

LOOK INSIDE
2012-2013 Transition Kit –
Year-end-actions,
2013 preparation

Outreach

PUBLIC EMPLOYEES RETIREMENT SYSTEM



Check it out: Employer Reporting is now Employer Services

With a new name comes new services; we *hope* employers will be pleased with the newly reengineered Employer Services. We *know* your time is critical—so Employer Services was formed to be your one-stop shop for all things affecting employers. More than just a new name, Employer Services offers comprehensive services, ongoing training and new faces. Take a look:

Expanded services

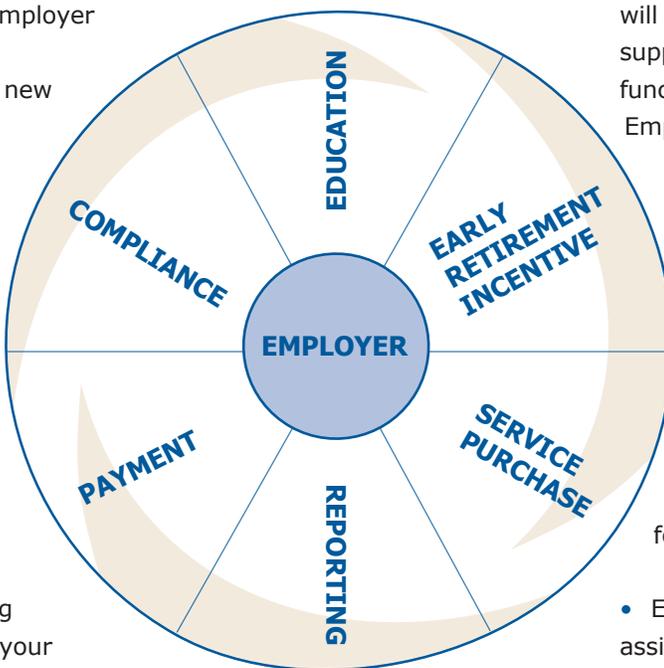
By the end of November, employers will have access to more employer-specific compliance specialists and account representatives. This means whatever your questions are, you'll get a complete, consistent and accurate answer with one call or e-mail. From soup to nuts, your team will know everything about pension information for your organization. Most importantly for employers—your Employer Services team will learn all about your organization: your culture, your concerns and your employees. By knowing you, we can provide the best possible, proactive service to help you complete your retirement reporting and payment obligations.

Evolving to meet employer needs

With the new Employer Services configuration, employers are positioned as the center of a circle of services (similar to the hub of a wheel with service spokes providing the necessary support to fully function).

compliance audits, proactive communication to position employers with up-to-the-minute information and training opportunities.

With the move to Employer Services, additional functions and expertise will be directly available to fully support employers. New or expanded functions employers will find with Employer Services include:



- Expanded compliance functions
- Early Retirement Incentive (ERI) processing
- Service purchases including elected official credit, leave of absence, military, out of state/federal and unreported
- Expanded training opportunities to assist employers with compliance and operations functions

You're already familiar with the employer-specific services provided by the former Employer Reporting unit including an employer-specific call center, payment processing, electronic and paper retirement contributions reporting, ongoing operations assistance and change management,

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Employer Advisory Council to launch in 2013

Employer Services continues to seek opportunities to partner with employers so that the business of pensions is as transparent and as accurate as possible within your organization. To this end, the Employer Advisory Council was initiated in 2012 when 15 employer organizations accepted the invitation to serve on the first Employer Advisory Council.

What is it?

In the next few years, OPERS will be positioning its business operations and processes to be the best in the business. To this end, OPERS will be implementing an array of business process initiatives designed to streamline and enhance functions so that efficiencies can be achieved and service commensurately improved. Our goal is to flawlessly execute enhancements for all stakeholders, including employers. To accomplish this, we determined employer input was critical for the engineering of those business process refinements that touch employer organizations.

The council was initiated to provide employer representatives an opportunity to give OPERS constructive input for specific operations-oriented programs. The Employer Advisory Council is not an advisory group for policy.

Who was invited?

Similar to the focus group concept, an array of council members was invited to represent a wide mix of employers. The first employer council represents the 3,700 employer entities with a statistical mix of types of employers (municipalities, state, village, miscellaneous, townships), size of employer (small, medium, large), and a geographic mix (around the state). The council will meet two-four times a year; the number of meetings will depend on the number of projects that are deployed throughout the year. To ensure continuity of project input—from inception to rollout—those employers invited to serve on the initial council were asked for a minimum of a two-year commitment.

Council members have the opportunity to participate in person or via video conferencing. In addition, employers are encouraged to invite the meeting topic subject matter experts from their organization to attend with the main representative.

And the members are...

Those employers who accepted the Employer Services invitation to serve on the first Employer Advisory Council are:

- Kent State University
- The Ohio State University
- State of Ohio
- Cuyahoga County Public Library
- Memorial Hospital of Union County
- City of Columbus
- Franklin County Auditor
- City of Lima
- Lorain County Community College
- City of Dayton
- Mahoning County
- Metro RTA Akron
- Knox Area Transit
- University of Cincinnati
- Village of Coldwater

To accommodate employers' busy first quarter, the first meeting of the council is anticipated to be held in late March 2013—look for details of the first and subsequent meetings to be detailed in the Employer Outreach newsletter. [▲](#)

Health Care Update

Employers can help mature employees stay active *(and keep their expertise in the workplace)*

The U.S. labor force is becoming older and more diverse; many estimates indicate the number of workers over age 55 will make up more than 25 percent of the nation's workforce by 2020. This figure clearly shows the importance for employers to become—or stay—knowledgeable about how to help an age-diverse workforce stay active and engaged.

Most employers understand that the focus and motivation of an older employee may be different from that of an employee just entering the workforce and work to recognize individual contributions of all employees.

Perception is reality

Keeping older employees in the workplace is important for retaining institutional knowledge and job skills. The older employee can be extremely valuable in the workplace. Overall, younger managers share some distinctly positive perceptions of older workers, including respect for the older workers' experience, knowledge, work habits, attitudes, commitment to quality, loyalty, punctuality, even-temperedness, and respect for authority. Of course, some negative perceptions are also common regarding mature workers including inflexibility, slow to adapt to new technology, resistance to change, complacency, and the presence of physical limitations that often increase the cost of health insurance.

For any age employee, wellness and health promotion initiatives such as smoking cessation, exercise, and weight management can lower employee health care use and lower employee and employer health care costs, as well as improve employee productivity.

A word about exercise

Regardless of age, many people spend most of the workday sitting. To combat the fatigue and stress that accompanies the sit-upon daily routine, simple exercises are recommended.

Here are a few ideas that all desk workers may want to consider doing once or twice a day to enhance their anti-aging fitness—the results may be surprising in terms of productivity and energy.

- Work at maintaining a strong position at your desk: Sit straight with a neutral spine (small curve in your middle back, hips level); space legs comfortably, in alignment with hips; point feet straight ahead, aligned with knees.
- Keep your shoulders low and relaxed with a wide collarbone. Slide shoulder blades down from time to time, exhaling as you do so. Be sure you don't pinch your shoulder blades together.
- Keep your computer keyboard at elbow level; comfortable for arms and wrists.
- Keep a workout band in your desk to use for stretching, strengthening and improving circulation.
- Get up from your chair frequently and take a walk around the office. Take the stairs for going between floors whenever possible.

While simple exercises can help the body fight fatigue and stress associated with sitting all day, it's just as important to rest the eyes if you work at a computer for extended periods of time. To reduce your risk of tiring your eyes by constantly focusing on your screen, look away from your computer at least every 20 minutes and gaze at a distant object (at least 20 feet away) for at least 20 seconds. Some eye doctors call this the 20-20-20 rule. Looking far away relaxes the focusing muscle inside the eye to reduce fatigue.

Age-diverse workforce has advantages

With small accommodations and careful planning, attracting and retaining older employees can reap significant benefits for employers. An age-diverse workforce may appeal to an age-diverse population being served and few organizations serve a single-age population. In addition, age diversity provides employers with stability for recruiting, training, customer service and corporate culture. 

Check it out: Employer Reporting *(continued)*

Expanded teams

All employers will have a team of specialists assigned. Three teams have been designated, and each of the three teams will comprise two compliance specialists and two account representatives. How are the teams assigned? The breakout is as follows:

- If your organization is classified as a county, hospital, state entity or university/college, your team includes: Molly Bland and Rosetta Freeman, compliance specialists and Paul Puccetti and Lisa Rodriguez-Allen, employer account representatives.
- If your organization is classified as a housing authority, miscellaneous entity, township or transit authority, your team includes: Tonia Carrizales and Eric Wilson, compliance specialists and Melissa King and Angi Tolliver, employer account representatives.

- If your organization is classified as a city, library or village, your team includes: Laura Norman and Heather Fullen, compliance specialists and Lisa Rundag and Missy Castaneda, employer account representatives.

Time to connect

Of course, some things will remain the same. Employers will still have access to their Employer Services team via phone, e-mail or in-person via scheduled compliance audit and training appointments. In the coming weeks, if it has not occurred already, your team will be reaching out to get to know you—especially important as, together, we face the end of 2012 and the changes ahead for 2013. We are looking forward to working with you. ▲

In the know: 2013 OPERS Board of Trustees elections

You may not see as much media coverage, but be assured 2013 will also be an important election year—for all OPERS members—meaning you and your employees. The passage of the pension legislation highlighted the importance of the work of the OPERS Board of Trustees. The Board's traditions of dedication, vision and fiscal responsibility will need to continue as the System continues to rely on the Board's guidance to implement the changes provided for by the legislation and to anticipate additional changes to continue to position the System for the future.

Board seats up for election

Every OPERS member is represented on the OPERS Board of Trustees by a retiree representative or an employee group representative; approximately one-third of the Board is up for election each year. In 2013, three Board positions will be up for election: the Board positions representing miscellaneous employees, county employees and one of the retiree positions. Only those employees who are represented by the miscellaneous or county Board members will have the responsibility and opportunity of voting for those positions in 2013. That being said, all employees should be well informed of what issues are before the OPERS Board.

Slated for October 2013

Although October seems a long way off, it will be here before you know it. OPERS is working now to make sure:

- The elections are high profile and top of mind for all members—especially those who will be voting in 2013.
- Those who may be considering running for office have all the information necessary to act on that ambition.

Is it YOU?

Employees eligible to vote are those classified as either miscellaneous or county employees. Because these groupings are OPERS-specific, some public employees might not realize the exact group into which they fall. To help, the OPERS website will have a search engine designated to help interested employees determine if it's their year to vote. The search engine will be activated at the time the election materials are distributed.

Stay tuned for more information about the 2013 OPERS Board of Trustees elections—the Board elections are your opportunity to make your voice heard. ▲

For a current listing of OPERS Board members, please visit www.opers.org

It is your responsibility to be certain that OPERS has your current physical and email address on file. If OPERS is not made aware of address changes, we cannot guarantee that you will receive important information pertaining to your OPERS account. This handbook is written in plain language for use by public employers who are subject to coverage under the Ohio Public Employees Retirement System. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, the Ohio Administrative Code, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code, or Internal Revenue Code. Rules governing the retirement system are subject to change periodically either by statute of the Ohio General Assembly, regulation of the Ohio Public Employees Retirement Board, or regulation of the Internal Revenue Code. If you have questions about this material, please contact our office or seek legal advice from your attorney. OPERS is not required to provide health care coverage to retirees or their dependents and will only do so at the discretion of the Board of Trustees.

Year-End Actions Insert

Resources for Employers

**EMPLOYER ATTENTION
REQUIRED**

Changes to the Disability Benefits Program: Required reading for employers

As with all new rules, understanding how they apply to your organization and your employees is the key to compliance. Here's an overview of what employers need to know regarding the leave of absence rules:

Regarding timing, note this information because disability leave of absence periods are changing:

- For disability retirement applications received by OPERS before Jan. 7, 2013; the individual is considered on leave of absence from the employment during the first five years following the disability effective date.
- For disability retirement applications received on or after Jan. 7, 2013, the individual is considered on leave of absence from employment during the first three years. This time frame may be extended to five years if the individual is receiving rehabilitative services acceptable to the OPERS Board's physician. (OPERS will provide more information regarding acceptable rehabilitative services in the future.)
- In order to apply for disability benefits before Jan. 7, 2013, a complete and valid *Disability Benefit Application* (DR-1) must have been received by OPERS no later than Jan. 4, 2013 by 4:30 p.m. The *Disability Benefit Application* is currently available via hard copy only.

We know all employers work to ensure the benefits employees are entitled to are provided to them in a timely fashion. Remember these tips for successful processing:

- When an employee applies for disability, remember that the Report of Employer for *Disability Benefit Applicant* (Form DR-4) must be accompanied by a copy of your employee's job description.

It's important to realize that if the job title on the job description does not match the job title on

the *Report of Employer for Disability Benefit Applicant*, the disability application will be delayed.

- Employees must be removed from employer payroll, as in no longer receiving earnable salary, by the end of the month following the OPERS Board's decision to approve the disability benefit application. If the employee stays on, their disability benefit will not be paid and their application is void. If eligible, the employee will be required to complete a new disability application to initiate the disability process from the beginning.

The image shows two overlapping forms from OPERS. The top form is the 'Disability Benefit Application' (DR-1) and the bottom form is the 'Report of Employer' (DR-4). The DR-1 form includes sections for 'Important Information', 'Disability Benefit Application', and 'Notes'. The DR-4 form includes sections for 'Report of Employer' and 'Important Information'. Both forms contain detailed instructions and checkboxes for employers to complete.

Timelines staggered for pension and health care change implementation

Because the timelines and deadlines for the deployment of the pension benefit changes and the subsequent health care program changes are staggered, we're asking employers to help make sure the exact information is fully understood by all employees—but especially by those employees who are eligible for retirement prior to the pension changes becoming effective.

(continued on page 4)

Resources for Employers

Please help all employees understand:

- Exact guides have been created and are available online for all stakeholder groups.
- To retire under the current law (prior to pension changes becoming effective), employees must retire with a benefit effective date of Jan. 1, 2013. *A retirement with an effective date after Jan. 1, 2013 will be subject to the amended retirement law.*
- To retire with a Jan. 1, 2013 effective date, your employee must have terminated public employment on or before Dec. 31, 2012. *Individuals must not appear on your payroll after Dec. 31, 2012 if planning to retire before the pension changes become effective.*
- If an employee is using leave to extend a separation date, the use of leave must not have gone past Dec. 31, 2012.
- Employees who will retire and be immediately reemployed, or for those who hold more than one position with one or more employers, the final earnable salary date for the position from which the employee is retiring must have been on or before Dec. 31, 2012.
- Retirement applications for age-and-service retirement must have been completed, valid and received by OPERS no later than:
 - ➔ Jan. 4, 2013, 4:30 p.m. for paper applications, or
 - ➔ Jan. 6, 2013, midnight, for applications submitted via the member's OPERS online account.
- To apply for a disability benefit prior to pension changes, a complete and valid *Disability Benefit Application (DR-1)* must have been received by OPERS no later than Jan. 4, 2013, 4:30 p.m. The *Disability Benefit Application* is currently available via hard copy only.
- Employees thinking about making service credit purchases must understand:
 - ➔ A six-month window of opportunity exists for any type of service purchase incurring a cost increase after Jan. 7, 2013. This window permits employees to purchase service credit at the current cost calculation provided the purchase is completed by Jan. 7, 2018.
 - ➔ If service purchase is anticipated via payroll deduction, the paperwork must be received by July 7, 2013, and the purchase must be completed within five years of the legislation effective date. However, employers have until Sept. 1, 2013 to start the deduction.
 - ➔ After the five-year window, any time left to purchase will be recalculated at the increased cost.
- Health care changes will become effective Jan. 1, 2014. Health care is a critical element for financial security in retirement. All employees are encouraged to understand exactly the details of the health care program before making any critical retirement decisions.

**Exact guides have been created
and are available online for all
stakeholder groups.**

Resources for Employers

2012 OPERS Personalized Annual Statements will be delayed

We know the *OPERS Annual Statement* is an important tool to help your employees make retirement decisions. OPERS is committed to ensuring all members—your employees—have all the information necessary to make just the right retirement decisions. Therefore, we're asking all employers to help us keep employees informed that the 2012 annual statements will be delayed.

Messages for employees:

- All active members—your employees—will experience a delay in receiving their statements.
- When statements are generated, OPERS works to ensure each is 100 percent accurate. To accommodate changes brought about by the 2012 passage of the pension legislation, OPERS is retooling all systems—to ensure accuracy and compliance.
- Employees *will* receive personalized information about their OPERS account, but on a delayed schedule.
- As always, account information and retirement estimates are available online by signing in to (or up for) an online account at www.opers.org.

Messages for employers:

- Please remember that any outstanding, including delinquent, employer accounts AND errors must be resolved before annual statements can be generated. Delinquencies and errors will lead to erroneous statements—the last thing we want to send to your employees.

Therefore, statements will not be processed until employer accounts and errors are resolved.

- In addition, on an individual-member basis, all employers must understand that unanswered large earnings clarifications will prevent an employee from receiving an annual statement with an account value. Note this information:
 - ➔ All large earnings must be cleared for employees to receive an annual statement with an account value.
 - ➔ Employers submitting reports online are required to respond to large earnings inquiries online as well.
 - ➔ In 2012, Employer Services initiated a proactive notification system for large earnings clarifications. With proactive notification, accurate e-mail addresses are especially important. 



Info to Go

Here are the fast facts you need to help you handle all the required year-end details necessary to provide the best possible service for your employees. As always, questions or concerns can be handled by contacting Employer Services—your one-stop shop for all things OPERS related.

- **Plan now to ensure your conversion plan approval is assured**

Planning on withholding retirement contributions for conversion plan payments? Remember, conversion plan approvals are an annual event. For every year your organization plans to make conversion plan payments for which contributions are withheld, OPERS approval is necessary prior to the issuance of any payments.

Approved for 2012? If your conversion plan has been approved, remember year-end payouts must be reported by the January 2013 report. Refer to the *Employer Notice* dated July 22, 2010: *Changes slated for reporting payments under OPERS-approved annual conversion plans*. The *Employer Notice* is archived on the OPERS website.

- **Does your organization pay elected officials on each pay date throughout the calendar year?**

If you answered yes to this question, it's critical you know that you must ensure your retirement reports accurately show when the money is actually earned. This is sometimes reported in error, especially with elected officials who have a specific term of office; so you may need to report elected officials on a separate, additional regular report.

Remember, contribution reports must show when employees *earn* salary, regardless of when the employee is actually *paid*. Therefore, you must report earnings on the appropriate month's report, *even if an employee is paid early*. For some elected officials, this means you may have to report their earnings on an additional *Report of Retirement Contributions*—one separate from your other employees.

- **Important details for Dec. 31 payroll**

Some employers must finalize year-end payroll by Dec. 31, even when that date is not the actual pay period end (PPE) date for your pay schedule. That said, you need to ensure retirement contribution reporting is accurate and not rejected due to a pay frequency code/date mismatch.

If your organization requires ending all pay periods on Dec. 31, follow these steps:

- ➔ On the last report of December, make sure you code each employee with a PPB code of H showing OPERS a pay schedule or frequency change.
- ➔ Then, on the first report of 2012, again code each employee with a PPB code of H.

- **Deadline for voluntary deposits**

We're asking all employers to help positively position their employees for retirement. Personal savings toward retirement is a critical element for a secure financial future. And, OPERS members in the Traditional Pension or Combined Plans can do so easily with a voluntary deposit added to the mandatory employee contributions. Voluntary contributions can add significantly to an employee's income at retirement. This money is invested using the same investment election percentages on file for mandatory contributions.

A few details:

- ➔ Employees must fill out the correct forms (see the OPERS website for exact form), and
- ➔ For deposits to be credited in calendar year 2012, the payment remitted must have been postmarked by Dec. 31, 2012. ▲

Employers: Changes to Workers' Compensation affects employers and employees

Employers are encouraged to review the changes to workers' compensation benefits that become effective with the pension legislation changes. Here's a breakdown of the facts:

Before January 7, 2013

Before Jan. 7, 2013, the law provided for employees to receive up to three years of free service credit if the employee is receiving benefits from the Bureau of Workers' Compensation.

After January 7, 2013

Pension legislation eliminates the free credit but allows the employee to purchase that service credit—at the amount equal to the employee contribution that would have been paid had the employee not been out of service, plus compound interest from the first date the individual was out of service to the final date of service.

A few details are important to grasp:

- Your employee may choose to purchase only part of the credit.
- If employed by more than one public employer, the employee may purchase credit only for the position for which the member received workers' compensation.
- The number of years that may be purchased remains limited to three.

Employers, take note

If an employee chooses to purchase this service credit, the employer (to which workers' compensation benefits are attributed) is required to pay OPERS the amount equal to the employer contribution the employer would have paid if the employee had been working.

- The employer will be required to pay compound interest on those amounts, if the employer fails to pay the employer contributions within a specified timeframe. That timeframe is:
 - Within five years or three times the time period in which the employee received workers' compensation benefits (whichever is earlier), and
 - The timeframe begins on either the date the employee returned to employment or January 7, 2013 (whichever is later).

An extension granted

OPERS has made a policy decision to continue allowing the three years of free credit to those who opt for it no later than July 5, 2013. Please work to inform those of your employees who were or are receiving benefits from the Bureau of Workers' Compensation that they must apply for the free service credit before July 5, 2013—after that time, the service credit will be available only as purchased credit—for employees and employers. ▲

Online only—revised employer manual for ERIs

Employers who offer, or are considering implementing, an early retirement incentive (ERI) plan will need to consult the latest edition of the *Early Retirement Incentive Plan* manual, available by the end of the year via the OPERS website.

The manual provides a wealth of information for employers—including calculators and important tips on how to implement an ERI. A review of the ERI manual by affected employers is strongly encouraged to ensure plan compliance with all new legislation.

Please note this manual will *only* be available as an online document; no hard copy version will be available.

Employer Seminars 2013

As has become our tradition, employer-specific seminars will be offered by OPERS Employer Services throughout 2013. Although the first quarter is traditionally a busy time for employers, some employers also make it a tradition to ensure all retirement contribution functions are handled accurately and quickly—setting the stage for smooth sailing for the rest of the year.

To save employers costly downtime with valuable employees out of the office, Employer Services is continuing the popular online seminar option—delivering training right to your site.

All seminars...

- Are listed on the OPERS website. Check frequently (or at least each month) to sign up your employees for the seminar that will further their professional abilities.
- Are free of charge—helping you complete the retirement requirements quickly and accurately is part of our mission.
- Require registration via the website, www.opers.org under the Employer Seminars section.
- Will be confirmed via email confirmation.

Here's what's new for 2013 employer-specific training:

- **How to resolve large earnings clarifications on ECS**

New standards for the large earnings were implemented in March, 2012—if your organization is receiving error notifications, this one-hour session will provide employers the opportunity to learn how to accurately resolve large earnings issues via ECS.

- **Electronic Personal History Record (PHR, form A)**

ECS-reporting employers are required to submit the PHR via ECS. Electronic processing of the *Personal History Record* provides enhanced security and faster delivery of confidential information—and eliminates some labor-intensive steps still required by hard copy. Learn more in this one-hour seminar.



- **Electronic Report of Employer for Disability Applicant (DR-4)**

ECS-reporting employers will be required to submit the *Report of Employer for Disability Applicant* through ECS in 2013. Electronic processing provides enhanced security of confidential information, faster delivery, and provides for edits to reduce errors. Who should attend? This seminar is ideal for those involved in the disability process and administrators who need a broader understanding of the disability process. This seminar will be available second half of the year.



- **Pension Legislation – Operational updates**

The legislation passed in 2012 provides for a number of changes—many will be effective Jan. 7, 2013. Are you—and your systems—prepared? This seminar gives employers will an overview of the impact.

Structured as an ongoing series of one-hour monthly sessions, this is a must-attend series for all employers, here's an overview of what the first two will include:

- **Series 1 topics:** Reporting updates—non-contributing lists, minimum earnable salary, transmission of employee contributions
- **Series 2 topics:** Service credit purchases, Workers' Compensation invoicing, overpayment corrections

And, some seminars are offered each year to help employers train, refresh or cross-train new and retained employees. It's always a great idea to keep employees engaged and at the top of their game. Here's how you can do just that, free of charge:

- **Employer Contribution System (ECS) Demonstration**

Almost 90 percent of employer organizations actively use ECS (59 employer organizations signed up for ECS in 2012). If you're not on ECS, this one-hour online seminar is for you. Make the commitment to yourself and your organization to start the year out right by learning more about the online system that saves you time.

Employer Seminars 2013

- **Requirements for Annual Conversion Plans**

Eliminate confusion regarding conversion plans and retirement contribution reporting. This one-hour seminar gives you all the information necessary to ensure compliance on your conversion plan—remember the deadline for 2013 conversion plan submission is March 29, 2013.

- **Earnable Salary and OPERS Membership**

The laws regarding earnable salary and OPERS membership are very clear, but can be quite complicated. Employers who take a creative approach to either definition are at-risk for fines and penalties—worse, lack of compliance can negatively impact your employees' retirement decisions. Learn everything you need in this one-hour seminar. 



Mailbox

Q: When I submit a Personal History Record (PHR, form A) online, do I still need to send in the paper form?

A: No. Submitting the electronic form via ECS is all you need to do. IN FACT, sending a duplicate paper form after submitting an electronic form can create confusion and extra reconciliation work. To avoid duplicate work, remember: If your PHR shows submitted via ECS—you're done.

Q: Employees have informed me they were not able to get an estimate from OPERS due to a pending large earning clarification. Why didn't I know?

A: Well, the short answer is...you should have known. Here's why: ECS-registered employers receive a proactive outreach email every time a large earnings notification is generated for an employee's account (paper-based employers receive a letter, but obviously encounter a slower delivery).

Additionally, when a large earnings clarification is outstanding, when an employee submits a refund or retirement application or requested an estimate, the compliance team performs outreach to the employer to attempt to resolve the large earning so the employee's request is not delayed. However, if OPERS does not have the large earnings clarified, we cannot issue an estimate or a refund because of the high probability that, due to the outstanding large earning clarification, the information or refund will be inaccurate.

Remember, employers must respond to large earnings clarification requests.

Hiring independent contractors? Make sure you know all the facts

Employers often make the decision to hire independent contractors for various reasons. Prior to doing so, hiring managers within a public organization must ensure the hiring practices for independent contractors are compliant with OPERS guidelines, particularly in light of recent statutory changes.

Additionally, public employers who have hired independent contractors in the past or who currently have independent contractors performing services should be aware of recent statutory changes.

What you need to know about hiring independent contractors

OPERS has created two new forms to help ensure compliance with the new pension legislation:

- *Notice of Right and Request for: Determination for OPERS Membership* (form PEDREQ): Employers are required to send this form to any individual who provided services as an independent contractor, or another classification other than a public employee, prior to Jan. 7, 2013 and no contributions were made to OPERS for these services.

Employers must send these forms to any affected individuals no later than 60 days from Jan. 7, 2013. The form notifies these individuals that they have one year from Jan. 7, 2013 to request a determination as to whether they should have been classified as a public employee eligible for OPERS membership for these services.

- *Independent Contractor Acknowledgment* (form PEDACKN): Employers must ensure this form is completed by any individual who is hired as an independent contractor, or another classification other than a public employee, on or after Jan. 7, 2013. The form must be completed within 30 days of the date on which the individual commences the services. Even with the individual's acknowledgment, the individual may, within five years of beginning the services, request a determination as to whether he or she should have been classified as a public employee for these services. With this form, public contractors acknowledge the employer has notified them that:

- They have not been classified as a public employee, and
- No OPERS contributions will be made on their behalf for these services.
- Employers must retain this form and forward a copy to OPERS. If an employer fails to retain the signed acknowledgment, the individual's right to request a determination will extend beyond the five-year time frame referenced above. ▲

Happy New Year!

See other side for important information about new GASB reporting requirements.

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Employers, take note:

GASB Statement 68, *Accounting and Financial Reporting for Pensions*, will change the financial reporting requirements for employers for fiscal years ending on or after June 15, 2015. To facilitate the transition to the new disclosures, OPERS will be conducting a full test implementation in 2013, and will need information about your financial statement preparation process.

Action requested:

- In January 2013, you'll receive a brief questionnaire requesting data about your financial statements and preparation deadlines.
- We need a 100 percent return rate on this questionnaire so that...
- We can prepare the projections you will need for the new GASB reporting requirements.



**Look for the OPERS questionnaire in January 2013;
employer responses needed within a two-week time frame after receipt.**



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