archived on the LASERS website for agencies to view. To access archived memos:

- ① Visit [www.lasersonline.org](http://www.lasersonline.org)
- ② Click on the "[Employers](#)" link
- ③ Select "Liaison Memoranda"
  - The current year and last year are viewable from this screen
  - Click "Archives" to view previous years

## Updating Agency Contact Information

When a contact changes within an agency, it is important to communicate this change with LASERS. All updates to liaison contact information must be made through ESS.

LASERS recommends that all agencies review their contacts once a quarter and make any necessary updates. The following contact types must be kept on file and up-to-date for agency contribution and financial reporting purposes:

- Payroll Coordinator – the person who reports the contributions to LASERS each month (for LaGov agencies, it should be someone who is familiar with the contributions reported to LASERS)
- HR Liaison – someone who can serve as a back-up to the Payroll Coordinator in the event that he or she is out of the office
- Agency Director
- Chief Financial Officer

To update contact information:

- ① Log into [Employer Self-Service \(ESS\)](#)
- ② Click on the "Employer Maintenance"
- ③ Click the "Next" button to go to the appropriate Contact Type
- ④ Update Contact information and click "Save"

## Frequently Asked Questions

### 1. When should contributions be remitted to LASERS?

Contributions must be remitted to LASERS within 15 days after the close of each calendar month. The monthly report should be submitted within the same period.

### 2. What is the difference between the contribution report and contribution remittance?

The contribution report contains information regarding all employees who were paid during the period reported. The contribution remittance is the actual payment of contributions that LASERS receives.

### 3. When do contribution rates change?

Once approved by PRSAC, employer contribution rates change on July 1.

### 4. How is delinquent interest calculated?

It is calculated using judicial rates of interest based on the later of the report or full remittance submission.

### 5. How can an agency update liaison contact information?

Liaison contact information can only be updated through ESS.

### 6. Once a Liaison Memorandum is issued, can it be viewed again for future reference?

Yes, all liaison memoranda can be found at [www.lasersonline.org](http://www.lasersonline.org). Agencies can view memos archived as far back as 2006.

## Reference Material

### APPLICABLE FORMS

→ FIS: [Agency Authorization for Direct Withdrawal](#)

### APPLICABLE AGENCY LIAISON MEMORANDA

→ 13-24: [Reporting Leave Without Pay \(LWOP\)](#)

→ 15-12: [Updating Agency Contact Information in ESS](#)

### APPLICABLE LAWS

(Note: this list is not exhaustive)

→ [La. R.S. 11:62](#) [Employee Contribution Rates Established](#)

→ [La. R.S. 11:104](#) [Employer Contributions; Determination Date; Notification](#)

→ [La. R.S. 11:121](#) [Creation; Purpose](#)

→ [La. R.S. 11:122](#) [Committee; Membership](#)

→ [La. R.S. 11:151](#) [Workers' Compensation Benefits; Employee and Employer Contributions to Continue](#)

→ [La. R.S. 11:154](#) [Tax Sheltering of Employee Contributions to Retirement](#)

→ [La. R.S. 11:281](#) [Failure to Timely Remit Contributions; Effect](#)

→ [La. R.S. 11:531](#) [Monthly Retirement Report; Employer and Employee Contributions](#)

→ [La. R.S. 11:538](#) [Termination of Contributions; Benefits](#)

→ [La. R.S. 11:540](#) [Unclaimed Funds, Checks, and Property; Retention by System](#)

→ [La. R.S. 11:541](#) [Payment of Contributions; Delinquency; Agreement of Deductions](#)

### APPLICABLE LASERS DOCUMENTS

→ [Self-Service Contribution Reporting Guide](#)

→ [FTP File Layout Guide for SOLARIS](#)