



Winter Issue | January 2022

## SERS' Compensation and COVID Payments

SERS has fielded many compensation inquiries from employers regarding payments made to employees with COVID funds, such as ESSER grants. Common scenarios for the lump sum payments are to recognize increased duties, responsibilities, and hazards due to the COVID pandemic; completing job skill training; and vaccine incentives.

For purposes of SERS, compensation is defined as:

- Salary (i.e., the base salary of exempt employees),
- Wages (i.e., hourly pay of non-exempt employees), and
- Other earnings paid to a contributor by reason of employment and identified by rule as included in SERS compensation. R.C. 3309.01(V)(1) and (V)(3).

SERS' definition of compensation does not intend to capture all of an employee's earnings from the employee's work for a school. Unless a type of earnings other than an employee's salary and wages is identified by SERS as compensation, it should not be reported to SERS. Whether other earnings paid to a school employee are compensation for purposes of SERS depends on whether the payment is a form of earnings that the retirement board has identified as being included in "compensation." (R.C. 3309.01(V)(3)).

SERS' definition of compensation generally excludes one-time and/or lump sum payments not based on an employee's standard rate of pay.

SERS currently accepts six types of one-time or lump sum payments:

1. Payments on behalf of the employee to an eligible retirement plan
2. Back wages paid pursuant to a final court order or settlement agreement
3. Differential wage payments
4. Annual longevity payments
5. Payment to a class of employees in exchange for waiver of an increase to base pay owed under terms of a contract
6. Payment for additional services

As to whether a COVID lump sum payment falls under one of the above six types of payments, the “payment for additional services” has been the main point of discussion.

How does SERS interpret this?

- As to hourly employees, a payment for extra hours worked would be a payment for additional services. A payment recognizing the increased intensity/demands/hazards on a worker due to COVID is not a payment for additional services.
- As to salaried employees, additional service contemplates work outside the scope of the employee’s job duties. Increased hours and complexity in getting job duties done does not equate to the employee providing additional services.
- Whether paid to hourly or salaried employees bonus/incentive pay typically does not constitute a payment for additional services.

The fact that SERS does not consider a payment compensation for any SERS reporting purposes does not mean that employees did not perform well or work harder and earn the payment.

SERS’ definition of compensation simply does not include all types of earnings paid to a school employee. The amount that should be reported to SERS as compensation is not necessarily the same as the amount of wages that should be reported on an employee’s W-2 or that would be reported to STRS if the employee were a teacher.

In recent years, SERS has observed an increase in one-time or lump sum payments. We also are aware that STRS accepts contributions on most of these types of payments, which has added to the confusion for our employers.

In the future, SERS may include more types of one-time or lump sum payments in the definition of SERS compensation; however, at the moment, one-time or lump sum payments that are not described by one of the above six types of payments do not meet SERS’ definition of compensation.

SERS appreciates the effort of schools’ payroll staff in working with SERS to ensure that contributions are remitted on amounts that meet SERS’ definition of compensation.

---

## **Compensation and Membership Determinations**

Whenever there is a question regarding a SERS membership or SERS-covered compensation, call Employer Services toll-free at 877-213-0861.

For a membership determination, please provide the Membership Determination Form along with a copy of the job description and/or contract.

For compensation determinations, depending on the type of determination, you may need to provide copies of contracts, settlement agreement, or grievance paperwork.

## Determination Process

The SERS staff will issue an initial determination. If the initial determination is questioned by the district, you may submit any additional information for review, and the SERS staff will then make a final determination.

Once the final determination is made, an appeal may be taken to the SERS Retirement Board. The Board is responsible for the determination and all decisions by the Board are final.

---

## Coming Soon: Electronic Payments

In the near future, SERS will no longer be accepting checks as forms of payment. Once the date has been determined, the only form of payment accepted will be electronic payments as ACH Debit or ACH Credit (wire transfer).

SERS made this decision based on the facts that processing times are quick and efficient.

Employer Services will communicate further details once we know the date this change will go into effect.

If you are a district that still submits checks but want to get a head start on converting to electronic payments, review the [Bank Account Maintenance chapter of the eSERS Guide](#). It walks you through the process of setting up your account for ACH Debit.

If your district would prefer to submit ACH Credits and your banking institution requires wiring instructions, you can email [employerservices@ohsers.org](mailto:employerservices@ohsers.org) for this information to be emailed to you.

---

## Introducing Michelle Richards: New Member of the Team

Employer Services is happy to announce that Michelle Richards has joined the Employer Outreach Team.

Michelle joins SERS after more than five years of Employer Services experience with Ohio Public Employees Retirement System, where she most recently worked as an Employer Services Account Representative.

Along with Carlisa Holman and Katie Talbert, she will assist districts with their training needs.

---

## Employer Outreach Training Opportunities

While Employer Outreach trainings will remain virtual, that does not prevent us from providing several training opportunities where you can brush up on all things eSERS, Employer Roles and Responsibilities, personalized trainings, and quick trending topics.

Employer Outreach will offer four different types of virtual trainings. These will include:

- **Employer Education Series:**  
Webinars that cover topics from the Employer 101 Workshop based on demand.
- **Sound Bite Wednesday:**  
Quick sessions to cover trending topics in 20 minutes or less.
- **eSERS Demo:**  
A two-hour webinar that covers all aspects of eSERS from File Uploads to Wage Certifications.
- **Employer One-on-One:**  
A member of the Employer Outreach Team will conduct a personalized training based on your district's needs. This type of training will need to be requested by the district.

These trainings will be held via Zoom. Visit our [Workshops page](#) to register.

### Upcoming Education and Training Dates

Date	Education/Training	Time
February 8	<b>eSERS Demo</b>	9:00 a.m.-11:00 a.m.
March 10	<b>Employer Education</b> <ul style="list-style-type: none"> <li>▪ Covered Compensation</li> <li>▪ Resolving Reporting Errors and Warnings</li> </ul>	9:00 a.m.-10:00 a.m.
March 30	<b>Sound Bite</b> <ul style="list-style-type: none"> <li>▪ Salary Estimates</li> <li>▪ Foundation Deduction Letters</li> </ul>	10:00 a.m.
April 19	<b>eSERS Demo</b>	9:00 a.m.-11:00 a.m.
May 3	<b>Employer Education</b> <ul style="list-style-type: none"> <li>▪ Wage Certifications</li> </ul>	9:00 a.m.-10:00 a.m.
May 17	<b>Sound Bite</b> <ul style="list-style-type: none"> <li>▪ Extend Your Payroll Schedule</li> </ul>	10:00 a.m.
June 8	<b>eSERS Demo</b>	9:00 a.m.-11:00 a.m.
June 14	<b>Employer Education</b> <ul style="list-style-type: none"> <li>▪ Pick-up Plans</li> </ul>	9:00 a.m.-10 a.m.
July 27	<b>Sound Bite</b> <ul style="list-style-type: none"> <li>▪ Year End Information</li> </ul>	10:00 a.m.
August 3	<b>eSERS Demo</b>	9:00 a.m.-11:00 a.m.
August 30	<b>Employer Education</b> <ul style="list-style-type: none"> <li>▪ Covered Membership</li> <li>▪ Membership Enrollment</li> <li>▪ Employer Reporting Detail Lookup</li> </ul>	10:00 a.m.
September 13	<b>Employer Education</b> <ul style="list-style-type: none"> <li>▪ Disability</li> </ul>	10:00 a.m.
October 11	<b>eSERS Demo</b>	9:00 a.m.-11:00 a.m.

## Reporting Reminders

It is always important to make sure you review your contribution reporting for accuracy.

It has been noted that when some districts upgrade their payroll reporting software, some contribution reports are coming over without days or hours, or with incorrect earnings codes.

If your employee is supposed to be on a stretch pay without days and hours, it is correct for that employee to not have days and hours. If your employee is a supplemental employee and the report shows stretch pay without days and hours, that needs to be corrected in our system.

It is crucial that this information is correct for retirement purposes.

Please reach out to Employer Services at 1-877-213-0861 or [employerservices@ohsers.org](mailto:employerservices@ohsers.org) with any questions.