



Public Employee Retirement System of Idaho

HELPING YOU BUILD A SECURE RETIREMENT

**MEMORANDUM OF UNDERSTANDING
BY AND AMONG
[PERSI EMPLOYER]
[INSURANCE VENDOR]**

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO (PERSI)

This Memorandum details the responsibilities of the parties related to the deduction from payroll or unused sick leave of moneys for the payment of insurance premiums for PERSI retirees. This Memorandum is effective on the date last signed and supersedes and replaces any prior Memorandum by and among the parties addressing this matter.

EMPLOYERS/CONSORTIUMS: Responsible for informing retirees of the administrative role of employers/consortiums, insurance vendors, and PERSI.

- Contract with vendors for various retiree insurance benefits.
- Certify on the appropriate PERSI form that the designated insurance policy is an employer/consortium-sponsored group policy and meets the legal and processing requirements for use of Unused Sick Leave dollars.
- Ensure that retirees communicate with the insurance vendor regarding enrollment, coverage, rates, changes, terminations, Medicare eligibility, and other issues.
- Ensure that vendors understand they are responsible for the timely and accurate reporting of deductions to PERSI for retiree payroll.
- Designate a staff member who is the point of contact to handle employer/consortium-specific customer service issues for retirees.
- In cases where employers/consortiums are responsible for the insurance billing process, they must also meet the vendor responsibilities below.

VENDORS: Responsible for communication with retirees as well as the timely and accurate billing of premiums to PERSI.

- Provide communication to retirees regarding enrollment, coverage, rates, changes, terminations, Medicare eligibility, premium adjustments, and other issues.
- Provide a timely and accurate automated billing statement to PERSI, in a standardized electronic format specified by PERSI, for deduction from retiree payroll.
- Make adjustments to retiree billing.
- Tie the billing numbers for retirees and eligible spouses to the appropriate retiree accounts for billing purposes.
- Certify on the appropriate PERSI form that the designated insurance policy is an employer/consortium-sponsored group policy and that the premiums paid are for qualified group health, dental, vision, long-term care, prescription drug, or life insurance coverage.

PERSI: Responsible for the deduction of insurance premiums as specified by the vendor's electronic billing.

- Receive the electronic billing file from the vendor. Provide notice to the vendor regarding errors.
- Process the retiree payroll deductions with deduction reports returned to vendors and employers.
- Direct any communication from retirees or vendors to the employer staff contact for resolution.
- Responsible for overall administration of the unused sick leave program.

ALL PARTIES: The following processing requirements must be followed by all parties, as applicable:

- All personally identifying information (PII) and/or protected health information (PHI) belonging to retirees must be safeguarded through due diligence and best practices by all parties at all steps in the transmittal and payroll process.
 1. PII includes any information that could be used to identify, contact, trace, or otherwise negatively impact a retiree, either by itself or in association with other information. For example: Social Security numbers, full names, birth dates, and addresses.
 2. PHI includes medical, health care, or insurance information that could be used in a fashion similar to PII. For example: medical records, health plan details, and insurance benefit or coverage information.
- Enrollment forms from the retiree must be given to the employer/consortium for verification and then transmitted to the vendor for approval and premium billing. The employer/consortium may request that the retiree submit enrollment forms directly to the insurance vendor for verification, approval, and premium billing. The vendor must add the new retiree to the monthly electronic billing transmitted to PERSI.
- The annual rate change must be negotiated between the employer/consortium and the vendor for retiree coverage. The vendor must add the agreed-upon change in premiums to the monthly electronic billing transmitted to PERSI.
- Any changes to, or cancellation of, coverage must be initiated by the retiree and sent to the vendor. The vendor must submit such changes and cancellations in the monthly electronic billing transmitted to PERSI.
- Adjustments are any billing amounts other than the regular monthly insurance premiums. These could include retroactive premium changes, missed enrollments, cancellations, or other errors that might result in credits or debits to a retiree account. Adjustments transmitted on the monthly electronic billing must be processed as follows:
 1. Any credits or debits to/from sick leave will be handled by PERSI.
 2. Any credits to payroll (cash refund) will be handled by PERSI.
 3. Any debits owed by the retiree as noted on the error report will be handled by direct bill from the vendor.

- Electronic billing transmittals from vendors (or employers, in cases where employers process their own) must be transmitted to PERSI by posting to a secure web portal. PERSI will specify a standard file format that must be used for download into the system. Additional information will be available on the portal.
 1. Instead of submitting a transmittal each month, some vendors or employers may choose to re-use billing information from the prior month and then update that information inside PERSI's secure web portal. The web portal will provide an interface for that purpose.
- The transmittal file (or updated billing information) must be in PERSI's system by the 15th of the month prior to the payroll date. Files received after the 15th of the month may be processed in the next monthly payroll. No billing adjustments will be permitted after the 15th of the month, except for error corrections created from the initial file submission.
- The file must contain a standard list of all deductions and adjustments for that vendor, coverage, or employer for the payroll to be run for the first of the following month.
- The file must be validated in PERSI's system to ensure that the deductions are accurate, are within PERSI policy, and will not make the payroll fail. Error reports will be made available on the secure web portal for vendors to correct and resubmit.
- Validated deduction files must be used on the payroll date for the payroll being run. PERSI will provide the vendor with a deduction/payroll report via the secure web portal and send the premium funds via EFT to the vendor or employer.
- Any questions received by the PERSI Answer Center or Employer Service Center regarding deductions from retiree payroll will be referred to the employer-designated staff or vendor contact.

Signed and agreed to by an Authorized Representative:

Employer Representative

Date: _____

Insurance Company Representative

Date: _____

PERSI Representative

Date: _____