

# THE LATEST WORD

## FOR IPERS EMPLOYERS

Iowa Public Employees' Retirement System | Spring 2016

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## NEWS & ANNOUNCEMENTS

### Section 125 Plan Annual Certification Now Required

In March, a new administrative rule went into effect for Section 125 plans (also known as cafeteria plans, fringe benefit plans, flexible benefits, flex plan, or flexible spending plan). If your organization offers a Section 125 plan, and meets the requirements listed in Iowa Code 97B for Section 125 contributions to be reported as IPERS-covered wages, you must certify that your plan conforms to all requirements found in Section 125 of the Internal Revenue Code (IRC). The initial certification is due to IPERS by December 31, 2016, and must be provided annually.

If your organization offers a Section 125 plan, please forward this article to the appropriate person to determine whether the plan meets the requirements for certification. That person will need to complete and submit the certification form. Coverage rules for Section 125 contributions are included in the Employer Handbook.

The new administrative rule, subrule 6.5(1), states:

- 6.5(1) Section 125 plans.** For purposes of this rule, a Section 125 plan means an employer-sponsored fringe benefit plan that is subject to Section 125 of the federal Internal Revenue Code (IRC). Some of the common names for this type of plan are cafeteria plan, flexible benefits plan, flex plan, and flexible spending arrangement.
- a. Effective January 1, 2017, employers must annually certify to IPERS, on a form approved by the system, that their Section 125 plans meet all IRC requirements.
  - b. If an employer does not certify its Section 125 plan's compliance with the IRC, all employer contributions to fringe benefit plans will be excluded from IPERS coverage.

All administrative rules related to IPERS can be found in Section 495 of the Iowa Administrative Code.

Note: No action is required if:

- Your organization does not have a Section 125 plan.
- Your organization provides a Section 125 plan but does not provide elective employer contributions to that plan.

## RESOURCES

### Hot Off the Press! Employer Handbook and I-Que Help Guide

In March we updated the [Employer Handbook](#). Make sure you're using the latest version. Check the back cover in the lower right corner for a publish date of 3/2016.

The [I-Que Help Guide](#) was also updated. The newest version says "Spring 2016" in the footer of each page.

Both publications are available online where you'll always find the most up-to-date versions. If you would like a hard copy of either of these publications, email us.

## COMPLIANCE TIPS

### How to Avoid Late Fees and Interest Charges

No one likes to be charged late fees or incur interest charges. In order to avoid both of these, make sure IPERS receives your contributions and wage reports by the 15th of the month following the month the payroll was paid. Unfortunately, a postmark date will *not* satisfy this requirement.

The minimum interest charge is \$20.00 and the minimum late fee is \$20.00 plus \$0.25 for each employee on your last report, including those with zero wages.

When the 15th falls on a weekend or holiday, contributions and wage reports are due the following business day. State holidays are not the same as federal holidays. State holidays include New Year's Day; Martin Luther King, Jr. Day; Memorial Day; Independence Day; Labor Day; Veterans Day; Thanksgiving; the day after Thanksgiving; and Christmas.

## NEWS FOR REPORTING OFFICIALS

### Two New Groups Move to Protection Occupation



Effective July 1, 2016, two new categories of employees will move from Regular membership to IPERS' protection occupation group:

Employee category	Occupation code
<b>Regents Police Officers</b> (Board of Regents institution peace officers) at UNI, ISU, and U of I.	26
<b>Psychiatric Security Specialists:</b> Those employed by the department of human services as psychiatric security specialists at a civil commitment unit for sexually violent offenders' facility.	27

Governor Branstad signed this change into law under Senate File 2147 on April 6. If you report wages for employees in these positions, you must change their occupation codes, as well as begin withholding and reporting contributions for them at the protection occupation rates, starting July 1, 2016.

## I-QUE HELP

### Password Requirements for I-Que

Online security is extremely important to all of us, in both our personal and professional lives. IPERS is always working to protect the security of your I-Que account. Passwords must now contain at least 1 number *and* 1 special character.

Passwords:

- Must be at least 8 characters long, and less than 50.
- Must contain at least 2 letters.
- Must contain at least 1 number, but cannot start with a number.
- Must contain at least 1 special character.
  - Special characters are !, @, #, \$, &, %, \*, and \_.

For increased security:

- You may not use the reverse of a previous password.
- You may not use a password that ends in the next consecutive number as a previous password.
- You may not reuse a previous password until 540 days (about 18 months) have passed.