

Special Notice

Penalties Resuming



School Employees Retirement System of Ohio

June 29, 2018

Penalties Resuming August 1, 2018

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

Now that everyone is acclimated to the system, and employers grasp the new roles and responsibilities of reporting and payments, SERS will start applying penalties again beginning **August 1, 2018**.

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. For a description of reporting and payment penalties, visit our website at ohsers.org/employers/penalties for more details.

Ohio law requires SERS to impose reporting and payment penalties for lateness. There is no allowance for one-time forgiveness.

SERS may extend a due date for “good cause” if the request is received **before** the original due date.

Payment and Reporting Penalties

- **Employee** contributions are to be remitted to SERS **no later than five business days from the pay date**. You are penalized \$100 per day for each business day you do not transmit employee contributions on time. This penalty accrues until the contributions are received by SERS.
- **Employer** contributions are to be remitted to SERS **no later than five business days from the pay date**. You are penalized \$100 per day for each business day you do not transmit any amount due to the Employer Trust Fund on time. This penalty accrues until the contributions are received by SERS.

- Employers that choose to make their Employer Contribution Payments through the **Foundation Program** are always considered on time.
- **Payroll** (contribution) reporting is due **no later than five business days from the pay date**. You are penalized \$100 per day for each business day you do not submit, complete, or correct contribution reporting information on time. The Contribution Report needs to be submitted **and** posted (not in “Review” status) in order for the report to be considered on time. This includes the Payment Remittance. This penalty cannot exceed \$1,500 per report.

Helpful Tip: To help stay on top of payment and reporting due dates, refer to the Next 5 Reports Due panel on the eSERS Home Page. This panel lists the due dates based on the Contribution Cycle Code and corresponding Reporting Date. These dates are taken from the payroll schedule that has been entered by the district.

Contribution Cycle Code	Reporting Date	Due Date
BWK0001	08/25/2017	9/1/2017
BWK0001	09/08/2017	9/15/2017
BWK0001	09/22/2017	9/29/2017
BWK0001	10/06/2017	10/13/2017
BWK0002	10/06/2017	10/13/2017

How to Pay Penalties

The penalty liability will need to be paid in the Payment Remittance application on eSERS.

For employers using the ODE Foundation Program, payment of the penalty may be deducted from the amounts directed to employer contributions.

For all other employers, the penalty should be paid directly using one of the payment remitting options.

Penalties FAQ

Q: How are penalties assessed?

A: A penalty is assessed whenever there is late reporting or payment. The district will receive a late notification the first day it is in penalty status. Once the late payment or reporting is submitted, a penalty liability will be available in the Payment Remittance application and an invoice will be sent to the eSERS Message Board for that employer.

Q: If I uploaded my file, but I did not realize it was in review status and it did not post until after the due date, will I still accrue a penalty?

A: Yes. Any errors or warnings must be addressed, and the file needs to be posted within the five business day time frame in order for it to be considered on time. Once a report has posted, it automatically creates a liability to be paid in the Payment Remittance application.

Q: If my payment is postmarked by the fifth business date from my Pay Date, but is received later, will I still accrue a penalty?

A: Yes. The payment needs to be received in the SERS lockbox by the fifth business day from your Pay Date in order to be considered on time.

Q: What is the fastest and most convenient way to submit payments to SERS?

A: Electronically by:

- ACH Debit (preferred method) – Signing up the district for ACH Debit allows SERS to pull an electronic payment from the activated bank account on a specified date.
- Other EFT (ACH Credit) – The district directs its bank to submit the payment to SERS electronically. A payment remittance will still need to be entered into eSERS.

For more information on ACH Debit or EFT Credit, visit the website at www.ohsers.org

Q: What happens if my due date falls on a weekend or holiday?

A: If a due date falls on a weekend or holiday, the due date will move to the first business day following your due date.

Q: If a school district pays all Employer Contributions through the Foundation, will it be subject to the Employer Contribution penalty?

A: No. Foundation deductions are based on estimates and adjusted periodically. Employers that choose to make their Employer Contribution Payments through the Foundation Program are always considered on time.

Q: Is a school district responsible if a contractor's report and/or payment is late?

A: The district is responsible for any late reporting and payments from contract companies.

Q: Will I accrue a late penalty if I do not have the SSA-1945 Form submitted to SERS within a member's first 30 days of service?

A: No. This form is required by federal law and explains to your employees how public employment may affect their Social Security benefits. Although there are not any penalties applied with this form, it is still required to be submitted to SERS. The SSA-1945 can be uploaded via eSERS or can be sent to a secure fax at 614-340-1195.

Q: I have received a penalty notification. How do I make payment?

A: If your school district has access to Foundation funds, you have three options:

1. **Direct payment** by ACH Debit, EFT, or check. Complete this transaction in the Payment Remittance application on eSERS.
2. **Send a written request** to employerservices@ohsers.org directing SERS to immediately transfer Foundation funds to pay the penalty.
3. **Do nothing.** SERS will automatically transfer Foundation funds at year-end to pay the penalty.

If your school district does not have access to Foundation funds, the penalty must be paid by ACH Debit, EFT, or check. Complete this transaction on eSERS using the Payment Remittance application.

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