



EMPLOYER HANDBOOK

School Employees Retirement System of Ohio



School Employees Retirement System of Ohio
Employer Services
Serving the People Who Serve Our Schools®

Publication Date 4/2025

This publication has been designed for employers that have employees who are members of the School Employees Retirement System of Ohio (SERS). It helps answer any questions fiscal and payroll officers may have about reporting contributions and service credit to SERS. The information presented in this handbook is current as of its publication date.

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About SERS

Overview

Established in 1937, School Employees Retirement System of Ohio (SERS) is a statewide defined benefit plan that provides retirement, disability, and survivor benefits to non-teaching employees of Ohio's public schools; including vocational, technical, and community schools; and community colleges.

Today, SERS serves more than 241,706 members and retirees, and is Ohio's third largest public pension fund.

The SERS Retirement Board is responsible for making decisions regarding policy and governance of the System. The nine-member Board includes: four elected employee members; two elected retiree members; and three appointed investment expert members.

The *Employer Handbook* is a resource for treasurers and fiscal staff that covers the roles and responsibilities for SERS-related duties. Reporting and maintaining accurate retirement information for SERS members is crucial.

If you have questions, please contact Employer Services at 877-213-0861 or employerservices@ohsers.org.

Resources and Contact Information

Resources

SERS provides additional information for employers through:

- Periodic, electronic newsletters – the *Employer Bulletin*, *Employer Special Notice*, and the eSERS Message Board Messages
- Employer education – www.ohsers.org/employers/employer-education
- Our website – www.ohsers.org
- Social Media – our Facebook page at www.facebook.com/sersofohio or on Twitter at www.twitter.com/sersofohio

Contact Employer Services

- Toll-free 877-213-0861
- employerservices@ohsers.org
- Secure Fax number 614-340-1195

GASB Information

- Email: generalaccounting@ohsers.org

Member-Related Contact Information

- General telephone number: 614-222-5853
- Toll-free telephone number: 866-280-7377
- General SERS email: information@ohsers.org

Office Information

Office Hours: Monday through Friday, 8 a.m. to 4:30 p.m.

The SERS office is closed to observe the following holidays: New Year's Day, Martin Luther King, Jr. Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. If New Year's Day or Christmas Day occurs on a Saturday, then the office is closed on the previous Friday. If the holiday occurs on a Sunday, then the office is closed on the following Monday. Please visit the SERS website for the actual days the office is closed.

Location: 300 E. Broad St., Columbus, Ohio. Free parking is available in SERS' parking garage. The parking garage entrance is located on Grant Avenue, north of Broad Street.

Mailing Address:

300 E. Broad St.
Suite 100
Columbus, Ohio 43215-3746

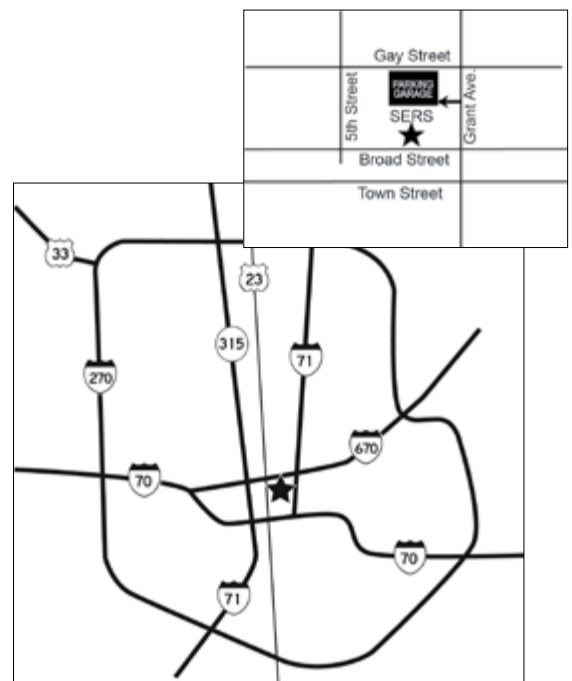
Directions

If traveling from the north: Take I-71 to exit #108B, turn right on Broad Street. Turn right on Grant Avenue, and left at the 300 E. Broad parking garage entrance.

From the south: Take I-71 north to I-70 east to the Fourth Street /Livingston Avenue exit #100B onto Fourth Street. Turn right on Town Street, then left on Grant Avenue. The 300 E. Broad parking garage entrance is on the left.

From the west: Take I-70 to the Fourth Street /Livingston Avenue exit #100B onto Fourth Street. Turn right on Town Street, then left on Grant Avenue, then left into the 300 E. Broad parking garage.

Coming from the east: Take I-70 to I-71 North. Take the Broad Street exit #108B and turn left on Broad Street. Turn right on Grant Avenue, and then left into the 300 E. Broad parking garage.



Membership

Covered Employees

By law, all non-teaching employees of Ohio's boards of education, school districts, vocational and technical schools, community schools, and community colleges are required to contribute to SERS unless their position permits exemption from membership, optional membership, or exclusion from membership.

Once an employee is covered under SERS, the employee must continue to contribute to SERS for as long as the employee is employed in a SERS-covered position. If an individual meets the definition of "employee" as stated in section 3309.01(B) of the Revised Code (R.C.), that individual must contribute to SERS. Paragraphs (B)(1), (B)(2) and (B)(3) of R.C. 3309.01 set forth three separate definitions for "employee."

It is important to understand the differences between paragraphs (B)(1) and (B)(2): (B)(1) refers to a "common law" employee; (B)(2) offers a statutory definition of employee.

Common Law Employees

Paragraph (B)(1) defines employee as "any person employed by a public employer" in a non-teaching position.

- This refers to an employee-employer relationship as established by judicial decisions, also called a "common law" employee-employer relationship.
- This definition applies when a school contracts directly with an individual for the individual's services.
- Classifying an individual hired to perform services as an "independent contractor" does not necessarily avoid the obligation of SERS' membership, if the actual status of the worker is that of an employee. Employers should consult with their legal counsel when deciding if an individual working for the school is properly classified as an independent contractor.
- If the overall facts of the situation indicate an employer-employee relationship between you and the worker, SERS membership is required. For further information, refer to the determination process on [page 7](#).

Contract Employees

Paragraph (B)(2) defines a person as a employee if the person "performs a service common to the normal daily operation of an educational unit even though the person is employed and paid by the one who has contracted with an employer to perform the service."

- SERS sometimes refers to these persons as "contract employees."

There is no distinction between full-time, part-time, or substitute positions. If an employee provides a service common to the normal daily operation of a school for one day, or one year, that person is a SERS member.

- This definition applies when a school contracts with a contractor for the provision of services by employees of the contractor.
- For SERS' purposes, the contracting board or school is the employer.

Admin. Rule 3309-1-11(D) defines "common to the normal daily operation" as:

1. Any service that an educational unit is required, by law, statute, or rule, to provide on a regular continuous basis; or
2. Any service necessary on a regular continuous basis to the efficient operation of an educational unit; or
3. Any service which, through custom and usage, has become a service commonly provided or procured by an educational unit on a regular continuous basis.

Services common to the normal daily operation include, but are not limited to:

- Fiscal services or management company services
- Food services
- Transportation services for the employer
- Custodial or maintenance services
- School security services on school property
- Health-related services
 - Including Health Aides, IEP Nurses
- Substitutes for SERS-covered positions
- IT services
- Services that help in the planning, supervision, direction, management of, assistance in, and/or responsibility of providing a service that is common to the normal daily operation of a school

Contractors who hold these positions are also SERS members.

Services not common to the normal daily operation include:

- Service to vending machines by vending machine employees
- Equipment service under an equipment warranty or purchase/lease service agreement
- Service and/or repair equipment and/or facilities of the employer on an emergency basis
- Trash pick-up and disposal for the employer
- Student transportation in vehicles that are not “school buses” as defined in section 4511.01 of the Revised Code or marked as “school buses”
- Advice and/or consulting on a temporary basis

Employees of schools other than K-12

Paragraph (B)(3) defines employees as any person employed in a non-faculty position in a school, college or other institution—wholly controlled and managed—and wholly or partly supported by the state or any political subdivision.

Determinations

If there is a question as to whether an individual is an employee required to contribute to SERS, request a determination from SERS.

The request should include information about the employment relationship along with the following:

- Completed [Membership Determination Form](#)
- Job description and/or contract

SERS may request additional information in order to make the determination.

Upon review of the information, SERS makes an initial membership determination.

If the initial determination is questioned by you or the individual, you may submit any additional information for review, and SERS staff will then make a final membership determination.

Once the final membership determination is made, an appeal may be taken to the SERS Retirement Board. The Board is responsible for the determination of the individual's employee status and all decisions by the Board are final.

If the employee was determined to hold a SERS-covered position and contributions need to be submitted for a previous fiscal year, we ask you to submit the earnings information within 30 days using the Certification of Salary for Non-Contributing Service Form.

The district will receive a compulsory service credit billing that will include both the employee and employer contributions, plus interest. The liability will be available in the Payment Remittance application on eSERS.

Once the cost is calculated, payment must be received no later than June 15, or the cost is subject to additional interest.

Failure to certify the earnings will result in a charge based on estimated figures.

If the determination is for the current fiscal year, the contribution will be entered into eSERS as soon as possible, this will avoid a compulsory charge.

Once the cost is calculated and submitted, you have 30 days to send payment. Failure to certify the earnings will result in a charge based on estimated figures.

Exemption from Membership

Employees who may choose exemption from membership include:

- A student who is not a member at the time of employment, and who is employed by the school, college, or university in which the student is enrolled and regularly attending classes
- An emergency employee serving on a temporary basis
- An individual employed in a program established under any federal job training program

To be exempt, an employee must complete and file with the employer a [Request for Exemption from Membership](#) form within the first month of employment.

As the employer, you must retain this form.

If an individual contacts SERS to establish service credit for this service, you are required to provide a copy of this form to SERS.

If you are unable to present a copy of the signed form, you may be responsible for paying the employee and employer contributions as well as interest.

This is the only document that proves an employee is exempt from membership.


Once filed, the exemption is irrevocable.

Optional Membership

A school board member or a governing board member has the option of contributing to SERS. Board Members must choose membership in SERS or Social Security within 30 days of taking office.

A board member choosing a SERS membership must complete the [New School or Governing Board Member Election for Membership to SERS](#) form, and it must be submitted to SERS.

The form is titled "REQUEST FOR EXEMPTION FROM MEMBERSHIP" and is from the School Employees Retirement System of Ohio. It includes the SERS logo and contact information: 300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3748, 614-222-5853 • Toll Free 800-678-5853 • www.ohsers.org. The form explains that the following employees may request exemption: a student who is not a SERS member at the time of employment and who is employed by the school, college, or university in which the student is enrolled and regularly attending classes; or an emergency employee serving on a temporary basis in case of fire, snow, earthquake, flood, or other similar emergency. A substitute employee is not an emergency employee. An exemption is in effect for as long as the employee is continuously employed in the same position and continues to meet the requirements of the exemption. If a person no longer meets the requirements for the exemption, the employer must enroll the employee through eSERS using the Member Enrollment application and the Member Enrollment File Upload, and contributions to SERS should begin. This request must be completed and filed with the employer within the first month of employment to be valid. The form is divided into two parts: PART A: EMPLOYEE INFORMATION and PART B: EMPLOYER CERTIFICATION. Part A includes a section for the employee to check one of the exemption reasons and a section for the employee to understand that if their employment does not continue to meet the requirements, they must become a member of SERS. Part B includes fields for School District, County, and Employer Code, and a section for the Authorized Officer's Signature and Date. A disclaimer at the bottom states: "AS THE EMPLOYER, YOU MUST RETAIN THIS AS A PERMANENT RECORD. This is the only copy of this form. If you cannot provide a copy of this form to SERS at its request, you may be liable for employee and employer contributions, interest and penalties for any compulsory non-contributing service credit." The form number EMP-2012 Rev. 9/2015 is at the bottom.



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
 300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3745
 614-222-5853 • Toll-Free 800-878-5853 • www.ohsers.org

REQUEST FOR EXEMPTION FROM MEMBERSHIP

The following employees may request exemption from SERS membership:

- A student who is not a SERS member at the time of employment and who is employed by the school, college, or university in which the student is enrolled and regularly attending classes, or
- An emergency employee serving on a temporary basis in case of fire, snow, earthquake, flood, or other similar emergency. A substitute employee is not an emergency employee.

An exemption is in effect for as long as the employee is continuously employed in the same position and continues to meet the requirements of the exemption. If a person no longer meets the requirements for the exemption, the employer must enroll the employee through eGERS using the Member Enrollment application and the Member Enrollment File Upload, and contributions to SERS should begin.

This request must be completed and filed with the employer within the first month of employment to be valid.

PART A: EMPLOYEE INFORMATION
 I have reviewed this form and choose an exemption from SERS membership because I am:

Check one:

A student who is not a SERS member at the time of employment and who is employed by the school, college, or university in which I am enrolled and regularly attending classes, or

An emergency employee serving on a temporary basis in case of fire, snow, earthquake, flood, or other similar emergency which is _____

I also understand that if my employment does not continue to meet the requirements above I must become a member of SERS.

Name: _____
 Date of Employment: _____
 Signature: _____ Date: _____

PART B: EMPLOYER CERTIFICATION

School District _____ County _____ Employer Code
 Authorized Officer's Signature _____ Date: _____

AS THE EMPLOYER, YOU MUST RETAIN THIS AS A PERMANENT RECORD. This is the only copy of this form. If you cannot provide a copy of this form to SERS at its request, you may be liable for employee and employer contributions, interest and penalties for any compulsory non-contributing service credit.

EMP-7012 Rev. 9/2015

Once this form is submitted, it is **irrevocable** while the board member continuously holds office.

A board member who does not choose membership in SERS must contribute to Social Security.

By law, governing authorities of community schools cannot contribute to SERS.

The only school board membership time that can be purchased is service from September 1, 1937, to June 20, 1991.

If a school board member chooses not to contribute to SERS for service on or after July 1, 1991, the school board member cannot buy it.

Exclusion from Membership

Individuals excluded from SERS membership include:

- An individual who participates in an Alternative Retirement Plan (ARP) established by a college or university
- University of Akron police officers who are covered by the Ohio Public Employees Retirement System (OPERS)
- An individual who has a license and who is employed in an educational position through programs under federal law and financed by federal funds for which no license may be required
- Employees of community school operators who were withholding Social Security taxes on or before February 1, 2016, for persons employed in their schools who were employed on or after July 1, 2016, except if the employee had previously worked for the same community school operator within the period of July 1, 2015 – June 30, 2016
- Nonteaching University of Akron employees who are initially employed after September 28, 2016, or who were employed by the university as of September 28, 2016, who subsequently terminated their employment and are then reemployed by the university at least 12 months after termination

Evolution of Membership

Membership rules have changed over the years.

Time Period	Membership Was Compulsory If:
September 1, 1937 through June 30, 1955:	<ol style="list-style-type: none"> 1. employment extended for more than three consecutive months; and 2. the rate of compensation totaled \$500.00 or more per year.
July 1, 1955 through June 30, 1965:	<ol style="list-style-type: none"> 1. work extended beyond the anniversary date of hiring in the fourth month after first employment; and 2. the employee was not a student in the employing school.
July 1, 1965 through February 28, 1967:	<ol style="list-style-type: none"> 1. there was any employment in the schools, whether temporary or permanent; and 2. the employee was not a student in the employing school.
March 1, 1967 through January 6, 1972: Note: membership is compulsory for all employment after February 28, 1967 for any employee who later established contributing membership.	<ol style="list-style-type: none"> 1. employment extended beyond 59 working days in any fiscal year; and 2. the employee was not a full-time student in any educational institution
January 7, 1972 through June 30, 1977:	<ol style="list-style-type: none"> 1. employment extended beyond 59 working days in any fiscal year; and 2. the employee was not a student
July 1, 1977 to January 1, 1986:	<ol style="list-style-type: none"> 1. any employment in the schools, whether temporary or permanent; and 2. the employee was not a student.
January 1, 1986 to March 1, 1989:	<ol style="list-style-type: none"> 1. any employment in the schools, whether temporary or permanent; and 2. the employee was not a student; and 3. the employee was not a game official, ticket taker, or other who provided services at or for school-sponsored student activities, if such persons were not already members; and 4. the employee was not auxiliary and off-duty police who provided security at or for school sponsored activities; and 5. the employee was not a person who taught community education classes on a temporary basis, if such person was not already a SERS member.
March 1, 1989 to June 30, 1991:	same as above, with the additional exclusion of non-certificated individuals who were hired on and after March 1, 1989 as coaches or student activity advisors who were not already SERS members.
July 1, 1991 to present:	The employee was not your own student; or the employee was not hired for an emergency.

Choosing an Alternative Retirement Plan (ARP)

What is an ARP?

An ARP is a retirement plan for newly hired full-time college and university employee. It is defined under chapter 3305 of the Ohio Revised Code.

Who may elect to participate in an ARP plan?

Only newly hired full-time college and university employees have the option of either contributing to SERS (School Employees Retirement System) or an ARP.

What is the election period?

Employers are responsible for notifying SERS of an employee who is eligible for an ARP within 10 days of the employee's first day of full-time employment by submitting a **Notice of Employment or Reclassification of Employee Eligible for Alternative Retirement Plan**.

Eligible employees have 120 days from their first day of full-time employment to enroll in the ARP.

An employee who chooses an ARP must sign the Retirement Plan Election Form and return it to the employer.

Employers must file a copy of the form with SERS within 10 days of receiving it from the employee.

Once the form is submitted, it is irrevocable.

Employees who do not choose an ARP within the 120-day election period will automatically become members of SERS.

What are the eligible ARP plans?

- Corebridge (formerly AIG/VALIC)
- Equitable (formerly AXA)
- Fidelity
- TIAA-CREF
- Voya

What are ARP mitigating rates?

The mitigating rate, paid by college and university employers to SERS on behalf of ARP participants, is 3.85%.

Ohio law (Ohio Revised Code Section 3305.06) provides that the college/university sends a

percentage of each ARP employee's salary to SERS on a monthly basis for unfunded accrued liabilities.

This contribution requirement begins with an employee's ARP effective date. The employees' contribution of 10 % and the remaining 10.52% employer contributions are sent directly to the ARP.

The ARP mitigating rate is subject to review every five years per Ohio law.

What is the ARP Reporting Process?

Mitigating contributions are due to SERS for as long as the employee is continuously employed in an SERS covered position.

ARP reporting is done through eSERS listing mitigating contributions on a monthly basis. Submit an ARP report either by file upload or manual file entry in eSERS.

A payment remittance is required for each liability created for an ARP reporting.

How would I submit an adjustment?

An adjustment would need to be created in the next report using an adjustment earnings code of 51 (adjustment to regular contribution).

Terminating an ARP Position

Scenario 1:

ARP participants who terminate employment in an ARP-eligible position must remain in the ARP as long as there is no more than a 365-day break in employment with their college or university.

This rule affects both:

- (1) ARP participants who move from a full-time to a part-time ARP position
- (2) ARP participants whose break in service with their college or university is less than one year will remain in ARP

Scenario 2:

If an employee terminates employment with one college or university and changes to a new college or university and the position is ARP eligible, then the employee must make a new ARP election within 120 days of start date of employment at the new public institution.

Multiple Ohio Systems Coverage

An employee who has more than one job may contribute to more than one Ohio retirement system. For each covered job, the appropriate contributions should be sent to the proper retirement system.

For example, a licensed or certificated teacher who also drives a school bus. Contributions would be remitted to SERS for the school bus service, and contributions for the teaching service would be remitted to the State Teachers Retirement System of Ohio (STRS).

There is an exception with regard to coaches and student activity advisors.

If the coach or advisor is a licensed or certificated teacher, even if the individual teaches in another district, contributions for coaching or advising are remitted to STRS. If the coach or advisor is not licensed or certificated, contributions for coaching or advising are remitted to SERS.

Employment of Retirees

A retiree of SERS or another Ohio system may be employed by a school in a position in which SERS contributions are required without limitation on the number of days or earnings.

All reemployed retirees are required to contribute to SERS if employed in a SERS-covered position.

A retiree of SERS or another Ohio state retirement system should wait two months from the effective date of retirement before public reemployment. A retiree who is employed in a SERS position within the first two months of retirement loses the retirement payment for each month worked during the two-month waiting period.

If the retiree holds multiple positions prior to retirement, he or she may then continue working in the lesser-paying position(s) without forfeiting these two-months of pension payments. If a school hires a retiree to the same position the retiree had before retiring, and that position is filled by vote of a board or commission, the law requires public notice of the reemployment to be given at least 60 days prior to the start of the reemployment.

A public hearing also must be conducted between 15 and 30 days prior to the reemployed employee's first day of work. Information on the hearing must be included in the public notice. To certify that the requirements of this law were met, complete a [Reemployed Retiree Notification Form](#) and submit a copy to SERS.

You must certify to SERS that, as the employer, you have complied.

Once a retiree is enrolled in eSERS, remit contributions and reports, along with any other required information, in the same manner as for a non-retired employee.

Health Care Eligibility for Reemployed Retirees

Individuals who retire and then take a new job or go back to work for a public or private employer, may temporarily lose eligibility for SERS' health care coverage while they are reemployed. Once reemployment ends, their eligibility will be restored.

This does not impact individuals enrolled in Medicare Part B.

SERS' health care eligibility is lost when:

- An individual is eligible for medical and prescription coverage through your new employer, or
- An individual is not eligible for medical and prescription coverage through the new employer but other employees in comparable positions are eligible for coverage.

The coverage available to employees in comparable positions must be at the same cost as full-time employees. Individuals will not lose their eligibility for SERS' coverage if they do not have access to the employer coverage or it costs employees in comparable positions more than full-time employees pay.

If you have questions, please call Health Care Services toll-free at 800-878-5853.

Disability Benefit Recipients

A SERS disability benefit recipient cannot be employed by a SERS-covered employer. If the recipient is employed, the disability benefit ends.

Schools that hire a disability benefit recipient must file notice of the employment, including the date of employment, with SERS.

If you employ a disability recipient before you notify SERS, the total amount of disability benefits paid during the period of employment prior to the notice will be paid.

A letter from SERS will be sent to you for the balance of the amount owed. The district will have 30 days to issue payment.

A disability benefit recipient of another Ohio retirement system should contact the other system to determine any restrictions on returning to other public employment. A member is not eligible to apply for a SERS disability benefit if the person is receiving a disability benefit from another Ohio retirement system.

Member Enrollment

Using eSERS

Employees and reemployed retirees can only be enrolled electronically through eSERS, SERS' secure site designated just for employers. eSERS provides you with an effective, time-saving way to submit employee information online.

Enroll new employees and reemployed retirees by using the "Upload Enrollment Files" or "Manual Enrollment Entry" applications found on eSERS.

All new employees must be enrolled in SERS and complete a federal form, SSA-1945.

As the employer, you are responsible for the timely and accurate submission of enrollment information. Make sure to review all enrollment information for accuracy, this includes apartment numbers, cell phone numbers, and email addresses. Once the enrollment has been processed, the member's account will be established.

You will not be able to submit contribution reporting for the member until an enrollment is uploaded or manually entered into eSERS.

If you are not registered with eSERS, contact the Employer Web Administrator (EWA) for your school district. Your EWA is able to grant you access to eSERS.

If you have further questions, call us toll-free at 877-213-0861 or email us at employerservices@ohsers.org.

Checking an Enrollment

If you are unsure that an employee has been enrolled in SERS, go to the “Employer Reporting Detail Lookup” application on eSERS, and search by the employee’s Social Security number, or first and last name.

If the employee has already been entered, the enrollment will appear in the “Search Results” panel.

If the employee’s enrollment information does not populate, double check the Social Security number. If that is correct, then enroll the new employee.

Header Type	Detail Record ID	Detail Record Status	SSN	Name	Period Begin Date	Period End Date	Earnings Code	Earnings	Days	Hours	Employee Pre-Tax Contribution	Employee Post-Tax Contribution	Employer Contribution
Contribution	14628492	Posted		SCOTT	06/15/2023	06/28/2023	01 - Regular Contribution	\$890.01	6	20.00	\$89.00	\$0.00	\$124.60
Contribution	14628491	Void		ALMA	06/15/2023	06/28/2023	01 - Regular Contribution	\$912.00	8	57.00	\$91.20	\$0.00	\$127.68
Contribution	14628490	Posted		Coco	06/15/2023	06/28/2023	04 - Stretch Pay	\$13,000.00	0	0	\$1,000.00	\$0.00	\$1,400.00

When you notice that a member enrollment has been entered into eSERS incorrectly, please do not enter a new enrollment, contact Employer Services for assistance.

SSA-1945 Form

Federal regulations require employers to submit a [Statement Concerning Your Employment in a Job Not Covered by Social Security Form \(SSA-1945\)](#). The form explains how public employment may affect Social Security benefits.

You must submit a copy to SERS once it has been signed by the employee.

The SSA-1945 Form can be uploaded into eSERS using the “SSA-1945 Upload” application (PDF’s only). It also can be faxed to SERS at 614-340-1195, or mailed to SERS at 300 E. Broad St., Suite 100, Employer Services, Columbus, Ohio, 43215.

Due to security reasons, please do not email the form to Employer Services.

**Statement Concerning Your Employment in a Job
Not Covered by Social Security**

Employee Name _____ Employee ID# _____
Employer Name _____ Employer ID# _____

Your earnings from this job are not covered under Social Security. When you retire, or if you become disabled, you may receive a pension based on earnings from this job. If you do, and you are also entitled to a benefit from Social Security based on either your own work or the work of your husband or wife, or former husband or wife, your pension may affect the amount of the Social Security benefit you receive. Your Medicare benefits, however, will not be affected. Under the Social Security law, there are two ways your Social Security benefit amount may be affected.

Windfall Elimination Provision
Under the Windfall Elimination Provision, your Social Security retirement or disability benefit is figured using a modified formula when you are also entitled to a pension from a job where you did not pay Social Security tax. As a result, you will receive a lower Social Security benefit than if you were not entitled to a pension from this job. For example, if you are age 62 in 2005, the maximum monthly reduction in your Social Security benefit as a result of this provision is \$313.50. This amount is updated annually. This provision reduces, but does not totally eliminate, your Social Security benefit. For additional information, please refer to Social Security Publication, “Windfall Elimination Provision.”

Government Pension Offset Provision
Under the Government Pension Offset Provision, any Social Security spouse or widow(er) benefit to which you become entitled will be offset if you also receive a Federal, State or local government pension based on work where you did not pay Social Security tax. The offset reduces the amount of your Social Security spouse or widow(er) benefit by two-thirds of the amount of your pension.

For example, if you get a monthly pension of \$600 based on earnings that are not covered under Social Security, two-thirds of that amount, \$400, is used to offset your Social Security spouse or widow(er) benefit. If you are eligible for a \$500 widow(er) benefit, you will receive \$100 per month from Social Security (\$500 - \$400=\$100). Even if your pension is high enough to totally offset your spouse or widow(er) Social Security benefit, you are still eligible for Medicare at age 65. For additional information, please refer to Social Security Publication, “Government Pension Offset.”

For More Information
Social Security publications and additional information, including information about exceptions to each provision, are available at www.socialsecurity.gov. You may also call toll free 1-800-772-1213, or for the deaf or hard of hearing call the TTY number 1-800-325-0778, or contact your local Social Security office.

I certify that I have received Form SSA-1945 that contains information about the possible effects of the Windfall Elimination Provision and the Government Pension Offset Provision on my potential future Social Security benefits.

Signature of Employee _____ Date _____

Form SSA-1945 (12-2004)

Covered Compensation

Compensation and Contributions

Employee and employer contributions are required to be made to SERS based upon the employee's SERS compensation. The employee contribution rate is currently 10%. The employer contribution rate is 14%.

"Compensation" includes all salary, wages, and other earnings paid to an employee by reason of employment and included by rule in compensation. Compensation is determined prior to the amount deducted as the employee's contributions and before any of the compensation is treated as deferred income for federal income tax purposes.

It is important to remit contributions promptly and accurately. Employee or survivor benefits are dependent on accurate compensation information reported to SERS. Contributions are to be remitted to SERS **no later than five business days after each pay date**.

Compensation subject to SERS contributions includes, but is not limited to:

- Regular salary or wages
- Overtime earnings
- Pay for used vacation and sick leave
- Paid holidays
- Calamity days
- Across-the-board retroactive wage settlements
- Longevity pay
- Merit increases
- As of the 2014-15 school year, a lump-sum payment in lieu of a salary or wage increase to all persons in a class of employees, in the same dollar amount or percentage, and in accordance with a written contract
- Payments paid on behalf of the individual and treated as deferred income for federal tax purposes under Internal Revenue Code section 401(K), 403(b), or 457(b)
- Back pay awards that reinstate an employee to the employee's position without interruption or loss of time
- Payments made by the employer to the employee for Workers' Compensation Salary Continuation

Compensation not subject to SERS contributions, includes, but is not limited to:

- Payments for accrued but unused sick leave, personal leave, vacation leave, or compensatory time
- Amounts paid to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, surgical coverage, other insurance for the employee, or amounts paid to the employee in lieu of providing the insurance
- Incidental benefits, including lodging; food; laundry, including clothing/uniform allowance; parking; services furnished by the employer; use of the employer's property or equipment, including cell phones; and reimbursement for job-related expenses authorized by the employer, including moving and travel expenses; and expenses related to professional development
- Compensation made to, or on behalf of, an employee that is in excess of the allowable amount under federal tax law
- Anything of value paid to an employee that is based on or attributable to retirement or an agreement to retire
- One-time and/or lump-sum payments made to an employee where such payments are not made for additional services actually rendered, or not based on an employee's standard rate of pay, such as:
 - Severance
 - Incentive bonuses for low use of leave
 - Signing bonuses
 - Wellness Incentive
- Payments made as a differential payment for an employee who enters active military duty for more than a month

Determinations

When a question exists as to whether a payment is subject to SERS' withholding, including settlements and grievances, the employer should request, in writing, a determination from SERS.

This request should include complete information about the compensation. SERS may request additional information to make a determination.

If you do not request a determination from SERS on a payment issued to an employee, and it is determined that the payment is not compensation for SERS' purposes, any contributions that have been received on the payment are considered unauthorized and are refunded back to the employer once the employee's account is adjusted through eSERS by the employer.

If the compensation was determined to be SERS-covered contributions and needs to be submitted for a previous fiscal year, submit the earnings information within 30 days using the Certification of Salary for Non-Contributing Service form.

The district will receive a compulsory service credit billing that includes both the employee and employer contributions plus interest. The liability will be available in the Payment Remittance application on eSERS.

Once the cost is calculated, payment must be received no later than June 15, or the cost is subject to additional interest. Failure to certify the earnings will result in a charge based on estimated figures.

If the determination is for the current fiscal year, the contribution will need to be entered into eSERS as soon as possible. This will avoid a compulsory charge.

If a cost has been generated, you have 30 days to send payment.

Reporting

The proper reporting of contribution information, and remitting of employee and employer contributions, is essential so that SERS can properly update employee accounts and calculate benefits.

If a reporting entity is reporting for more than one employer, separate reports need to be processed in eSERS for each employer.

Contribution Reports

The Contribution Report is the employer’s responsibility. It details the employees for whom you report and remit contributions.

This report must be submitted to SERS **no later than five business days after each pay date**. Penalties will be assessed for late contribution reports. For more information on penalties, see [page 36](#).

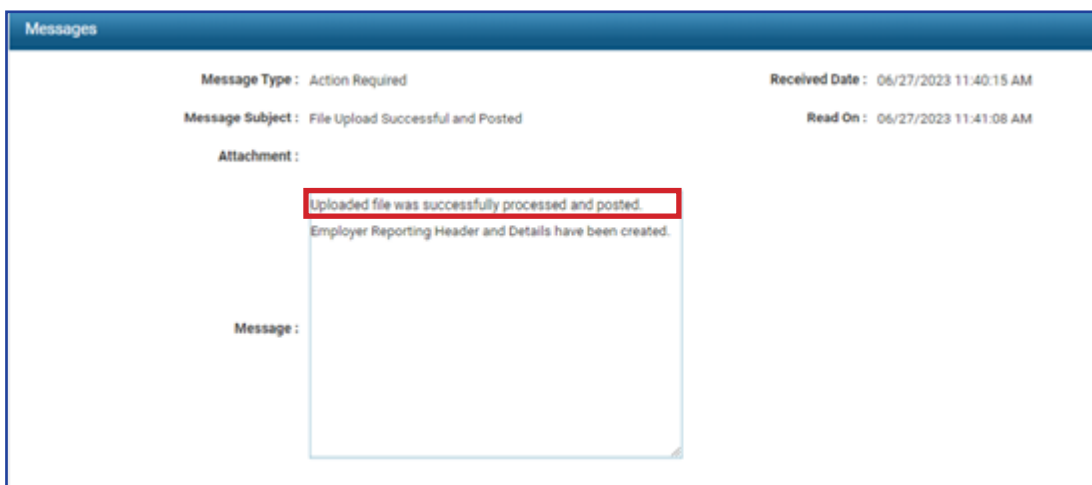
Submitting Reports

Contribution Reports must be submitted through eSERS, using either Manual Contribution Entry or Upload Contribution Files in the required format.

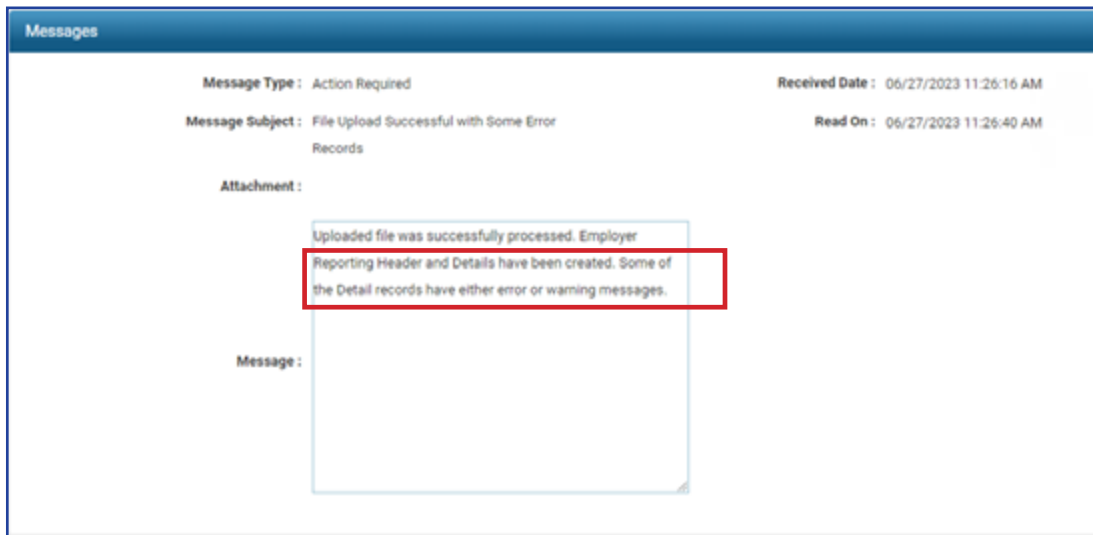
Once your Contribution Report has been uploaded and processed, you will receive a message on the message board in eSERS. The message indicates if the report has been successfully processed and posted, or if it has been successfully processed with either errors or warnings.

If the file is processed with errors or warnings, you need to correct the issues identified on the “Contribution File Correction and Manual Contribution Entry application in eSERS. Once all records are valid, you will be able to submit the file for posting.

Please refer to the [eSERS Guide](#) for further information on how to correct your report. The “Uploaded file was successfully processed and posted” message looks like this:



The “Uploaded file was successfully processed with either error or warnings” message looks like this:



Sending a Report

To send a Contribution Report, you need the following:

- Contribution Cycle Code- created by the Payroll Schedule
- Social Security number and name for your employee(s)
- Period Begin Date – beginning date of earnings
- Period End Date – ending date of earnings
- [Earnings Code](#) – identifies the type of contributions that are being reported
- Covered Compensation – the employee’s gross covered compensation for SERS purposes
- Contributions – the amount of employee contributions being remitted to SERS
- Days – the number of days the employee is being paid for the period
- Hours – the number of hours the employee is being paid for the period

If the contributions are post-tax, the amount is placed in the “Employee Post-Tax Contribution” field.

If the contributions are covered by an authorized and accepted employer Pick-up Plan as pre-taxed, the amount is placed in the “Employee Pre-Tax Contribution” field.

Be sure to verify with contract companies if contributions are pre-tax or post-tax. Accuracy is vital for tax purposes.

How to Report Days and Hours

A day is any part of a day for which the employee is paid, whether for work or paid time off. This includes holidays, vacation, sick or personal leave, calamity days, and paid work on a weekend.

- Report days which have been paid in the pay cycle that is being reported.
- Days worked in one pay cycle but paid in the following pay cycle should be reported on the next contribution report.
- The days worked cannot exceed the number of days in the payroll schedule.
- Report hours that have been paid in the pay cycle that is being reported.
- Hours worked one pay cycle but paid in the following pay cycle should be reported on the next contribution report.

Exception: There is a [Supplemental Earnings Code](#) for your coaches or supplemental employees that allows their contributions to be reported on a regular payroll report with extra days and hours. In order for this to work, you need to use the same **pay date**.

Adjustments

You may need to make changes to certain information provided in a **previously** submitted Contribution Report.

Before submitting an adjustment, confirm that the original Contribution Report has been received by SERS by using the “Employer Reporting Detail Lookup” application on eSERS.

All adjustments must be made through eSERS.

Adjustments can be used to add or remove information from a Contribution Record **previously** submitted to SERS.

You may have to make an adjustment for:

- Contribution amounts
- Tax treatment of contributions
- Days reported
- Hours reported
- Reporting to the wrong retirement system

If an adjustment needs to be entered for unreported information from a prior fiscal year, contact Employer Services to determine the proper reporting process.

When completing a negative adjustment, your district will accrue a [credit memo](#) for employee and employer contributions. Before the contribution liability is paid, the credit memo will need to be applied.

For instructions on entering in an adjustment and applying your credit memo, please refer to the [eSERS Guide](#).

Pick-up of Employee Contributions

Federal tax law permits employers to pick up employee retirement contributions. This is governed by federal tax law. There are no Ohio statutes or SERS rules governing the implementation of a Pick-up Plan of mandatory employee contributions.

The earliest effective date of a Pick-up Plan is the date of a board action implementing or changing the Pick-up Plan. According to IRS guidelines, Pick-up Plans may not be implemented retroactively.

After you adopt a Pick-up Plan, you must notify SERS through eSERS and include the Board Resolution, using the Pick-up Plan application. Please refer to the [eSERS Guide](#) for further information on adding a Pick-up Plan through eSERS.

Under a Pick-up Plan, the employer 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 taxation purposes, but an employer should contact local taxing authorities to determine the tax treatment of a Pick-up Plan for city or other local income taxation
- Designated as employee contributions and refundable to the member for retirement system purposes

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

- The group of employees to be covered. Employees in the covered group cannot opt out of the Pick-up Plan
- The method of pick up
- The planned effective date

Employees in the covered group cannot opt out of the Pick-up Plan.

Employer Pick-up of Retirement Contributions

Under current IRS Rulings, employee contributions to SERS may be picked up by the employer and excluded from the employee's gross income for federal income tax purposes.

Types of Pick-up Plans

There are three Pick-up Plan methods: salary reduction, fringe benefit not included in compensation, and fringe benefit included in compensation, which is also referred to as pick-up on pick-up.

If you have further questions, please contact your tax advisor.

Salary Reduction

Contributions are still deducted from employees' salaries, but they are deferred for federal and state income tax purposes.

Contributions must be reported as tax deferred on Contribution Reports.

Example: Salary: \$20,000
 SERS' contribution: \$2,000
 Take home pay: \$18,000
 Taxable income: \$18,000
 Reported to SERS: \$20,000

Fringe Benefit not Included in Compensation

Under a fringe benefit not included in compensation Pick-up Plan, the contributions are paid by the employer from the employer's funds. The contribution is not deducted from employees' salary.

Contributions must be reported as tax deferred on Contribution Reports.

Example: Salary: \$20,000
 SERS' contribution: \$2,000
 Take home pay: \$20,000
 Taxable income: \$20,000
 Reported to SERS: \$20,000

Fringe Benefit Included in Compensation, or Pick-up on Pick-up

A fringe benefit in compensation is often referred to as a "pick-up on pick-up" plan. Under a fringe benefit included in compensation plan, the contributions are paid by the employer, and an additional contribution on the 10% also is paid. This plan provides for a higher salary for retirement purposes only, which will affect the pension amount.

Contributions must be reported as tax deferred on Contribution Reports.

Example: Salary: \$20,000
 SERS' contribution: \$2,200 (10% of 20,000, plus 10% of that figure)
 Take home pay: \$20,000
 Taxable income: \$20,000
 Reported to SERS: \$22,000

Wage Certifications

Certified wages are completed in eSERS.

The district will receive an email notification when a member, retiree, or beneficiary files one of the following applications:

- Service Retirement
- Survivor Benefits
- Refund
- Reemployed Retiree Payment
- Disability Benefit (a certification is sent once the application is approved)
- Beneficiary Lump Sum

The notification is sent only to the Employer Web Administrator (EWA), and those assigned the “Wage Certification” role.

To see if your district has pending Wage Certifications, login to eSERS and click “Certified Wages.” If your district has a Wage Certification to be completed, it will appear in the Pending Wage Certifications panel. Only complete the certification when you have the final payroll information for that employee.

Please refer to the [eSERS Guide](#) for further information on completing Wage Certifications through eSERS. Web tutorials as well as a recorded webinar also are available by visiting the Video Center or Employer Education section on our website at www.ohsers.org.

Notifying SERS of Cyber Attacks

As with most cyber incidents, the speed of the response is critical. Employer Services asks that you notify SERS of any significant cyber incident, including ransomware or business email compromise, within 72 hours of discovery.

Often, sending an email may not be possible. In such cases, contacting Employer Services by phone at 1-877-213-0861 and requesting a conference call may be the best route to take.

We will work to accommodate your schedule, exercise discretion with information shared, and treat it as we do our most sensitive information.

If you prefer to correspond via email, you can contact Employer Services at employerservices@ohsers.org.

We request that you provide the following information related to cyber incidents:

- Date when first learned of incident
- Initial impact summary
- Forensic information that can be shared
- How it happened
- What information was taken

- What actions you have taken to remedy the situation
- How to reach relevant contacts within your organization
- Which phase of Incident Response you are in: Identification, Containment, Eradication, or Recovery

Thank you for helping SERS protect your data.

Payments

Paying Employer Liabilities

There are two different methods of paying employer charges: Direct Pay and Foundation Program.

Direct Pay

Direct Pay employers pay employee and employer charges directly to SERS.

If a Direct Pay employer chooses to pay employer charges through the Ohio Department of Education and Workforce (DEW) School Foundation Program, the employer will need to contact Employer Services to initiate the change.

The Foundation Program

Foundation-participating districts pay employer charges through the DEW School Foundation Program.

Contribution Payments

Employers must remit employee and employer contributions to SERS **no later than five business days after each pay date.**

If the employer contribution is not paid through the Ohio Department of Education and Workforce's (DEW) Foundation Program, the employer must remit the payment to SERS **no later than five business days after each pay date.**

Community Schools are required to use the DEW Foundation Program to pay employer liabilities.

For more information on the DEW Foundation Program, see [page 32](#).

Payment of employer contributions for employers using the DEW's Foundation Program are always considered on time.

Remitting Payments

It is important to remit all payments promptly and accurately. If an organization is remitting payments for more than one employer, separate remittance documents need to be entered for each separate employer.

Payment Remittance

Payment Remittance information for all payments, including employee and employer contributions, SCP Payroll Deductions, Surcharge, etc., must be entered electronically through eSERS. The remittance provides the employer with a record of payments and insures the proper allocation of the payments to the correct SERS accounts.

This can only be completed in eSERS.

Please refer to the [eSERS Guide](#) for further information on completing the Payment Remittance.

Forms of Payment

ACH Debit

As the preferred method to remit payments, ACH Debit is an electronic funds transfer initiated in eSERS through the Payment Remittance application indicating the date and amount to be withdrawn from the employer's designated account.

EFT

EFT is an electronic wire transfer you initiate with the bank. To submit an EFT, contact SERS for the banking information so that you will be able to provide it to your banking institution.

Checks

Do not mail checks or money orders to the SERS office building. Checks and money orders must be mailed to the SERS lockbox at:

**SERS
L-1617
Columbus, Ohio 43260-1617**

Expedited payments to the bank for lockbox processing must be delivered prior to 11 a.m. for same-day processing to:

Huntington National Bank
7 Easton Oval
Attention: Wholesale Lockbox L-1617
Columbus, Ohio 43219

To avoid a penalty, the Payment Remittance must be submitted with your payment. See [page 36](#) for further penalty information.

Service Credit Purchase

Once you are issued a letter billing for compulsory service credit or non-contributed/optional service credit, the payment must be received no later than June 15, or the cost is subject to additional interest.

You can choose to make direct payment to SERS, or for Foundation-participating employers, notify SERS to use funds from the Foundation Program deductions to make payment.

Alternative Retirement Plan (ARP)

Alternative Retirement Plan (ARP) payments are due on the same terms and conditions that other employer contributions are due.

Early Retirement Incentive (ERI)

Once you are issued a Final Certification of Cost to Employer letter, you have two choices for payment. To avoid interest, a direct payment can be made by June 30 of the fiscal year in which the service is purchased, or a direct payment can be made over an extended period of time. This period of time should not exceed the number of service years purchased, and includes interest.

Annual Processes

The Foundation Program

Foundation-participating districts pay employer charges through the Ohio Department of Education and Workforce (DEW) School Foundation Program.

Foundation Program deductions are calculated annually.

The process starts in the spring with the submission of a salary estimate. This includes any SERS contributions that will be reported in the upcoming fiscal year. The estimate is entered through eSERS during a specified period of time. A district can make as many corrections and comments as necessary during this time.

If an estimate has not been provided, SERS will calculate an estimate for the district.

The SERS-calculated estimate will take the current year's estimate and add 3%. SERS will multiply this estimate by the current employer rate, which is 14%, to calculate the estimated annual employer charges.

Foundation Deduction Changes

Periodic adjustments may be made during the year based on the changing circumstances of each employer. Such adjustments may be initiated by either the employer or SERS.

If a community school fails to remit any employee contribution payments, such amounts may be added to their deductions.

Foundation Deduction Letters

Once all of the information is compiled, the deduction is calculated, and SERS uploads the Foundation Deduction Letters in the eSERS Foundation Deduction Notice application. The letters list each item that is being collected through the Foundation.

Once the letters are uploaded, a district has the opportunity to make any adjustments before SERS certifies the new annual amounts to the DEW.

If there are insufficient Foundation Program funds available to satisfy the SERS Foundation Program deduction, the employer is responsible for remitting the difference directly to SERS.

The employer will be notified of a shortage during the Annual Statement Balance period.

Employer Statement

At the conclusion of each fiscal year, SERS issues an Employer Statement which recaps the fiscal year's activity. This includes contribution and payment detail for the fiscal year.

When your Employer Statement is available, you will receive notice from Employer Services. Details of the transactions shown on your statement may be found in the Employer Statement application on eSERS.

- Any **Amount Due to SERS** on the statement, regardless of the amount, is due to SERS by the date specified in the communications from Employer Services.
- The **Amount Due to District** reflected on the statement will be refunded back to the district. If your refund amount is \$25.00 or less, it will reflect as a Credit Memo for you to use against any unpaid liability in your Payment Remittance application or you can request that amount be refunded back to your district.
- If there is an amount owed on the **Employee Activity** portion of the statement, that amount is due to SERS by the due date specified by Employer Services.
- Any refund due to the district on the Employer Activity portion of the statement will not be sent to the district if there is an Employee Activity amount owed to SERS.

As of Fiscal Year 2018, SERS will not be carrying any balances forward.

Details of the transactions shown on your statement may be found in the Employer Statement application on eSERS. For instructions on how to read your statement and how to make payment, please refer to the [How To: Employer Statement](#).

Foundation-participating Districts Pay Directly

If you are a Foundation-participating district and you have an annual statement balance due to SERS, this balance needs to be paid **directly**.

It is important for Foundation-participating districts to provide a Salary Estimate that is as close as possible to the actual salary. If your district owes SERS, or if you are receiving a large refund each year, check your Salary Estimate; it may be incorrect.

You may adjust your Salary Estimate at any time.

Surcharge

Calculations

The Surcharge is an additional employer charge used exclusively to fund health care.

The Surcharge is calculated at 14% of the difference between an employee's annual compensation amount and the minimum compensation amount, which is determined annually by the System's actuaries. This is available on the Audit Resources page at www.ohsers.org.

The Surcharge is limited to 2% of each district's total qualified SERS payroll, not the total of the initial individual Surcharge. The statewide limit is 1.5% of total qualified payroll for all employers.

Example: FY2024, the minimum compensation level is \$30,000 and the employee earned \$7,000, the Surcharge is \$3,220.

Minimum annual compensation amount	\$30,000
Covered compensation	\$7,000
Difference	\$23,000
Initial individual surcharge	$\$23,000 \times 14\% = \$3,220$

If the member is paid for less than 120 days during the year, the Surcharge is pro-rated.

The fraction used is the number of days paid over 180 days, a school year. This is the same fraction used in determining the amount of contributing service credit for a member.

Example: The Surcharge for the employee above who works only 110 days is \$1,967.42.

Initial individual surcharge	\$3,220
Pro-rated fraction	$110 \text{ days} / 180 \text{ days} = 0.611$
Pro-rated Surcharge	$.611 \times \$3,220 = \$1,967.42$

The Surcharge applies to all SERS members reported during the fiscal year who earned below the minimum compensation except:

- Members who retired, refunded their account, or received disability benefits effective before July 1
- Members who died before July 1
- Reemployed Ohio public retirees

The first exception is tracked by SERS internally, and the affected member should not appear in the Surcharge listing. However, SERS is not always aware of the second and third instances.

The employer will receive an eSERS message board message advising that the Surcharge Report is available for review.

During the Surcharge process, you should review your Surcharge Report. If you identify any members who meet the last two qualifications, please send an email to Employer Services to have them exempt from the report at employerservices@ohsers.org.

The Surcharge Report is available on eSERS in July or August of each year.

Surcharge Payment

Payment of the Surcharge amount is due within 30 days from notification that the final Surcharge amount has been calculated. This will need to be completed in the Payment Remittance application on eSERS.

Foundation Program

If your district is participating in the Foundation Program and chose to have the Surcharge collected from its Foundation payments, SERS automatically deducts the Surcharge payment from your July, August, and/or September Foundation payment.

Please refer to your Foundation Deduction Notice if you are unsure if SERS is collecting for your Surcharge. This notice is found in eSERS.

Penalties

Your responsibility as an employer includes remitting timely and accurate reports and payments to SERS. This information is crucial to the calculation and payment of benefits to members or their beneficiaries.

Ohio law requires SERS to impose reporting and payment penalties for lateness. SERS may extend a due date for “good cause” if the request is received before the due date, but there is no allowance for one-time forgiveness after the due date.

Payment Penalties

As explained in paragraph (A) of Ohio Revised Code 3309.571:

(A) For a failure to transmit contributions withheld from employees not later than the date specified under rules adopted by the school employees retirement board, one hundred dollars per day for each day the employer fails to transmit the contributions;

Employee contributions are to be remitted to SERS **no later than five business days from the pay date.**

You will be penalized \$100 per day for each business day you do not transmit employee contributions on time. This penalty will accrue until the contribution is received.

As explained in paragraph (B) of the statute:

(B) For a failure to transmit any amount due the employer’s trust fund not later than the date specified under rules adopted by the board, one hundred dollars per day for each day the employer fails to transmit the amounts;

Employer Trust Fund covers all employer payments to SERS, such as employer contributions, surcharge, the Annual Employer Statement Balance, Service Credit Purchase (SCP), and Early Retirement Incentive (ERI). Each of these payment types has its own set of due dates.

You will be penalized \$100 per day for each business day you do not transmit any amount due to the employer’s trust fund on time. This penalty will accrue until the contribution is received.

For those districts that are using the Ohio Department of Education and Workforce (DEW) Foundation Program to pay their employer contributions, the payment is always considered to be “on-time” for reporting and penalty purposes.

Reporting Penalties

As explained in paragraph (C) of the statute:

(C) Except for a statement required by section 3309.28 of the Revised Code, for a failure to submit, complete, or correct any payroll information or other report required under this chapter not later than the date specified under rules adopted by the board, one hundred dollars per day for each day the employer fails to submit, complete, or correct the information or report, except that the penalty shall not exceed one thousand five hundred dollars;

This covers all other employer reporting to SERS. Payroll (contribution) reporting is due **no later than five business days from the pay date**. Other reports have their own due dates.

You will be penalized \$100 per day for each business day you do not submit, complete, or correct contribution reporting (including the Payment Remittance) information on time. This penalty cannot exceed \$1,500 per report.

It is the employer's obligation to report contributions to SERS for its employees and contractors. SERS relies on employers to accurately report contributions.

As explained in paragraph (K) of 3309-1-18:

(K) An employer shall repay the retirement system for any amounts paid by the retirement system as the result of employer errors in reporting or certifying information to the retirement system.

This amendment to the rule adds a provision establishing employer liability for errors in reporting or certifying information to SERS. It requires employers to reimburse SERS for any penalties that SERS incurs as a result of an employer reporting error.

The previous rule addressed penalties for late reporting by employers but did not expressly address the accuracy of reporting.

An example may include when the tax basis (pre-tax/post-tax) for contributions is incorrectly reported to SERS. The employer is responsible for any penalties SERS may incur if the funds are distributed and the taxable amount is incorrectly reported to the IRS and the individual on their Form 1099-R.

Payment of Penalties

For employers using the Ohio Department of Education and Workforce (DEW) Foundation Program, payment of the penalty may be deducted from the amounts directed to employer contributions.

For all other employers, the penalty is paid directly using one of the payment remitting options. Your penalty liability to be paid will be located in the Payment Remittance application on eSERS.

Service Credit

Service credit is accrued through contributions during school employment and for other service at no cost, or for other service that may be purchased.

The amount of an employee's service credit determines:

- Eligibility for retirement and disability benefits
- The amount of a benefit
- Eligibility for health care coverage and premium costs

It also determines the eligibility of any dependents for survivor benefits, the amount of benefits, and availability of health care coverage.

Earned Service Credit

An employee receives service credit for the time worked for a school, college, or university. This is called contributing service credit. One year of service credit is granted upon completion of 120 or more days of **paid** school employment within a fiscal year (July 1 through the following June 30).

There is no distinction between full-time, part-time, or substitute positions in granting this service credit. Any portion of a day constitutes one full day. Paid days that are used, such as sick and vacation, count toward the 120 days.

If an employee works less than 120 days, the employee will receive a fractional amount of service credit prorated on the basis of a 180-day school year with the result shown in the following chart:

Days	Percent	Days	Percent	Days	Percent	Days	Percent	Days	Percent	Days	Percent
1	.006	21	.117	41	.228	61	.339	81	.450	101	.561
2	.011	22	.122	42	.233	62	.344	82	.456	102	.567
3	.017	23	.128	43	.239	63	.350	83	.461	103	.572
4	.022	24	.133	44	.244	64	.356	84	.467	104	.578
5	.028	25	.139	45	.250	65	.361	85	.472	105	.583
6	.033	26	.144	46	.256	66	.367	86	.478	106	.589
7	.039	27	.150	47	.261	67	.372	87	.483	107	.594
8	.044	28	.156	48	.267	68	.378	88	.489	108	.600
9	.050	29	.161	49	.272	69	.383	89	.494	109	.606
10	.056	30	.167	50	.278	70	.389	90	.500	110	.611
11	.061	31	.172	51	.283	71	.394	91	.506	111	.617
12	.067	32	.178	52	.289	72	.400	92	.511	112	.622
13	.072	33	.183	53	.294	73	.406	93	.517	113	.628
14	.078	34	.189	54	.300	74	.411	94	.522	114	.633
15	.083	35	.194	55	.306	75	.417	95	.528	115	.639
16	.089	36	.200	56	.311	76	.422	96	.533	116	.644
17	.094	37	.206	57	.317	77	.428	97	.539	117	.650
18	.100	38	.211	58	.322	78	.433	98	.544	118	.656
19	.106	39	.217	59	.328	79	.439	99	.550	119	.661
20	.111	40	.222	60	.333	80	.444	100	.556	120	1.000

Early Retirement Incentive (ERI) Plan

An employer may establish an Early Retirement Incentive plan (ERI), which allows certain employees to retire early or increase the service credit of those employees eligible to retire. Employers should contact their own legal counsel for advice on adopting a plan.

The requirements for an ERI plan are found in the [Early Retirement Incentive Plan Guide](#). This publication can be found under the “Employer Guides” section of the SERS website at www.ohsers.org.

An ERI Cost Calculator also is available on eSERS. In this application, employers are able to get an idea of the cost the district will incur if the plan is adopted.

Workers’ Compensation

An employee may receive additional service credit at no cost for periods the employee received Workers’ Compensation.

If the employee was off the payroll due to a school-connected injury and receiving Workers’ Compensation, he or she may receive up to three years of service credit for this time with proof of such compensation.

Employees must provide a Workers’ Compensation awards history report for evaluation of service credit.

Service Credit Purchase (SCP)

Certain types of service credit may be available for purchase by your employee. As the employer, you may be responsible for certifying information and/or making payments to SERS depending upon the type of service credit available to the employee.

If the employee is eligible to purchase service credit, SERS will send a cost letter to the employee for purchasing all or a part of the service credit by making payments directly to SERS in one or more installments, or by payroll deduction, if the employer offers this type of payment plan.

Rollover funds from a qualified plan, such as another employer retirement program (Internal Revenue Code (IRC) 401(a), an Individual Retirement Account (IRA), an IRC 403(a) annuity, an IRC 403(b) plan, or a governmental Deferred Compensation Program under IRC 457 can be used to purchase service credit.

All service credit must be purchased before retirement.

SCP Payroll Deduction

If you offer a payroll deduction plan, upon request, SERS will send the employee a **Payroll Deduction Authorization Form**. Once the form is completed by both the employee and employer, return it to SERS.

As the employer, you are responsible for transmitting the employee's payroll deduction to SERS through eSERS using the **SCP Payroll Deduction Submission** application. Once you have done this, the liability will appear in the **Payment Remittance** application to pay.

Change to SCP Payroll Deduction Plans Beginning January 1, 2019

Payroll deduction plans submitted to SERS before January 1, 2019, are required to be pre-tax plans. This has been the requirement since SERS first began permitting members to purchase service credit by way of payroll deduction plans. To be a pre-tax plan, an employer's payroll deduction plan must designate the amounts withheld to purchase service as "picked-up contributions."

Effective January 1, 2019, SERS will no longer accept new pre-tax payroll deduction plans. This change is due to the Internal Revenue System's revised position on the purchase of service credit with picked-up contributions.

Payroll deduction plans set up before January 1, 2019, must continue to be administered as a pre-tax plan. The rules for employees with a pre-tax service credit purchase plan will not change after January 1, 2019. This means that the employee will not be able to increase, decrease, or stop the deductions unless the employee completes the purchase or terminates employment.

New payroll deduction plans received on or after January 1, 2019, must be post-tax plans. Under a post-tax plan, the payroll deduction amounts used to purchase service cannot be treated as pre-tax, "picked-up contributions." In turn, different rules apply to a post-tax payroll deduction plan. For example, employees with a post-tax payroll deduction plan can terminate the plan at any time and can make a direct payment to purchase the remaining service credit.

To recap:

- Payroll deduction plans initiated **before** January 1, 2019, must be pre-tax plans.
- Payroll deduction plans initiated on or **after** January 1, 2019, must be post-tax plans.

Refunded Service Credit

If an employee had previous SERS service credit and received a refund of contributions for this service after terminating employment, the employee may restore all or part of the service credit.

After establishing one-and-one half (1.5) years of new service credit with SERS, State Teachers Retirement System (STRS), or Ohio Public Employees Retirement System (OPERS), the Ohio Police and Fire Pension Fund (OP&F) or the Ohio Highway Patrol Retirement System (HPRS), the employee can restore SERS credit cancelled due to a refund by repaying the refunded contributions plus interest.

Refunded service may be restored by one payment or installment payment to SERS. If offered by school district, payment may be made through a payroll deduction plan.

An employee also may purchase refunded service from the other State Pension Plans.

Leave of Absence

If your employee was on a school board-approved unpaid Leave of Absence (LOA) for educational or professional purposes, illness, or disability, the employee may purchase the LOA credit for this time by paying both the employee and employer contributions, plus interest.

A LOA period begins on the first day of the approved leave for which contributions were not made, and ends with the approved leave ends or when the employee returns to contributing service, whichever happens first.

The employer must certify the earnings the employee would have received during the LOA, so that SERS can calculate the cost to the employee. This information is submitted on a [Certification of Salary for Non-Contributing Service](#) form.

Service credit may be purchased for multiple leaves of absence. The total years purchased cannot exceed five years, and the maximum amount of service that may be purchased for a period of leave is two years.

Non-contributing Service with a SERS-covered Employer

Exempt

For any service on or after July 1, 1991, an employee may purchase credit for service in a position for which SERS' membership was compulsory, but the employee was permitted to, and did, sign an exemption from membership form. The cost for each year of service credit is 20% of the employee's current year of compensation.

Under certain circumstances, employees may be eligible to purchase STRS or OPERS exempted service with SERS. If SERS prepares the cost estimate, the cost for each year is 20% of the employees most recent years of SERS compensation.

The employee cannot purchase this credit if the compensation for such service was subject to taxes under the Federal Insurance Contributions Act (FICA).

Optional

For any service before July 1, 1991, an employee may purchase credit for service in a position for which SERS' membership was optional, and the employee did not choose to enroll in SERS' membership. The cost for each year of service credit is an amount equal to the employee contributions in effect at the time, plus interest, and the employer contributions in effect at the time, plus interest.

As the employer, you must certify the earnings the employee received during this period so that SERS can calculate the cost to the employee.

This information also is submitted on a Certification of [Salary for Non-Contributing Service](#) form.

Compulsory

Pre-1991: If an employee was employed by a school for a period before July 1, 1991, and membership was required, but contributions were not paid, the employer for that service is required to pay the employer contributions in effect at the time, plus interest. The employee must pay the employee contributions in effect at the time, plus interest.

Post-1991: If an employee was employed by a school for a period on or after July 1, 1991, and membership was compulsory (required), but contributions were not paid, the employer for that service is responsible to pay **both** the employee and employer contributions in effect at the time, plus interest.

The employer must certify the earnings the employee received during this period so that SERS can calculate the cost.

This information also is submitted on a Certification of [Salary for Non-Contributing Service](#) form.

After SERS receives this information and calculates the cost, a cost statement is sent to the employee, and/or the employer, depending on when the service was performed.

Currently, the interest is at 7.5%.

Other Government or School Service

An employee may purchase credit for service with:

- A public or private school, college, or university in this state or another state, or operated by the federal government, which has been chartered or accredited by the proper government agency
- The federal government, or non-Ohio government employers, if the service in a comparable position in Ohio would have been covered by SERS, STRS, OPERS, OP&F, or HPRS
- A public employer for which contributions were made to an Ohio municipal retirement system except the Cincinnati Retirement System

The maximum amount of service credit that may be purchased is the lesser of five years, or the total years of the employee's Ohio service credit.

If the employee combines SERS service credit with STRS and/or OPERS service credit at retirement, the total amount of other government or school service credit is limited to five years among all the systems.

The service credit is not available if it is or will be used in another retirement benefit except for Social Security. For each year of credit, the employee must pay contributions based on the first year of full-time SERS-covered employment following termination of the service to be purchased plus interest from the date of SERS' membership to the date of payment.

Resignation Due to Pregnancy or Adoption of a Child

If an employee was required to resign because of pregnancy or adoption of a child, the employee may purchase service credit for this time.

The employee must have returned to work by the beginning of the third school year after the resignation and earned a year of contributing service credit after returning from leave.

No more than a total of two years of service credit can be purchased. For each year of credit, the employee must pay contributions based on the first year of full-time SERS-covered employment after returning to work, plus interest from the date of the return to work to the date of payment.

The employer at the time of the resignation, is responsible to pay the employer contributions and interest.

Military Service

There are several ways in which an employee may obtain military service credit depending on when the employee entered the service and returned to public employment. These include:

Free

If an employee was a SERS member for at least one year, left school employment for active duty in the armed forces, and returned to public service covered by SERS, STRS, or OPERS within two years of an honorable discharge and established one year of service credit, up to 10 years of free military service credit may be granted.

This service cannot be added if it is or will be used in any other retirement program except Social Security.

There is no cost for this service.

Interrupted

If an employee is not eligible to receive free credit for military service that interrupted school employment, the employee may purchase up to five years of military service credit, but only if he or she:

- Worked for a SERS-covered employer and been a SERS member
- Entered the Military while still employed
- Returned to work with the same employer within three months of an honorable discharge or release from military service
- Maintained SERS' membership

The employee's employer must certify the earnings the employee would have received during the period of military service so SERS can calculate the cost. This information is submitted on a [Certification of Salary for Non-Contributing Service](#) form.

The cost is an amount equal to the employer and employee contributions in effect at the time if the employee had remained on the school's payroll. The employer is responsible for the employer contributions.

Other Military Service

If the employee is not eligible to receive military service credit either free or for purchased as described above, the employee can still purchase military service.

Up to five years of active duty in the armed forces, and up to an additional five years for time spent as a prisoner of war may be purchased.

If the employee combines SERS service credit with any STRS and/or OPERS service credit the employee has at retirement, the total amount of service credit is limited to five years among all the systems.

The employee must send SERS a copy of a discharge (DD214), or separation notice.

This service cannot be purchased if it has been or will be used in any other retirement program except Social Security or retired pay for non-regular service under 10 U.S.C. 12731-12739, or if the member contributed to SERS during the same period of time.

School Board Member Service

A school board member is a member of a city, local, exempted village, or joint vocational school district board of education, and a governing board member is a member of an educational service center governing board.

A SERS member who was a school board member or governing board member before July 1, 1991, the employee may be eligible to purchase .250 of a year for each year of board service with their retiring system.

The member must pay the actual liability for this service credit. It can be purchased no sooner than 90 days before retirement.

If this service was at the same time as other SERS service credit, it cannot be purchased.

Other Retirement Systems

An employee of more than one Ohio retirement system, including OPERS or STRS, may retire separately from each of the systems, if eligible. The employee may also combine the contributions, earnings, and service credit for a greater pension or disability benefit.

The system with the greatest service credit will be the system that will calculate and pay the benefit.

While the salaries in one year will be added together, if the service credit in each system is for the same year, the employee cannot be credited with more than one year of service credit for each 12 months in a year.

Cincinnati Retirement System

If an employee refunded contributions from the Cincinnati Retirement System (CRS), the employee can purchase that time. If the contributions are still on deposit, they may be transferred to SERS, prior to retirement.

Ohio Police & Fire Pension Fund or Ohio Highway Patrol Retirement System

If an employee refunded contributions from OP&F or HPRS, the employee can purchase that time. If the contributions are still on deposit, they may be transferred to SERS, prior to retirement.

Employee Benefits

As an employer, you should be familiar with a SERS employee's options relating to retirement and other payments available from SERS. You also may be required to provide information to SERS when an employee elects to take a payment from SERS.

Employees should always contact SERS for the most up-to-date information concerning their account or benefit options. If they have further questions, direct them to call Member Services toll-free at 800-878-5853.

Eligibility for Service Retirement

SERS offers two types of service retirement: unreduced service retirement and early service retirement with reduced benefits. For unreduced service retirement, employees earn the maximum pension amount based on their service credit and final average salary. Early service retirement benefits are reduced to cover the cost of providing a pension over a longer period of time.

SERVICE RETIREMENT ELIGIBILITY REQUIREMENTS

	Members with at least 25 years of service as of August 1, 2017 (Grandfathered)	Members with less than 25 years of service as of August 1, 2017
Unreduced Service Retirement	Age 65 or Any Age with 30 years	Age 67 with 10 years or Age 57 with 30 years
Early Service Retirement with Reduced Benefits	Age 55 with 25 years	Age 62 with 10 years or Age 60 with 25 years

An employee who wishes to retire must complete and return a Service Retirement Application. Once SERS has received **the application**, an eSERS Message Board Message is sent to the employer to complete a Wage Certification on eSERS.

The Wage Certification should only be completed when the final information for the member is collected. Do not provide estimates of salary, contributions, or days worked; these will not be accepted. SERS must have the final exact information in order to calculate and pay a benefit.

When an employee has service credit in other public retirement systems (SERS, STRS, OPERS), the system with the greater service credit will be the paying system. If SERS is not the paying system, the employer still needs to complete a Wage Certification for the SERS wage details. Additionally, if an employee holds multiple positions prior to retirement, and he or she chooses to continue working in the lesser paying position, a Wage Certification will need to be completed for the wage details up to the effective retirement date.

Reemployment

After retiring, many people re-enter the workforce to make extra money, pursue different interests, or keep busy. As a retiree of an Ohio public pension system, the type of job taken after retirement and the timing of the start date can affect the pension benefits.

The original pension received is not affected during reemployment unless the new retiree does not wait two months before returning to a public sector job. Even then, the retiree only forfeits the pension for two months. Otherwise, the retiree continues to receive the full amount of the pension.

If the retiree holds multiple positions prior to retirement, he or she may then continue working in the lesser-paying position(s) without forfeiting these two-months of pension payments.

As a reemployed retiree, there are no membership benefits available to the employee. Reemployed retirees do not accrue any additional service credit for the period of reemployment. If they did not previously qualify for health care coverage, coverage cannot be earned with the time spent working as a reemployed retiree. No service credit can be purchased, and reemployed retirees cannot apply for disability benefits.

See [page 14](#) for details on Health Care Eligibility for Reemployed Retirees.

Disability Benefits

If an employee becomes disabled while employed, the employee may be eligible for benefits under one of two disability plans:

- **Old Plan:** Covers members whose first date of service is before July 29, 1992 and did not elect New Plan. The member must file application before reaching age 60.
- **New Plan:** Covers members whose first date of service is on or after July 29, 1992. The member can apply at any age.

Eligibility

Applicant must:

- Have at least 5 years of total service credit
- Apply within 2 years of last contributing date of service
- Be found disabled from last assigned duties for a period of at least 12 months by a SERS-appointed examiner
- Not be receiving service retirement
- Not have withdrawn their accounts

Application Process:

- Member to contact SERS for a Disability Benefit Application
- Attending Physician Report
 - Member's personal physician must provide a report stating the basis for disability.
- Employer will receive a Job Duty Form
 - Identifying applicant's current job, employment status.
 - A detailed job description is also required.

Medical Examination:

Upon receipt of the necessary information, SERS will appoint a physician and schedule a medical examination. The examiner will complete a detailed medical report.

The processing time is roughly 3-5 months.

Decision:

The final decision is made by the Retirement Board. A written notice is sent to the applicant and the employer. Member has 30 days to respond to a denial of disability.

Wage Certification:

If approved, a Wage Certification for Disability must be completed in eSERS by the employer.

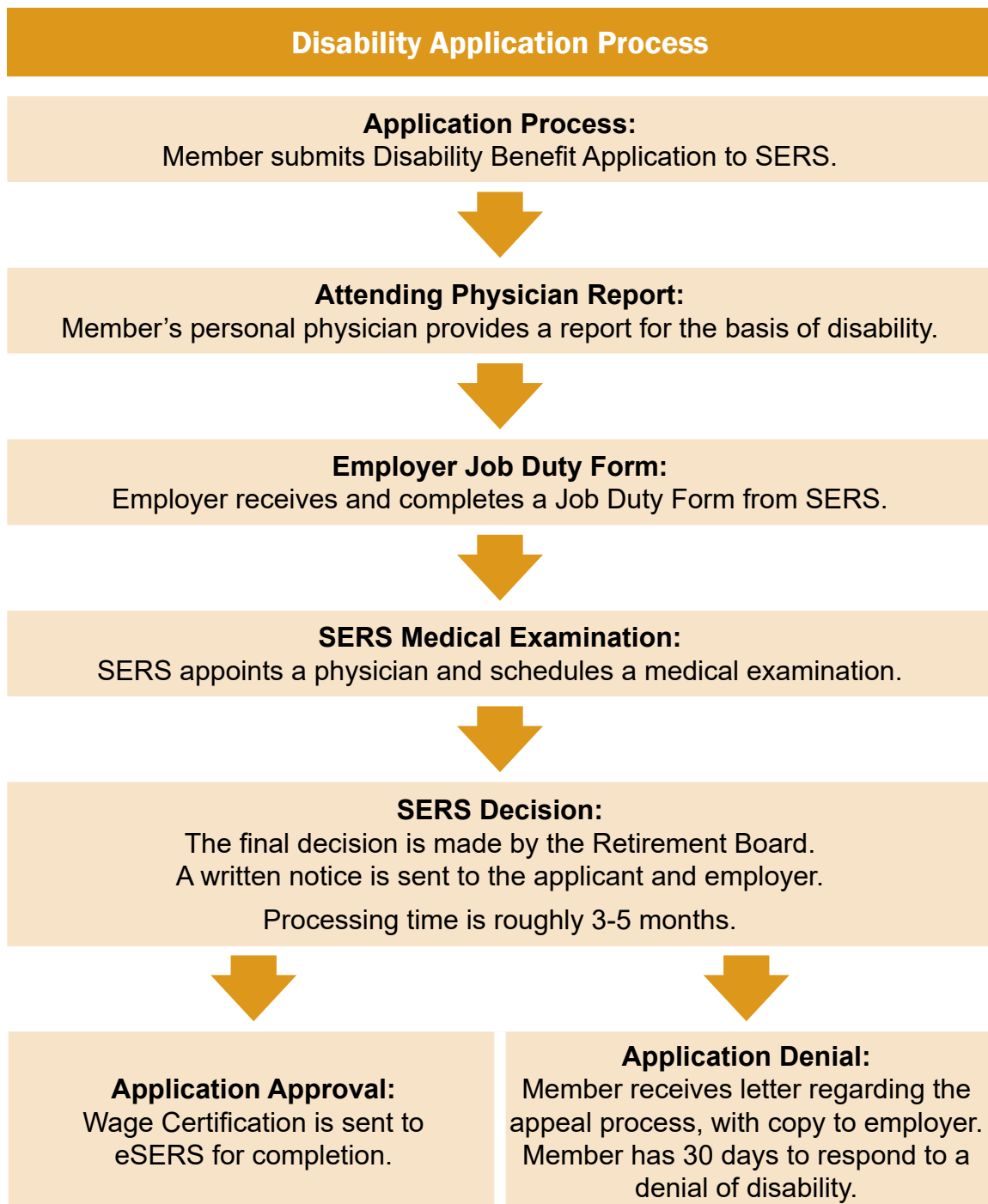
The effective date is the first of the month following:

- Last day of paid service (work or sick leave), or;
- Date the members completed application for a disability benefit was received by SERS


Employees are not eligible to apply for a SERS disability benefit if they are receiving a disability benefit from another Ohio retirement system or if the disabling condition resulted from the commission of a felony.

For more information on disability benefits, visit the Video Center or Forms and Publications sections on our website at www.ohsers.org.

Disability Application Process



Example Job Duty Letter

 **SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**
 300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746
 614-222-5853 • Toll-Free 800-878-5853 • www.ohsers.org

March 4, 2020

Treasurer
 School District
 Street Address
 City State Zip

RE: Test Member
 XXX-XX-1234

Dear Treasurer:

SERS recently received a Disability Benefit Application for the above-named member. The enclosed form is required to process this application. Please mail this completed form to the above address or fax to 614-340-2450 within five working days. A copy of the detailed job description is also required.


Pursuant to Ohio Revised Code 3309.41(A)(2), if the application for disability benefits is approved, the employee must be placed on a leave of absence from school employment. If the employee was terminated or resigned in lieu of termination, please contact our office immediately to determine employer liability.

If you have any questions, please contact our office toll-free at 800-878-5853

Sincerely,
 Member Services

DIS-0098 Rev. 8/2013

Example Job Duty Form

 **SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**
 300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746
 614-222-5853 • Toll-Free 800-878-5853 • www.ohsers.org

Job Duty Form

Name: _____ Member ID: _____

Section 1: Job Duties (To be completed by Employee)

Job Title: _____
Last assigned primary duty, including any accommodated position

Scheduled to work: _____ and _____
Hours per day Days per week


In order for SERS to process your application for disability benefits, please complete the following information thoroughly. Please describe your essential job duties:

Lifting/Pushing/Pulling Requirements <small>In an effort to analyze the physical work demands of your job, please complete the following questions. Please look at the job from a typical/average work day perspective when answering.</small>		
What items are you required to lift, push, or pull? <small>(Bus hood/tires/food trays/students/trash cans/etc.)</small>	What is the approximate weight of these items?	How often? <small>(Rarely/Occasionally/Frequently)</small>

I hereby certify that the above information is true, and an accurate description of my last assigned primary duty.

Member's Signature _____ Date _____

Example Approval Notice Letter

 **SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**
 300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746
 614-222-5853 • Toll-Free 800-878-5853 • www.ohsers.org

March 4, 2020

Treasurer
 School District
 Street Address
 City State Zip

Re: Test Member

Dear Treasurer:

The application for a disability benefit for the above named member has been recommended for approval. The application will be presented to the School Employees Retirement System Board at its meeting scheduled for February 20, 2020. Once determined, you will be notified of the effective date of the disability benefit. Pursuant to Ohio Revised Code 3309.41(A)(2), unless this employee was terminated or resigned in lieu of termination, you are required to place the employee on a medical leave of absence from the date the benefit is effective.


If you have any questions, please contact our office toll-free at 800-878-5853

Sincerely,
 Member Services

cc: Personnel Director

DIS-0099 Rev. 7/2013

Example Approval Effective Dates Letter

 **SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**
 300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746
 614-222-5853 • Toll-Free 800-878-5853 • www.ohsers.org

March 4, 2020

Test Member
 123 Main St.
 Columbus, OH 43215

RE: 1234567

Dear Mr. Member:

Your application for disability benefits was approved by the Retirement Board on February 20, 2020. We received an Employer's Certification of Final Days and Deposits from your employer. Your application will now be processed for payment. The effective date is as follows:

- Disability Benefit: 2/1/2020
- Termination: 1/31/2024

You will be contacted approximately six months prior to the termination date to complete and application for an age and service retirement. Your termination date is subject to change based upon any reexamination that SERS may require.

Please be advised that while you are receiving a disability benefit, you are prohibited from seeking employment with any school system, in any capacity. If you are receiving a disability benefit on a combined basis with Ohio Public Employees Retirement System, you also are prohibited from seeking employment with any public employer in the state of Ohio.


If you have any questions, please contact our office toll-free at 800-878-5853.

Sincerely,
 Member Services


cc: Treasurer
 Personnel Director

DIS-0044 Rev. 6/2018

Example Notice of Denial Letter

	SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO 300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746 614-222-5853 • Toll-Free 800-878-5853 • www.ohsers.org
March 4, 2020	
Test Member 123 Main St. Columbus, OH 43215	RE: 1234567
Dear Mr. Member:	
<p>The review of your application for a disability benefit has been completed. All of the medical evidence submitted by your attending physician(s) and the SERS medical examiner(s), and the job requirements for your position have been considered. Based upon this information, the Medical Advisory Committee has advised the Retirement Board that a medical disability has not been established.</p> <p>On February 20, 2020, the Retirement Board concurred with the recommendations of the Medical Advisory Committee and took formal action to disapprove your application. If you intend to appeal the Board's decision, it must be in writing, signed by you, and received by SERS by April 3, 2020. Please follow the instructions in the enclosed handout regarding the disability appeal procedure, then complete and return the enclosed Notice of Intent to Appeal form to our office.</p> <p>If you have any questions, please contact our office toll-free at 800-878-5853</p> <p>Sincerely, Member Services cc: Treasurer Personnel Director</p>	
DIS-0103 Rev. 4/2016	

Example Notice of Termination Letter

	SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO 300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746 614-222-5853 • Toll-Free 800-878-5853 • www.ohsers.org
February 20, 2020	
Test Member 123 Main St. Columbus, OH 43215	RE: 1234567
Dear Mr. Member:	
<p>All of the evidence submitted by your attending physician(s) and the SERS medical examiner(s) regarding your current medical status has been received. Upon review of this information, the Medical Advisory Committee has advised the Retirement Board that you are now capable of resuming your previous duties. On February 20, 2020, the Retirement Board concurred with the recommendations of the Medical Advisory Committee and took formal action to terminate your disability benefit. Your monthly benefit, including any provided health care coverage, will be terminated no later than May 31, 2020.</p> <p>Pursuant to 3309.41 of the Ohio Revised Code, your employer is required to restore you to a position and salary similar or related to that from which you retired no later than June 1, 2020. You will need to contact your employer directly regarding reinstatement procedures. If your employer is considering reinstating you prior to this date, please contact our office immediately to ensure that the monthly benefit has been terminated. Failure to notify our office prior to your scheduled return will result in a penalty against the school district for any benefits paid by SERS. If you were terminated or resigned in lieu of termination, please contact our office immediately to determine reinstatement eligibility.</p> <p>If you intend to appeal the Board's decision it must be in writing, signed by you, and received by SERS by March 21, 2020. Please follow the instructions in the enclosed handout regarding the disability appeal procedure, then complete and return the enclosed Notice of Intent to Appeal form to our office.</p> <p>If you have any questions, please contact our office toll-free at 800-878-5853.</p> <p>Sincerely, Member Services cc: Treasurer Personnel Director</p>	
DIS-0078 Rev. 8/2013	

Death Benefit

At death after retirement or receipt of a disability benefit, the retiree or disability benefit recipient's beneficiary is entitled to a one-time lump sum payment of \$1,000.

Survivor Benefits

If an employee dies while employed, the qualified survivors may apply for benefits. A survivor of a deceased employee may purchase service credit to which the employee was entitled before death. Eligible beneficiaries should contact SERS for more information.

If an employee wishes to designate a beneficiary or beneficiaries, the employee must use the member portal and an Account Login to access a Member Beneficiary Designation Form (VER-0006). If this form is not completed and returned to SERS, the automatic succession of beneficiaries applies, which is:

1. Surviving spouse
2. Surviving children
3. Dependent parent who is age 65 or older
4. Surviving parents
5. Member's estate

An employer should report any employee's death while employed on eSERS under the Death Notification application. This starts the process of contacting beneficiaries and processing any benefits.

If an employee dies while receiving a disability benefit or working, the employee's qualified survivors are entitled to certain benefits.

For any employee who died while working, monthly benefit payments are available if the employee:

1. Had at least one and one-half ($1\frac{1}{2}$) years of contributing service credit; and
2. Had at least one-quarter ($\frac{1}{4}$) year of Ohio service credit earned within two and one-half ($2\frac{1}{2}$) years prior to death; and
3. Was not receiving a service retirement benefit.

For more detailed information on survivor benefits and eligibility, please call the SERS toll-free number at 866-280-7377.

Cost-Of-Living Adjustment (COLA)

Under current law, retirees and benefit recipients are eligible to receive a Cost-of-Living Adjustment (COLA) beginning with the fourth anniversary of their benefit. The COLA is calculated using the base pension amount and a June-to-June measurement of the Consumer Price Index (CPI-W), and can range between 0% and 2.5%

Benefits that originate from the same member account will not have more than a four-year waiting period in total. An example of this would be if a member retires, choosing a joint life plan with a spouse as beneficiary, and passes away two years after the retirement date. The spouse's waiting period shortens to two years.

Termination of Employment and Refund of Contributions

After an employee leaves a SERS-covered job, the employee is entitled to a return of only the employee contributions contributed and any amounts paid for the purchase of service credit.

SERS cannot pay partial refunds, provide loans, or allow hardship withdrawals. A full refund of employee contributions is only available after SERS-covered employment has terminated. No interest is paid on a refund, and the employee receives no part of the employer's contributions.

An employee who wishes to withdraw accumulated contributions must complete and return an Application for Refund of a Member's Account. No refund is issued before three months after the termination of employment.

Once a refund is paid, an employee loses any right to a retirement or disability benefit, and dependents lose any right to survivor benefits.

After a reemployed retiree terminates your employment, that person is eligible to receive payment from his or her Reemployed Annuity Account and must complete a [Reemployed Retiree Payment Application](#). A Reemployed Annuity Refund is treated differently than a refund from an active member. There is not a waiting period for a reemployed retiree to return to work.

Once the employee submits any of the withdrawal applications, a message will be sent to the employer's eSERS Message Board advising that a certification is to be completed.

You are held liable for any overpayment on a refund if you have incorrectly certified the application.

Glossary of Terms

Adjustment

A change made to a previously submitted and posted contribution report. Example: Employee Contributions, days, hours.

Alternative Retirement Plan (ARP) Election Form

A form required to notify SERS of an eligible employee's decision to elect an alternative retirement plan. APR mitigating rate is 3.85%

Automated Clearing House (ACH)

A type of electronic payment.

Contractor

Any company hired and paid by the school that would report to SERS for a non-licensed or non-certificated position.

Contribution

Employee Contribution: The employee's deposit sent to SERS, currently 10%.

Employer Contribution: The employer's amount due, currently 14%. It is calculated on the employee's contributions reported.

Contribution Report

A report that includes an employee's name, Social Security number, earnings, and 10% employee contribution, as well as the days and hours the employee has worked, due to SERS **no later than five business days after each pay date.**

Days

Days that have been earned by the member in the pay cycle that is being reported.

Electronic Funds Transfer (EFT)

A computer-based system used to electronically transfer money from one bank account directly to another.

Employer

Refers to the school district; vocational, technical, or community school; or community college.

Employer Web Administrator (EWA)

District appointed individual responsible for the account maintenance of all eSERS web users.

eSERS

SERS' electronic reporting system for employers through which the employer is able to upload or manually enter Contribution Reports, submit adjustments, initiate electronic payments, submit electronic Wage Certifications, and manage a contract company's payroll reporting if needed.

Hours

Hours that have been earned by the member in the pay cycle that is being reported.

Member

Any employee, except a reemployed retiree, in a non-licensed or non-certificated position who is required to contribute to SERS.

Membership Enrollment

Information that is either uploaded or manually entered for every new hire and reemployed retiree through eSERS.

**Ohio Department of Education and Workforce (DEW) Foundation Program /
Foundation Program**

The program used to send employer contributions to SERS on behalf of the school district.

Payment Remittance

A remittance that must be completed electronically for any payment sent to SERS.

Penalty

Charges levied to the employer for late, inaccurate, or incomplete payments or reporting.

Reemployed Retiree

A retiree of SERS or another Ohio retirement system who returns to work in a SERS-covered position.

Salary Estimate

An estimate of annual salaries submitted through eSERS for employees in SERS-covered positions for a specific fiscal year.

Service Credit Purchase (SCP)

Purchased service credit in the form of a lump sum, installments, or if the employer offers it, by payroll deduction.

SSA-1945

A federal form explaining how public employment could affect Social Security benefits. It is completed by the employee, and mailed or faxed to SERS by the employer, but it does not establish membership, and a district cannot be penalized if the form is not received within 30 days of an employee's first day of service.

Surcharge

An additional employer charge used exclusively to fund health care.



School Employees Retirement System of Ohio

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