

# EMPLOYER Outreach

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM



## Employer Outreach by the numbers

One important way to assess how Employer Outreach is functioning is simply by the numbers. By tracking services offered and services used, Employer Outreach is able to determine just how successful we are in terms of servicing our customers—specifically, how well we measure up in partnering with the employer-reporting population.

Each year, OPERS uses an independent rating service, CEM Benchmarking, Inc., to compare all services against our peer group. The purpose of such rankings is to measure our effort so we can identify improvement areas and continue with our successful projects. Additionally, because CEM ranks not only our peer pension systems, but systems throughout the world, we have the opportunity to identify best practices from pension-system colleagues.

### Services offered

For the fourth year in a row, Employer Reporting rated a 94% in the category of service to employers (as ranked by the 2010 CEM report). This compares favorably to the peer-average score of 81%. Other areas of interest for which OPERS was evaluated, and our peer group averages, were:

Topic	OPERS	Peer average
Service to employers	94%	81%
Number of employers serviced	3,264	1,179
Communication to members	91%	72%
Website	94%	67%

Employer Reporting also scored extremely well in terms of communication outreach to employers, with 29 employer-specific publications each year (peer average was 10.6) and 223 presentations—including employer-specific site visits—each year (peer average was nearly 108). We

interpret this outreach to be beneficial to our employer population because our number of incoming calls and e-mail queries per employer is approximately 11, versus the peer average of 34.5. This tells us you're able to integrate changes and updates without additional clarification.


### Services accepted\*

Working to be your partners at work, Employer Outreach works hard to develop the tools you'll need to keep ahead of predictable events such as the retirement boom looming due to the baby-boomer generation reaching retirement. To that end, the online reporting and payment system, ECS, was developed and rolled out to all employers. ECS provides accurate, secure and safe reporting and payment options. How has ECS been accepted? Take a look at the numbers:

ECS registered employers:	83.88%
Employees reported via ECS:	360,850—99%
Online payment employers:	27.66%

*\*Statistics shown here not generated by CEM but by internal audits.*

### Still room to improve

We are pleased with the numbers, but want you to know we're always looking for improvement areas. As we look to 2011, Employer Outreach staff will continue to seek out and implement state-of-the-art technology and provide best-practice service options to help make the retirement contribution function fast, secure and accurate. We'll introduce innovative programs to ensure your long-term success in pension reporting and, of course, we'll work to educate employers on all initiatives through proactive training and ongoing communication. Let's move forward together. 

#### IN THIS ISSUE

**1** By the numbers

**2** Health Care Update

**3** Info to Go

**4** Tips: Furlough days, Year-end payroll

**5** Tips: Conversion plans, Elected officials, Forms

**6** Employer seminars

**7** More Employer Resources

**8** Mailbox

#### Inserts:

Phone call job aid  
GASB Update

## Health Care Update

### Re-employed retirees and high-deductible health plans

Many employers hire individuals who have retired—if those individuals are OPERS retirees, you are employing an individual classified as a re-employed retiree. As an employer, if you have re-employed retirees on your payroll, it's important for you to understand this information so you can help your re-employed employees understand their health care coverage.

Federal law prohibits re-employed retirees from being covered by the OPERS health care plan as

secondary when enrolled in an employer's high-deductible health plan (HDHP) and a health savings account (HSA).

Employers offering a high-deductible health plan (HDHP) for employees should realize:

- Ohio Adm. Code 145-1-75(E) **requires** re-employed retirees to take health care coverage from their employer if it is offered and **requires** employers to offer it to re-employed retirees if offered to employees in a similar job.

- If a re-employed retiree takes an employer's HDHP plan, they are not eligible for and may not have OPERS' secondary health care coverage.

We urge you to make sure your re-employed retirees understand this important point of the law so they do not assume coverage that does not exist. Of course, any employee may contact the OPERS Member Services Center for additional explanation on this issue.

### Health care seminar opportunities

OPERS offers health care seminars for soon-to-be retirees to help ensure they know exactly how to navigate through the information and their OPERS health care options. To help ensure your soon-to-be retirees understand all the facts about health care coverage, seminars are slated throughout the state (information is also available via the OPERS website at [www.opers.org](http://www.opers.org)).


#### Information to know about all health care seminars:

- Seminars are held on Fridays, see specific dates below.
- All begin at 1:00 P.M.
- Seminars are free of charge but registration is required. Space is limited; sign up early.
- Spouses may attend—but must be registered as guests.

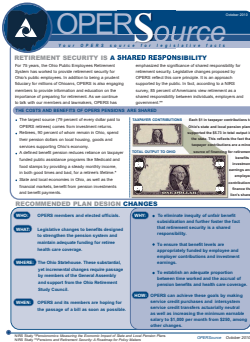
To register: Call the Member Services Center at 800-222-7377.

#### Following are the classes slated for the first six months of 2011:

Date	City	Location
January 28	Akron	Holiday Inn Akron/West—Fairlawn line
February 25	Mansfield (Bellville)	Troyer's Dutch Heritage
March 18	Miamisburg	Holiday Inn Dayton Mall
April 1	Lima	Howard Johnson Lima
May 20	Cambridge	Pritchard Laughlin Civic Center
June 3	Portsmouth	Southern Ohio Medical Center Friends Community Center
June 10	Huron	BGSU Firelands—Cedar Point Center

Information on OPERS health care is essential for employers to know and understand so you can help positively position your employees with retirement decisions. Employers are encouraged to always advise employees to access detailed health care information via the OPERS website or via member counseling services. 

## Info to Go



*OPERSource* is a new tool available for employers to remain current on legislative issues and how those issues might affect pensions. *OPERSource* is published monthly by the OPERS Government Relations team. Employers will find it to be a quick, plain language, overview—designed to keep you (and all stakeholders) in touch with OPERS' advocacy positions. You can find it on the OPERS website at [www.opers.org](http://www.opers.org).

### Online Personal History Record (form A) submission

If you are registered for ECS, you're required to submit your employees' *Personal History Record* (form A) online. Review and double check these important tips to successfully fill out this form electronically:

- Social Security numbers must be accurate.
- State and zip code must match.
- Date of birth information is accurately filled out.
- First and last names are entered in the correct fields.
- Employees' names exactly match names on the *Personal History Record* and your payroll report. (The name on both should be your employee's legal name.)
- A space is required between street number and street name,
- Apartment number should be listed in the first address line. Example: 123 Main St Apt 1B.
- Address information should not contain periods when abbreviating—see example above.

If you have both a street address and a PO Box number, the street address goes on the first address line and the PO Box goes on address line 2.

If there is no street address, the PO Box should be listed on the first address line.

### Changes to disability process slated for 2011

In February 2011, the process for disability benefit applications will be changing. Although we expect this change to minimally impact employers, you and your employees who process disability benefit employer applications should understand that:

- The *Member Disability Benefit Application* (DR-1), the *Report of Attending Physician* (DR-3), and the *Report of Employer for a Disability Benefit Applicant* (DR-4) will change.
- The certification of last date of employment process for both ECS and paper-reporting employers will remain the same.

As always, employers will receive complete information about what to do via an upcoming *Employer Notice*.

**To know now:** After February 2011, employers may be contacted by OPERS' third-party administrator who will be performing medical evaluations for disability benefit applicants. If you have any questions about the contact or information requested, contact Employer Outreach for verification.



### Election result

The 2010 election for four seats on the OPERS Board of Trustees has concluded. Three seats were uncontested; Ken Thomas, representing municipal employees; Kimberly Russell, representing college and university employees; and retiree representative Sharon Downs. The only contested seat in the 2010 Board of Trustees election was for the individual representing state employees. That contest was won by Matthew Schulz. As required by the election process, the vote has been certified by the Ohio Secretary of State and the OPERS Board.

### Address updates

Accuracy counts and ensuring OPERS has current addresses is important—for you and your employees. Here's why: Annual statements will be sent after the first of the year and your employees make important retirement decisions based on those personalized annual statements—but only when the statements are received. Help get the right information to your employees—encourage all employees to verify and update (if necessary) their home address with OPERS. Employees have two options to provide this update:

- MBS (online at [www.opers.org](http://www.opers.org)), or
- Member Services Call Center at 800-222-7377.

## Employer Resources

### Year-end tips for employers

*Small actions have significant consequences. We know that sometimes it's hard to remember all the details necessary to ensure your year-end wrap up for contribution reporting is accurate.*

*Start your New Year off right. Here's everything you need to complete the many year-end tasks necessary for accurate and timely retirement contribution processing. Use the following year-end tips for employers and you'll be ringing in 2011 without a backward glance to 2010.*

#### Topic: Furlough days

Employers are using a variety of options to trim costs. Most organizations know that payroll and personnel costs are the biggest expense and, therefore, are scrutinized carefully. Instituting required furlough days can help employers reduce costs by requiring employees to work reduced hours for a reduction in salary.

This reduction in salary and hours can trigger retirement contribution consequences because contributions are reported on both hours worked and earnable salary. To keep your *Reports of Retirement Contributions*, remittances and your employees' accounts accurate, here are recommended steps for handling furlough days:

Employers may handle furlough days by:

- Reporting fluctuating salary reductions and service credit hours for employees each pay period as actual furlough time is taken. This is a simple way to handle furlough days because actual information is captured on reports. However, this may have a significant impact on your employees due to a sudden drop in earnable salary in any given pay period.
- Paying employees a consistent salary, but reporting actual hours worked on the *Report of Retirement Contributions*. The way to implement this option is to reduce all employees' paychecks by a consistent amount every pay period throughout the year, and allow the employees to take the time throughout the year until it is used. For example, if three hours of salary are deducted each of 26 pay periods, 78 hours of furlough time is anticipated for each employee.

Employers choosing the second option must remember that salary reported to OPERS is the amount the employee *earned* in the pay period, which may be different than what the employee is actually paid.

For example: Employee is paid for 80 hours with a three-hour deduction for the mandatory furlough

program, for a net of 77 hours paid every pay period in the calendar year. So, if the employee takes a furlough day (working 72 hours) or not (working 80 hours) the employee's check is the same.

However, for OPERS purposes, the time actually worked is what's reported on the *Report of Retirement Contributions* (72 or 80 as above).

OPERS recommendation: The first option of paying employees for actual hours and reporting actual hours to OPERS means the employee gets paid for the actual hours worked. This option is preferred as being easier to manage for employer and OPERS, since paychecks and reports match.

<input checked="" type="checkbox"/> What you need to do	By
<input type="checkbox"/> Considering furlough days? If choosing to deduct a consistent amount throughout 2011, for retirement contribution purposes, the decision must be made prior to submitting the first <i>Report of Retirement Contributions</i>	Jan. 31, 2011

#### Topic: Finalizing Dec. 31 payroll

Some employers must finalize year-end payroll by Dec. 31, even when that date is not the actual pay period end (PPE) date for your pay schedule. To ensure retirement contribution reporting is accurate and not rejected due to a pay frequency code/date mismatch, follow these steps when you must end all pay periods on Dec. 31:

<input checked="" type="checkbox"/> What you need to do	By
<input type="checkbox"/> Code each employee with a PPE code of H (pay schedule or frequency change)	Last December report
<input type="checkbox"/> Code each employee with pay period begin (PPB) code of H	First January report

## Employer Resources

### Topic: Elected officials paid on each pay date throughout the year

Contribution reports must show when employees *earn* salary, regardless of when the employee is actually *paid*. Meaning employers must report earnings on the appropriate month's report, even when your employee is paid early. For some elected officials this means you may have to report their earnings on an additional *Report of Retirement Contributions* that is separate from the remainder of your employees.

This information is critical for employers who have a payroll system requiring the payment of elected officials within the calendar year. Remember, you must ensure your retirement reports accurately show when the money is actually earned. This is sometimes reported in error, especially with elected officials who have a specific term of office; so you may need to report elected officials on a separate additional regular report.

### Topic: Forms administration

A new year is the perfect time to review your forms-processing functions. Take the time to review with your employees the following information to make sure your organization is handling all OPERS-required forms accurately, that the forms are accurate AND to avoid duplicative processes.

Remember, all OPERS-specific forms are available online via [www.opers.org](http://www.opers.org) and can be delivered on demand—no need to store and retrieve potentially obsolete forms.

<input checked="" type="checkbox"/> What you need to do
<input type="checkbox"/> Ensure forms are not stockpiled: discard or recycle inventories
<input type="checkbox"/> Review processes <ul style="list-style-type: none"> <li>• Know employer-specific records-retention requirements</li> </ul>
<input type="checkbox"/> Eliminate duplicate actions <ul style="list-style-type: none"> <li>• Do not submit electronic forms and follow up with hard copies</li> <li>• Send OPERS-specific forms only</li> </ul>

### Topic: Conversion Plans

Employer Outreach wants to work with employers to make sure your annual conversion plans—those for which you plan on reporting and remitting contributions to OPERS—are compliant with the law. Here is the annual conversion plan year-end check list. (For complete details on annual conversion plans, review the online *Employer Manual* or access the *Employer Notice* dated July 22, 2010.)

<input checked="" type="checkbox"/> What you need to do	By
<input type="checkbox"/> Year-end payouts reported	On January 2011 report or before*
<input type="checkbox"/> Employer-specific plan review	March 31, conversion plans must be approved each year
<input type="checkbox"/> Supplemental report	Feb. 1, employers will be required to report OPERS-approved conversion plan payments on a supplemental report and include supporting documentation. Refer to <i>Employer Notice</i> dated July 22, 2010: <i>Changes slated for reporting payments under OPERS-approved annual conversion plans</i>

*\*For OPERS-approved plans ONLY, if annual conversion plan was not approved within the March 31, 2010 deadline, no contributions can be withheld. Remember, conversion plans must be approved each year.*



## Employer Resources

### Looking to 2011...Employer Outreach can help you start out right

The New Year is just around the corner ushering in, as always, change and some challenges. Regardless of the year, the decade or the century, the Employer Outreach tradition of working to positively position employers for the anticipated changes ahead will continue...here's what we have planned so far:

#### Employer-specific seminars (Jan.—June)

Employer Outreach will feature only web-based seminars for the first two quarters of 2011. Web-based seminars offer employers many advantage—including eliminating the costs associated with travel and time away from the office for your employees.

Web-based, employer-specific seminars for January-June 2011 include:

#### ■ Employer Contribution System (ECS) Demo

The Employer Contribution System (ECS) is secure, efficient and convenient. Approximately 84% of all employers, representing 99% of all OPERS-covered employees, are reported via ECS—are you ready to join the vast majority of employers? This one-hour online demonstration is designed to allow employers to see what's available on ECS and how this online tool enhances your business processes. If you're considering ECS, this is a perfect opportunity to learn more.

#### ■ Retirement Overview for Employers

This seminar provides payroll and human resources professionals with an overview of OPERS' retirement plans and health care options, which will help you be better prepared to answer your employees' general questions. Although online, this seminar is presented live to provide real-time participation for attendees.

#### ■ Employer Payment Remittance Advice Demo

Did you know you can use the online *Employer Payment Remittance Advice* (form E-3) even if you choose to remit paper payments? Employers are required to submit the *Employer Payment Remittance Advice* (form E-3) with each payment so that OPERS knows exactly how to allocate funds remitted. All employers can take advantage of the time-saving convenience of the electronic version of the *Employer Payment Remittance Advice* (form E-3).

This 30-minute online demonstration is designed to let employers quickly learn how to complete

and submit the *Employer Payment Remittance Advice* electronically. The demonstration also includes how to use the online payment function for ACH payments.

#### ■ Requirements for Annual Conversion Plans

Annual conversion plans are frequently an area of confusion for employers. This seminar is offered to help ensure that when a conversion plan is initiated or implemented, it's done correctly. Here's everything employers need to know about conversion plans—but only necessary if retirement contributions are intended to be withheld and remitted to OPERS on conversion plan payments. (If that's the case, OPERS must approve your organization's annual conversion plan(s) prior to implementation—one of many important facts covered in this seminar.)

In one hour, you'll learn the exact requirements for developing, implementing and properly reporting payments made under an OPERS-approved annual conversion plan.

#### ■ Earnable Salary and OPERS Membership

Employers have their employees' best interests at heart. However, a creative approach to defining earnable salary or OPERS membership can put employers at risk for penalties and interest.

This one-hour seminar will cover which payments qualify as earnable salary and review who qualifies for OPERS status (and therefore must pay retirement contributions).

### Quick facts about employer-specific seminars:

- Additional seminars are available for OPERS members, your employees, and OPERS retirees. (Look for the listing of health care seminars for retirees on page 2 of this newsletter.)
- All seminars are free of charge, but reservations are necessary because sometimes portals are limited.
- The OPERS website at [www.opers.org](http://www.opers.org) is your best resource for more detailed information on all seminars. That's where you'll find exact times for the web-based seminar offerings listed above.

**Ready to sign up for an employer-specific seminar? You can do so via the website at [www.opers.org](http://www.opers.org).**

## Employer Resources

### Online payments: Make 2011 the year you enhance security and reduce costs

Ready to make an immediate positive impact on your bottom line? Consider accessing the online payment option already available to you via ECS. The ECS online payment option gives employers better security, complete control and costs less. Remember:

- *Online payments provide significantly better security for your funds than paper checks:* Funds are transmitted from your account to OPERS' account via a secure file transfer protocol (FTP) encrypted file.
- *Your ability to control your funds is never waived:* Online payment means employers retain the ability to determine the exact amount and account from which your funds are made available to OPERS. But, you enhance administrative control because you have the ability to select the *exact date* your funds are remitted to OPERS—and you'll have the knowledge that all funds are in your account until the exact transfer date you select.

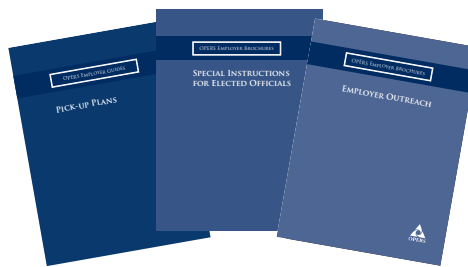
### 2011 contribution rates

NOW is the time to ensure accurate contribution rates and reporting. Double check your rates for employees *by division* (law enforcement and public safety rates are changing).

Here are the certified state and local contribution rates in effect from: **Jan. 1, 2011 through Dec. 31, 2011**

	State/Local	Law	Public Safety
Employer Rates	14.00%	18.10%	18.10%
Employee Rates	10.00%	11.60%	11.00%

As always, remember these rates are based on pay period end (PPE) dates. Any new rate is applicable to the *entire pay period*. So, even if much of the pay period is in the previous December, if the pay period ends in January, you will need to apply the new contribution rate to the entire pay period.



### Employer Guide series updated

Employer Outreach is working to update the Employer Guide series. Employer Guides are single-topic publications designed to give employers the exact information needed about how to work with and process some of the more complex aspects of retirement offerings. These guides are prepared to help you train new staff or work with employees.

Ready for employers first quarter 2011 will be the *Employer Guide: Pick-up Plans* and *Employer Guide: Information on Elected Officials*. Also planned for 2011, look for Employer Guides on Employer Outreach, and a new guide on Early Retirement Incentives (ERIs).

### MBS—an easy way to positively position your employees for 2011 and beyond...

Just as Employer Outreach works to positively position you, we're asking you to positively position your employees with OPERS. Remember, those who sign up for the online benefits system, My Benefits System (MBS):

- Have secure access to their OPERS account, 24/7, and
- Will receive their *OPERS Annual Account Statement* earlier in the year.

Encourage your employees to sign up at [www.opers.org](http://www.opers.org). This is a New Year resolution that's easy to keep.



## Mailbox:

**Q: I have employees who are still my employees, but their positions have changed so now they are covered by another Ohio retirement system. How do I handle this situation?**

**A:** You should process those individuals as follows: On the appropriate *Report of Retirement Contributions*, use the pay period end (PPE) code of Q—this tells OPERS the employee has terminated OPERS-covered service with you.

**Q: What is considered to be proof of Social Security number (SSN) so that I properly handle corrections to an invalid SSN?**

**A:** Excellent question and one that many employers ask. Items *not valid* as proof of SSN include:

- Insurance cards
- OPERS membership cards
- Additional *Personal History Record* (form A) with correct SSN
- Photocopy of license
- Letter from your employee stating correct SSN

However, you may use the following items to verify SSNs:

- SSN card
- Official correspondence from the Social Security Administration (SSA), usually in the form of a letter stating the temporary number issued by SSA until the employee's card is received.
- Copy of SSN card

Note: If an incorrect SSN was captured due to a keying error and then submitted to OPERS, a letter or email explaining the issue will resolve the matter at OPERS. Your document must state:

- Wrong SSN was the result of an employer error, and
- The correct SSN.

Fax to: (614) 857-1178

or mail to: 277 E. Town St.

Columbus, OH 43215

attn: Data Maintenance

## Board of Trustees through 2010

### Ken Thomas, Chair

Representative for Municipal Employees

### Cynthia L. Sledz, Vice Chair

Representative for Miscellaneous Employees

### Eddie L. Parks

Representative for State Employees

### Sharon M. Downs

Representative for Retirees

### John W. Maurer

Representative for Retirees

### Kimberly Ann Russell

Representative for Non-teaching  
Collegial/University Employees

### Helen Youngblood

Representative for County Employees

### Hugh Quill

Director, Department of  
Administrative Services

### Lennie Wyatt

Governor Appointed Investment Expert

### James R. Tilling

General Assembly Appointed Investment  
Expert

### Charlie Adkins

Treasurer Appointed Investment Expert

### Chris DeRose

Chief Executive Officer

This newsletter is written in plain language for use by public employers who are subject to coverage under the Ohio Public Employees Retirement System. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, the Ohio Administrative Code, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code, or Internal Revenue Code. Rules governing the retirement system are subject to change periodically either by statute of the Ohio General Assembly, regulation of the Ohio Public Employees Retirement Board, or regulation of the Internal Revenue Code. If you have questions about this material, please contact the Employer Outreach Office at 888-400-0965, or seek legal advice from your attorney.