

13th Annual Local Government Officials' Conference

OPERS Overview



OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Presented by: OPERS Employer Outreach

Agenda

- OPERS Membership
- Earnable Salary
- Contribution Reporting Overview
- New Employee Paperwork
- Employer Contribution System

Retirement System Coverage

- ALL public employees, irrespective of the hours worked and wages earned, must become contributors to the Retirement System beginning with the first day of employment unless the employee is otherwise exempted or excluded

Eligibility

- All employees who are paid in whole or in part by the state of Ohio, a county, municipality or any other political subdivision of state or local government in Ohio are enrolled in Ohio PERS and who are not in a position covered by another state retirement system in Ohio or by the Cincinnati Retirement System
- Membership for elected officials *may* be optional

Exclusions

- The following individuals are **not eligible** for OPERS membership:
 - Elected officials of public employers which are not covered by OPERS
 - Individuals performing services under a contract as an independent contractor
 - Employees of temporary help services who perform services for public employers
 - Individuals serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency

Exclusions

- Persons employed under the federal Job Training Partnership Act
- Members of the Motor Vehicle Salvage Dealers Board or Motor Vehicle Dealer's Board
- Employees of private contractors, except public employees who are transferred to private contractors with previously publicly-operated functions and who perform the same duties as before
- Election workers who earn less than \$500 per calendar year

Exclusions

- Firefighters, except those who were members before August 3, 1992 and elected to remain members
- Board members of city or general health district boards of health whose compensation is established in Section 3709.02 or 3709.05
- Full-time employees of state colleges/universities who choose to participate in an Alternate Retirement Plan (ARP)
- Board members of a sanitary district established under ORC Chapter 6115

Exclusions

- Inmates of state correctional institutions
- Patients in hospitals operated by the Departments of Mental Health or Developmental Disabilities
- Patients in the Ohio Veterans' Home and residents of county homes

Law Enforcement Officers

- Primary duties are to preserve the peace, protect life and property, and enforce the laws of Ohio
- Must have a Peace Officer's Training School Certificate
- Full-time* status with employer



Public Safety Officers

- Primary duties are other than to preserve the peace, protect life and property, and enforce the laws of Ohio
- Must have a Peace Officer's Training School Certificate
- Full-time* status with employer

Fire Fighters

- Fire fighters hired on or after August 3, 1992 are excluded from membership
 - Those hired prior to August 3, 1992 had to elect continuing membership
- Fire chief and assistant fire chief contribute to OPERS if they are in an entirely administrative position



Fire Fighter EMT's

- Membership for fire fighter EMT's depends on whether they are required to have fire fighter training
 - If required to have fire fighter training to be a fire fighter EMT, they are excluded from OPERS membership
 - Satisfactorily completed training course approved under section 3303.07, section 3737.33 or section 4765.55 of the ORC

Fire Fighter EMT's

- Membership for fire fighter EMT's depends on whether they are required to have fire fighter training
 - If NOT required to have fire fighter training to be a fire fighter EMT, OPERS retirement contributions are required for the EMT service only
 - If strictly EMT with no other job responsibilities, must contribute to OPERS

Elected Officials

- OPERS membership for an elected official is optional unless the official is:
 - Already a member of OPERS through previous elective service
 - Retired from OPERS or another Ohio retirement system
- Elected officials who do not choose membership in OPERS must contribute to Social Security

Elected Officials

- An elected official or individual appointed to a publicly elected position who is retired from an Ohio retirement system will be treated as a re-employed retiree and must contribute to the retirement system

Independent Contractor/ Contract Employee

- Contract by itself does not and cannot determine OPERS membership
- Forms can be submitted to OPERS for determination of independent contractor or employee status
 - *Independent Contractor/Employee Determination for Worker (PED-1EE) and Independent Contractor/Employee Determination for Employer (PED-1ER)*

Independent Contractor

- Is a party to a bilateral agreement that defines the compensation, rights, obligations, benefits and responsibilities of both parties
- Is paid a fee, retainer or other payment by contractual relationship for particular services
- Is not eligible for workers' compensation or unemployment compensation
- May not be eligible for employee fringe benefits such as vacation or sick leave

Independent Contractor

- Does not appear on public employer's payroll
- Is required to provide his/her own supplies and equipment, and provide and pay his/her assistants or replacements if necessary
- Is not controlled or supervised by personnel of the public employer as to the manner of work
- Should receive an IRS form 1099 for income tax reporting purposes

Contract Employee

- Is a party to a bilateral agreement that defines the compensation, rights, obligations, benefits and responsibilities of the individual as an employee
- Is paid earnable salary at a specific periodic rate for services personally performed for the public employer and who appears on the employer's payroll
- Is eligible for workers' compensation or unemployment compensation

Contract Employee

- May be eligible for employee fringe benefits such as vacation or sick leave
- Is controlled or supervised by personnel of the public employer as to the manner of work
- Should receive IRS Form W-2 for income tax reporting purposes

Independent Contractor/ Contract Employee

- Independent Contractor:
 - is **not** a public employee and shall **not** become a contributor to the retirement system
- Contract Employee:
 - is a public employee and shall become a contributor to the retirement system

Earnable Salary

All salary, wages, and other earnings paid to a contributor by reason of employment in a position covered by the retirement system. The salary, wages and other earnings shall be determined prior to determination of the amount required to be contributed to the employees' savings fund under section 145.47 of the Revised Code.



Earnable Salary Examples

- Salary and wages
- Overtime paid in year earned
- Payments made during active employment for vacation, sick or personal leave used
- Longevity pay
- One time lump-sum or periodic bonus payments based on basic rate of pay
- Payments made assuming on-call or stand-by responsibility

Earnable Salary Examples

- Awards of back wages to employees or retirees who have been reinstated to their position based on an arbitration award, personnel board of review or court order
- Payments made for the conversion of sick leave, personal leave and vacation leave accrued, but not used, if the payment is made during the year it was accrued, as part of an OPERS-approved annual conversion program

NOT Earnable Salary Examples

- Incidental benefits
- Reimbursements or allowances for job-related expenses, including:
 - moving
 - travel
 - education
- Residency bonuses
- Lump sum payments made at termination for:
 - accrued vacation time, sick time or personal leave
- Amounts paid to provide, or amounts in lieu of insurance for:
 - life, sickness, health, medical, dental or hospital insurance

NOT Earnable Salary Examples

- Amounts paid under an agreement to retire
- Pay differential amounts between an employee's civilian pay and military pay while the employee is on active duty in the armed forces
- One time lump-sum or periodic bonus payments NOT based on employee's basic rate of pay

Contribution Reporting Overview



Reporting Requirements

- Employers are required by law to withhold and report contributions on earnable salary
- Contributions for both law and non-law enforcement employees are reported on separate *Reports of Retirement Contributions*

Contribution Reporting

- Report for period earned not paid
- Will affect a member's service credit
- The employer is liable for failing to deduct and transmit contributions to OPERS

Employee Contribution Rates

- Employees contribute 10.00% of earnable salary
- Public Safety employees contribute 11.50% of earnable salary
- Law Enforcement employees contribute 12.10% of earnable salary

Employer Contribution Rates

- Local/State employers: 14.00%
- Law Enforcement/Public Safety employers: 18.10%

Reporting Period

- Reporting period = one calendar month**
- Each *Report of Retirement Contributions* must show totals of all earnable salaries and contributions for all pay periods ending during the month being reported

Pay Frequency Codes

- Indicates how often employee is paid
- Must agree with pay period begin and pay period end dates

1 - annual	2 - semi-annual
3 - quarterly	4 - monthly
5 - 28 day	6 - semi-monthly
7 - 14 day	8 - 7 day

Dates

- Dates run consecutively
 - Don't skip weekends
- Tied to pay period end date
 - The **end date** is the **KEY** to determine which month the contributions are reported
- Represents the full pay period
 - Unless first or last payroll (example: new hire or termination)

Pay Period End (PPE) Codes

Pay Period End (PPE) Codes (position 74 in the file layout)	Intended use	Must be followed by PPB code of:
D – Employee is deceased	Employee is deceased	n/a
F – Laid off	Employee has been laid off but is expected to be called back to work	R
H – Pay schedule/frequency change	Employee is changing pay schedules and/or frequencies under the same employer code	n/a
L – Leave of absence	Employee is on an approved, unpaid leave of absence	R
M – Going on military leave	Employee is on military leave	T
P – Employee has retired	Employee has retired	E
Q – Employee has quit	Employee has terminated	N
S – Leaving seasonal or intermittent employment	Employee was seasonal or intermittent and is expected to return to same employer next summer	S, N
W – Left on workers compensation	Employee is on workers compensation	R
X – Left on student exemption (Universities only)	Employee is covered under a student exemption	X, N

Pay Period Begin (PPB) Codes

Pay Period Begin (PPB) Codes (position 73 in the file layout)	Intended use	Accepted after a PPE code of:
E – Re-employed retiree	Employee is an OPERS retiree and is returning to work	P
H – Pay schedule/frequency change	Employee is changing pay schedules and/or frequencies under the same employer code	n/a
N – New employee	Employee is new to the employer	Q, S, blank
R – Returned from non-military leave	Employee was laid-off, on an approved, unpaid leave of absence, or on workers compensation and is now returning to work	F, L, W
S – New or returning to seasonal or intermittent employment	Employee was seasonal or intermittent and is returning to work under the same employer code	S
T – Returned from military leave	Employee left work for a military leave and is returning under the same employer code	M
X – Returned from student exemption (Universities only)	Employee is no longer covered under a student exemption	X

Pay Period Begin (PPB) and Pay Period End (PPE) Code Valid Combinations

If PPE code is:	Then PPB code must be:
D	n/a
F	R
L	R
M	T
P	E
Q	N
S	S, N
W	R

Report and Payment Due Dates

- Report and money are due no later than 30 days following the last day of the reporting period (month)
 - Example: March report and money are due April 30
- Reports and/or payments received after due date will be assessed late reporting penalty

Methods of Reporting

- Employer Contribution System (ECS)
- Paper
 - *Report of Retirement Contributions (Form 4710)*

Methods of Payment

- ECS ACH online payment
- Check
- Wire Transfer

Supplemental Reports

- Retroactive pay increase
- Disability pay
- Settlement agreement
- Additional payment to terminated or deceased employee
- OPERS approved annual conversion payment

Supplemental Reports

- Differences from regular reports:
 - May require supporting documentation
 - Requires payout date
 - The due date is based on the payout date

New Employee Paperwork

- *Personal History Record (Form A)*
- *Notice of Re-employment of an OPERS Benefit Recipient (Form SR-6)*
- *Notice of Re-employment of a Retired Elected or Appointed Official to an Elected Position (Form SR-6E)*
- *Statement Concerning Your Employment in a Job Not Covered by Social Security** (Form SSA-1945)*

Employer Contribution System (ECS)



Employer Contribution System (ECS)

- Safe and secure method for transmitting reports and payments via the Internet
- Pay period end code management
- Immediate notification of errors
- Online forms submission

Available Resources

- OPERS website
 - www.opers.org
- Employer Outreach
 - 888-400-0965
 - Monday – Friday
 - 8 AM – 4:30 PM

Employer Outreach

1-888-400-0965
employeroutreach@opers.org
www.opers.org

Q & A


