



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Employer Bulletin

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Board Approves Compensation Rule

At its September Board Meeting, the Board approved a proposed new administrative rule defining pensionable compensation.

The proposed rule will become effective July 1, 2025.

After multiple discussions throughout the past year examining the current definition of compensation, the Board approved the proposed new definition to better align with how employers are compensating employees.

Future communications from Employer Services will explore more in-depth explanations of what constitutes compensation under the new definition.

Membership Determination Tips: Common Law Employee or Independent Contractor

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. You should consult with your school district's legal counsel when deciding if an individual working for the school district is properly classified as an independent contractor.

Contract Employees

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

Important Note:

Contract employees who provide health care services as part of an IEP ARE SUBJECT TO MEMBERSHIP IN SERS.

Just because a vendor tells you that the workers they provide are exempt from membership in SERS does not mean that they are, in fact, exempt. Contact SERS to confirm whether or not the workers need to contribute to SERS.

The school district – not the vendor – will be financially responsible if it is later determined that the workers should have been reported to SERS.

Remember, if 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](#).

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 questions about membership, contact Employer Services at employerservices@ohsers.org or 1-877-213-0861.

Optional and Exempt Membership Reminders

Optional:

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 membership in SERS must complete the [New School or Governing Board Member Election for Membership to SERS](#) form. Once complete, it needs to be submitted to SERS. Once the form is submitted, it is **irrevocable**.

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

Exempt:

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.

This is the only document that proves an employee is exempt from membership. Once filed, the exemption is **irrevocable**.

Pick-up Plan Reminder

Please remember that before your school district changes an existing Pick-up Plan or implements a new plan, the school district must take formal written action. eSERS also needs to be updated with the new information.

This is important because pursuant to IRS guidelines, Pick-up Plans may not be implemented retroactively.

For further information, please download the [Pick-up Plan Fact Sheet](#).

Member Enrollments: Accuracy is Important

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

As the employer, you are responsible for the timely and accurate submission of enrollment information. The individual’s account is established only when the documentation is accepted by SERS.

Before posting the enrollment, please proofread the form for accuracy before submission. If incorrect information is submitted, please contact Employer Services.

For more information on how to enter an enrollment, download the [eSERS Guide](#).

Cybersecurity Incident Reporting Rule Adopted by Board

SERS continues to increase security protections and upgrade functionality to protect member data.

At its July meeting, the Retirement Board approved final adoption of a rule stating that an employer must notify SERS if they experience a cybersecurity incident impacting them and prompting the need for response and recovery.

A cybersecurity incident includes ransomware or an employer business email compromise that may place a member's personal data at risk.

Member personal data includes full legal name, date of birth, home address, email address, Social Security Number, driver license number, state identification card number, School Employees Retirement System account username, School Employees Retirement System account password, record of contributions, or financial account numbers.

The rule requires an employer to provide notification of the cybersecurity incident to SERS by telephone or email within 72 hours of the discovery of the incident.

If you experience a cybersecurity event that has been determined to have an impact on you prompting the need for response and recovery, contact Employer Services at 1-877-213-0861 or employerservices@ohsers.org.

Within 72 hours of discovery of the incident, provide the following:

- The date and time of the incident
- The name of the employer cybersecurity incident representative and contact information

Within a reasonable period of time provide the following:

- The nature of the cybersecurity incident, including any potential impact on a member's personal data or email communications from employer
- A description of personal data involved in the cybersecurity incident
- The employer action taken to mitigate the cybersecurity incident and secure compromised systems If you have questions regarding this information, contact Employer Services at 1-877-213-0861 or employerservices@ohsers.org.

Employee and Retiree Member Board Seats Up for Election, Employee-Seat Up for Special Election

One employee-member seat and one retiree-member seat are up for election with the terms beginning July 1, 2025, and ending June 30, 2029. Any member of SERS, other than a disability benefit recipient, is eligible to run for an employee-member seat, and any SERS disability or service retiree is eligible to run for a retiree-member seat.

To be considered for election, the following requirements must be met:

Employee-Member Seat

- Obtain signatures of 500 SERS members on a paper or electronic nominating petition provided by SERS with not less than 20 signatures of members from each of at least 10 counties where those members are employed

- Make sure that each member signing the nominating petition, whether paper or electronic, indicates his or her employer, county of employment, and last four digits of his or her Social Security number or full SERS member ID number

Retiree-Member Seat

- Obtain signatures of 150 SERS retirees on a nominating petition provided by SERS with not less than 10 signatures of retirees from each of at least five counties where those retirees reside
- Make sure that each retiree signing the nominating petition, whether paper or electronic, indicates his or her county of residence and last four digits of his or her Social Security number or full SERS member ID number

Both Seats

- Begin gathering signatures on or after August 6, 2024
- Deliver paper petitions with original signatures and a completed original Certification Form to the SERS office no later than 4:30 p.m., EST, December 6, 2024; electronic signature collection also will end at this time

The nomination process includes the ability for active and retired members to sign an electronic petition form on SERS' website to nominate a candidate. The electronic form is secure and requires the same information as the paper form. Members provide only one signature either on paper or electronically. Multiple submissions from one person for the same candidate are not counted.

Anyone interested in running for one of the open Board seats must contact Tim Barbour by phone at 614-222-5901 or by email at tbarbour@ohsers.org to have an electronic form on the SERS website created with their name.

Visit our [Board Election page](#) for an election timeline and a description of the Board's responsibilities.

Special Election: Vacant Employee-Member Seat

Due to the recent resignation of a Board member, SERS will hold a special election to fill a vacant employee-member seat. All SERS members, other than disability recipients, are eligible to apply for this open seat.

Those interested in being chosen by the Board to fill the vacancy must submit a statement of interest and qualifications as well as a Certification Form to the Board no later than October 9, 2024.

Nominations for candidates will be held at the October 17, 2024 Board meeting and interviews of the nominated candidates will be held at the November 21, 2024 Board meeting.

The Board will choose the new member at the November meeting.

The term for this seat will end June 30, 2025.

The statement of interest can be emailed to tbarbour@ohsers.org along with a copy of the notarized Certification Form. The original form must be received by SERS before October 17, 2024.