



## Enrollment Awareness: Mistakes and Penalties

Employer Services has changed the way we communicate enrollment penalties. Our system now automatically generates a penalty if it detects a contribution detail record more than 30 days old without a matching enrollment. This has led to a large number of penalties.

The penalty is \$50 per enrollment for each month you fail to submit an enrollment. The penalty cannot exceed \$300 per record.

SERS does not assess a late enrollment penalty for coaches and other supplemental employees as long as you enroll them prior to submitting their first Contribution Detail Report to SERS.

We have identified three areas that generate the majority of enrollment penalties. Please review the following areas and advice to avoid future penalties.

1. Late enrollment penalties frequently occur because the employer enrolled the employee under one Social Security number (SSN), but submitted payroll under another.
  - If the enrollment reflects a bad SSN, and the contribution detail file reflects the good SSN, send Employer Services proof of the correct SSN (usually a copy of the Social Security card or Form I-9). SERS is responsible for correcting the enrollment.
  - If the enrollment reflects the good SSN, and the contribution detail file reflects the bad SSN, send Employer Services proof of the correct SSN (usually a copy of

the Social Security card or Form I-9). SERS is responsible for correcting the employee's account history. You are responsible for correcting the SSN in the contribution detail files. If you fail to correct the bad SSN in future contribution files, SERS continues to assess penalties.

- If you just realized that you accidentally mis-keyed the wrong SSN into the enrollment screen, send SERS proof of the correct SSN (usually a copy of the Social Security card or Form I-9). SERS is responsible for correcting the enrollment.

2. Late enrollment penalties also occur when SERS receives a contribution detail file for an exempt employee, usually a student or board member. These errors generally happen if an employer submits a file with an exempt employee, but the file contains wages, contributions, hours, days, or any combination of those. SERS establishes the employee as a "preliminary" employee, and the system then expects to find a matching enrollment.
  - To correct this issue, provide SERS with details supporting the employee's exemption.
  - To avoid this issue, do not submit exempt employees in your contribution detail file, and be sure that the file shows no wages, contributions, hours, or days for the employee.

3. Finally, late enrollment penalties occur because the employer never submitted an employee enrollment.

- To correct this issue, submit an enrollment.



In all of these situations, the employer should receive a "notification of missing enrollment" letter the moment the system detects an employee contribution without a matching enrollment. This means that SERS believes an enrollment

problem exists. In many cases, employers ignore this letter, thinking they have sent the enrollment, and only respond once the penalty has been assessed.

While SERS removes any penalty that was due to an error by SERS, SERS does not remove a penalty if you received, but failed to act on, a prior "notification" letter. When you receive a "notification" letter, please contact SERS immediately to resolve the issue.

For assistance, call Employer Services toll-free at 877-213-0861. ■

### IN THIS ISSUE

- 2 Terminology Updates
- 2 Pick-Up Plans 101
- 2 Calendar
- 3 Employer Outreach
- 3 Thank You
- 3 Help Me
- 3 Remote Counseling



**SCHOOL EMPLOYEES  
RETIREMENT SYSTEM OF  
OHIO**

300 E. Broad St., Suite 100  
Columbus, Ohio 43215-3746  
614-222-5853  
Toll Free 866-280-7377  
[www.ohsers.org](http://www.ohsers.org)

**SERS RETIREMENT BOARD**

DANIEL L. WILSON  
*Chair, Appointed Member*

CATHERINE P. MOSS  
*Vice-Chair, Retiree-Member*

DEBRA BASHAM  
*Employee-Member*

NANCY EDWARDS  
*Appointed Member*

MADONNA D. FARAGHER  
*Employee-Member*

CHRISTINE D. HOLLAND  
*Employee-Member*

BARBRA M. PHILLIPS  
*Employee-Member*

JAMES A. ROSSLER, JR.  
*Appointed Member*

FRANK A. WEGLARZ  
*Retiree-Member*

LISA J. MORRIS  
*Executive Director*



**Terminology  
Updates for eSERS**

As we are continually striving for clarity and accuracy in an effort to better serve you, we have been updating the terminology used in eSERS.

After much discussion, the following updates in terminology have been made:

- “Employee” will replace “Member”
- “Payment” will replace “Cash” ■

**Three Months  
at a Glance Calendar**

**JANUARY 2015**

S	M	Tu	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

**January**

- 1/15 December contributions due

**FEBRUARY 2015**

S	M	Tu	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

**February**

- 2/16 January contributions due

**MARCH 2015**

S	M	Tu	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

**March**

- 3/16 February contributions due
- 3/27 eSERS opens for salary estimates

**Click here to add monthly due date reminders to your Outlook calendar.**

**Pick-Up Plans 101**

Federal tax law permits employers to pick up employee retirement contributions. This is governed by federal tax law.

Under a pick-up plan, the employee picked-up employee contributions are:

- Tax deferred for federal income taxation purposes until the member receives the contributions in the form of a refund or retirement benefit
- Tax deferred for state income tax purposes
- Designated as employee contributions and refundable to the member for retirement system purposes

There are two methods of pick-up plans. You may use a combination of these methods.

They are:

- Salary reduction
- Fringe benefit

In order to implement a pick-up plan, federal tax law requires an employer to adopt a written plan that specifies:

- The group of employees to be covered
- The method of pick-up
- The planned effective date

The earliest effective date of a pick-up plan is the date of the board action implementing or changing the pick-up plan. Pick-up plans cannot be implemented retroactively.

After you adopt a pick-up plan, you must provide notice to SERS on a Notice of Employer Pick-Up Plan Form. Click here for the form. ■

## Employer Outreach: We Are Here to Help

If you have any reporting or compliance questions, please contact the SERS Employer Outreach team, Carlisa Holman and Katie Talbert. They are here to help you understand and perform your responsibilities as an employer. They also are available to make personal visits if you have new payroll officers.

You can contact Employer Outreach by emailing the team at [employerservices@ohsers.org](mailto:employerservices@ohsers.org), or by calling them toll-free at 877-213-0861. You also can reach Carlisa directly by emailing her at [cholman@ohsers.org](mailto:cholman@ohsers.org) or by calling 614-222-5962, and Katie directly by emailing her at [ktalbert@ohsers.org](mailto:ktalbert@ohsers.org) or by calling 614-340-1090. ■



## Thank You for Technology Contact Information



On October 27, Employer Services introduced you to a new publication titled, *eSERS Hotline*.

It covers exciting topics concerning the system upgrade being implemented in the summer of 2015.

Because the *eSERS Hotline* will address technical changes as well as operational changes at your district, we asked that you send us your technology staff contact information.

If you have not done so, please send Employer Services the contact information for your lead technical staff members. We are planning on adding the names of technical staff to our distribution list for the “*eSERS Hotline*” publication. If you have already sent this information to us, we thank you for helping to make the *eSERS* transition as smooth as possible.

To see the previous issues of the *eSERS Hotline*, [click here](#). ■

## Help Me: I Need to Move a Due Date

If you are aware of a circumstance that will cause a delay in reporting or payment, such as a weather issue or technology problem, please contact Employer Services prior to the due date. Contacting us after the due date may result in penalties. Although the law does not give SERS flexibility in waiving penalties, it does allow us to extend a due date if we are contacted prior to the due date. While we can often make arrangements to cope with extreme circumstances, alternate arrangements cannot be made every month or in every circumstance. ■



## Member Services Remote Counseling

This spring, SERS again will be conducting remote counseling sessions across the state. These sessions are an opportunity for members to meet with a SERS representative one-on-one and discuss retirement concerns.

Please watch for future emails regarding the locations and times of these sessions. ■

