Eblast - Targeted for Payroll Data Interchange (generic)

WHO: Contacts w/ reporting portal access w/ DC, 457, HCSP who matched to "Payroll Data Interchange" in suitability mapping and do not use BS&A that we know of

WHEN: Wednesday, August 27, 2025

SUBJECT: Action Required: What MERS recordkeeper transition means for your reporting

CONTENT:

Dear (first name),

As a reminder, we've selected **Empower** to be our new recordkeeper partner beginning in the **spring of 2026**. As part of this transition, we will be changing the way in which you report information for your DC, 457, and HCSP plans. *Please note that changes regarding RHFV and ISP plans will be communicated later.*

Your municipality's recommended payroll option
To best support you, we worked with Empower to review your structure (number of participating employees and products you report on) and recommend that you use the automatic file upload option called **Payroll Data Interchange (PDI)**.

Want to learn more about how the file upload will work with Empower? View this guide for step-by-step instructions and helpful resources.

A few key reporting requirements for the upcoming transition
While we provided a heads up on several upcoming changes in July, here are additional details as they relate to your new file upload templates.

- **Plan Number:** In the file upload template(s), you'll need to include your new plan number(s) in the first column for each employee. This number will help direct the money to the appropriate location. The table below shows how your current division number(s) will map to your new plan number(s).

Product	Municipality #	Current Division #	NEW Plan #
457	00-sample-00	00-sample-00	00-sample-00
401a (DC)	00-sample-00	00-sample-00	00-sample-00
HCSP	00-sample-00	00-sample-00	00-sample-00

- **Contributions:** In the file upload template(s), you'll see contributions are still split into different bucket types. Pay close attention to the names of each contribution field as the fields have been renamed and some fields for DC & 457 have further split into new categories.

  Previously, employer contributions were consolidated into a single contribution field. With Empower, the employer contributions are categorized as match vs non-match.
  - **Match** contributions are dependent upon the participant contributions (e.g. employer contributions 50% of the first 5% of employee contributions).
  - **Non-match** contributions are not dependent upon the participant contributing to the plan (e.g. employer contributes 3% of pay per pay period).

- **Compensation and Salary Amounts:** In the file upload template(s), you'll see a field to report year-to-date includible compensation, which is essential for maintaining compliance with retirement plan regulations.

  You'll also see a field to report salary amounts, which provides critical data for the new financial wellness tool we're introducing in partnership with Empower – the Lifetime Income Score. This score helps your employees understand their retirement readiness and identify areas where they may need to adjust.

  The year-to-date compensation will be required with each payroll report, but you have the flexibility to include static salary amounts for a period of your choice: hourly, weekly, bi-weekly, monthly, semi-monthly, or annually.

- **Full Employee Roster:** We will require you to submit the full employee roster of all employees covered in your MERS plan.
  - If your MERS **DC Plan** covers "all clerical employees," but part-time clerical staff are excluded, you will begin including all clerical employees and note in their "Eligibility Code" column if they are part-time "N" not eligible for contributions. All full-time clerical employees will have a blank in their "eligibility code" column. The only time you will need a "Y" in this column is if someone changes from "N" part-time clerical to full-time clerical. The "Y" signals they are now eligible and the "Participation Date" provides the date they changed from part-time to full-time.
  - For employers who participate in MERS **457 Program**, census data must include all employees who are eligible for the plan, not just those who are participating.

Capturing this detail enables us to proactively reach out to employees who are eligible to participate or will do so in the future. This outreach helps your employees better understand the benefits of the plan(s) you offer and encourages them to take action.

- **Contact Information:** We will require your active employees to update their mailing address directly with you, their employer. Address information will be included on this file upload spreadsheet. If an actively employed participant needs their address updated between payroll submissions, you'll also be able to individually look up your employees to update their information. When the next payroll submission occurs, it will overwrite any manual updates, so be sure to update your payroll system before payroll runs.

  Additionally, you have the option to include your employee's mobile phone and work email address. Providing this information will help jump start your employees when they are creating their new online account for multifactor authentication (MFA). Including this information will also allow Empower to communicate with your employees in a timely manner.

Next steps

1. **Connect with your payroll provider as soon as possible** to start preparing the updated file template. Payroll system updates can take some time, so starting early will help ensure a smooth transition. Beginning in spring 2026, you'll use this updated template. The file(s) below include the new specifications, the template itself, and a comparison of how the new template differs from your current file upload.
   a. [401(a) Defined Contribution Plan](#)
   b. [457b Supplemental Retirement Program](#)
   c. [Health Care Savings Program](#)

2. **Test your file upload** with Empower by December 31, 2025. Once your updated payroll file(s) are ready, [send an email](#) to MERS' payroll team at Empower at MERSPayroll@empower.com. They will reply with a secure way to attach your file to be tested.

Do you use BS&A?
Municipalities who use BS&A as their payroll provider MUST reply to this email to inform MERS. There is a different process, so we want to make sure you get the information that is most applicable to your situation.

We appreciate your partnership
Your role in supporting participants is vital, and we're here to support you every step of the way.

We encourage you to view our dedicated [web resource](#), which includes key information, important timelines, and answers to frequently asked questions. This will be your go-to hub for staying current throughout the process.

We're here to help

If you have any questions, please let me know.

Sincerely,

(BPC Name)