



Employer

Bulletin

School Employees Retirement System of Ohio

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Penalties Resume Fourth Quarter FY2018

Due to the launch of the new eSERS system last winter, reporting and payment penalties were temporarily suspended.

Now that employers are acclimated to using eSERS, penalties will resume again the fourth quarter of FY2018, which is April, May, and June.

Don't worry, Employer Services will give employers plenty of advance notice before applying any penalties. Once penalties are applied, they will not be retroactive.

As a Refresher:

It is important that school districts remit accurate and timely payroll reporting and payment. This information is needed for the calculation and payment of benefits to members or their beneficiaries.

Employers are given five business days from the Reporting Date/Pay Date to remit payroll reporting and payment.

Please visit our website at www.ohsers.org/penalties-2 for more details on penalties.

According to Ohio law, SERS will impose reporting and payment penalties for lateness. There will be no allowance for one-time forgiveness or other exceptions. SERS will remove or reduce a penalty if SERS caused the delay, and SERS may extend a due date for "good cause" if the request is received before the original due date.

Remember, penalties are not being applied currently.

We will give you plenty of notice before penalties will begin to be applied again to employer accounts.

Helpful Tip:

To help prevent payment penalties, sign up for ACH Debit to have the funds electronically withdrawn from the account of your choosing. Signing up for ACH Debit is quick and easy. Once you are signed up, you will be able to submit your Payment Remittance AND Payment in the same step.

For further instructions on how to activate your accounts for ACH Debit, please refer to the Bank Account Maintenance section of the [eSERS Guide](#).

Please double-check your employees' Social Security numbers PRIOR to submitting your enrollments.

eSERS Hands-On Training

Employer Outreach has received a lot of feedback from our employers regarding the possibility of offering hands-on training sessions for eSERS. As a result, we are in the process of developing and planning our very first eSERS Hands-On Training, created and designed just for you.

Training Sessions:

- Half-day training will be held in a computer lab at the SERS building, located in downtown Columbus
- The first sessions will begin in March
- Several sessions will be held each month until demand subsides, then they will be held once a month
- Registration will go out in February
- New materials, including scenarios, will be provided on the day of training
- It's going to be a lot of fun.

Who Will Benefit from Attending?

This training is good for anyone who would like a hands-on refresher to eSERS. It is also good for new employees who aren't familiar with eSERS and all that can be accomplished with the system.

We will announce open registration times in February. The training room will only fit 12 individuals, and session dates will fill up fast, so don't forget to register.

Membership Determination Tips: Independent Contractors and Contract Employees

If you contract directly with a person to provide services, and the nature of the person's relationship to you is that of an employee - not independent contractor – that person must contribute to SERS. Simply including language in the agreement stating the relationship is that of an independent contractor does not determine the classification.

If you contract with an entity to provide workers for a service "common to the normal daily operation" of a school, those workers should contribute to SERS.

According to Ohio law, SERS membership is required for "Any person who performs a service common to the normal daily operation of an educational unit even though the person is employed and paid by one who has contracted with an employer to perform the service, and the contracting board or educational unit shall be the employer for the purposes of administering the provisions of this chapter."

"Service common to the normal daily operation of an educational unit" **is more than just transportation, food service, and custodial functions.**

It is any service:

- Required to be provided by a school or the provision of which is governed by law, statute, or rule, or
- Necessary on a regular continuous basis to the efficient operation of a school, or
- Customarily provided or used by a school on a regular or continuous basis

Contract Employees who provide services that help in the planning, supervision, direction, management of, assistance in, and/or responsibility of their service in the school are subject to the membership in SERS.

When you have a question about whether an individual should contribute to SERS, you should request a membership determination. SERS requires a copy of the job description and/or the contract.

Depending on the type of membership determination, we may request that you fill out the [Membership Determination Form \(75.768\)](#). You can find the form by clicking here.

The law places the risk of an incorrect membership determination on the employer. This means if a membership question arises, and SERS determines the individual is an employee and should be contributing to SERS, you are responsible for the employer and employee contributions, plus interest.

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

COLA Changes Now Effective

In recognition of the need to improve the System's funding, the Board began holding roundtable discussions with stakeholders and advocacy groups in 2015. Over the next two years, a range of options was considered.

The resulting consensus was that changes to the COLA were the best and most fair way to manage SERS financial challenges and funding goals.

The following is a summary of the changes to SERS COLAs:

- Beginning January 2018, whether an annual Cost-of-Living Adjustment (COLA) is granted in any given year is at the discretion of the SERS Retirement Board.
- If granted, COLAs will be based on the annual percentage change in the CPI-W and capped at 2.5%.
- In consultation with the Board's actuary, a COLA may be adjusted above or below the annual percentage change in the CPI-W.
- The first COLA for retirement allowances or benefits that began on or after April 1, 2018, may be applied on the fourth anniversary date following start of the retirement allowance or benefit.

At a special Board meeting in October 2017, the Board suspended COLAs for retirees and benefit recipients for three years beginning January 1, 2018. The Board took this action based upon input from its independent actuary, Cavanaugh Macdonald Consulting, LLC.

Useful Resources on Publications & Forms Section of Employer's Website Page

Employer Outreach has been busy updating publications at www.ohsers.org.

On the Publications & Forms section of the "Employer" page on our website, you will find *eSERS How To* handouts on various topics, including applying credit memos, earnings codes, and payroll schedules.

If you haven't noticed, the [How To: Apply a Credit Memo on eSERS](#) addresses how to apply a credit memo for Foundation-participating districts as well. Check out all the *eSERS How To* handouts by [clicking here](#).

Just as a reminder, there are numerous *Employer Services Fact Sheets* also located on the Publications & Forms section of the page. Topics include compensation, membership, pick-up plans, board members, and service credit.

If you weren't able to attend an eSERS Workshop over the summer, you weren't able to get the new and updated [eSERS Guide](#). This guide replaced the outdated material you received at the Mandatory eSERS Training that occurred in November 2016.

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