



EMPLOYER SERVICES FACT SHEET

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. A penalty is assessed whenever reporting is late, payment is late, or the payment remittance is missing.

Penalties also apply to late contractor reporting and payment.

Contribution (payroll) Reporting

- Contribution (payroll) reporting is **due no later than five business days from the Pay Date**.
- The district will be penalized \$100 per day for each business day you do not submit, complete, or correct contribution reporting.
- The Contribution Report needs to be submitted AND posted (not in "Review" status) in order for the report to be considered on time.
- This also includes completing a payment remittance.
- The maximum accrued amount allowed is \$1,500 per report.

Employee Contributions

- Employee contributions are to be remitted no later than **five business days from the Pay Date**.
- The district will be penalized \$100 per day for each business day the employee contributions are not submitted on time.
- The penalty accrues until the contributions are received by SERS.

Employer Contributions

- Employer contributions are to be remitted **no later than five business days from the Pay Date**.
- The district will be penalized \$100 per day for each business day the employer contributions are not submitted on time.
- Employers that choose to make their Employer Contribution payments through the Foundation Program are always considered on time.
- The penalty accrues until the contributions are received by SERS.

Employer Liability for Reporting Errors

- It is the employer's obligation to report to SERS for its employees and contractors, and SERS relies on employers to accurately report contributions.
- The employer is required to reimburse SERS for any penalties that SERS incurs as a result of an employer reporting error.
- This includes when the tax basis, pre-tax/post-tax, for contribution is incorrectly reported. 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 the individual's 1099-R Form.

Have Questions? Contact Employer Services toll-free at 877-213-0861 or email employerservices@ohsers.org

Penalty Process:

- An email will be sent to the Fiscal Officer for the district advising the district is now in penalty status. The same notification will be sent to the eSERS message board.
- Once the missing item (late contribution reporting or late payment) is submitted, a penalty invoice will be available for the employer.
- The penalty liability will be available in the Payment Remittance application.

Tips for Avoiding Penalties:

- All remaining balances in the Unpaid Liabilities panel in the Payment Remittance application have been paid.
- Do not use “Expected Liability” in the Payment Remittance application on eSERS.
- The report must be “Posted” and not in “Review” status.
- Always complete a payment remittance when sending SERS payments. If a payment is received without a payment remittance, a penalty will be applied. This is viewed as incomplete reporting.
- Always use a current pay date for adjustment reporting.
- Make sure that the pre/post-tax status of contributions is accurately reported. This includes contributions for contractors, which might be withheld differently from district employees.

Due dates for reporting and payments can be found in the Next 5 Reports due panel on the eSERS Home page. This panel reflects the next five reports due based on the Contribution Cycle Code and corresponding Pay Date from your active payroll schedules.

Next 5 Reports Due		
Contribution Cycle Code	Pay Date	Due Date
BWK0001	01/20/2023	01/27/2023
WKY0001	01/24/2023	01/31/2023
SMO0001	01/29/2023	02/03/2023
MON0005	01/31/2023	02/07/2023
WKY0001	01/31/2023	02/07/2023

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.