

EMPLOYER Notice

Ohio Public Employees Retirement System • 277 East Town Street • Columbus, Ohio 43215

Note:

The Health Care Preservation Plan provided for employer contribution rates to be increased incrementally over a period of years to the statutory maximum to help extend the solvency of the OPERS Health Care Fund.

Local contribution rates certified for 2008

Who should read this notice

Finance directors, payroll and human resources professionals

Situation Overview

As required by the Ohio Revised Code, the OPERS Board of Trustees has certified employee and employer contribution rates for all local division employers for the calendar year 2008, beginning January 1, 2008 through December 31, 2008.

As provided for in the Health Care Preservation Plan, increases in both the employer and employee (member) contribution rates to the statutory maximum are being phased in over a fixed number of years—through 2008 for non-law enforcement employers and employees, and through 2011 for law enforcement and public safety employers and employees. If you'll recall, this incremental increase was approved in 2004 and was the first increase in almost three decades for either employer or employee rates.

What you need to do

Please be aware of the new contribution retirement rates that will become effective for all pay periods ending on or after January 1, 2008.

The 2008 **employee** retirement contribution rates are as follows:

Local	10.00%
Public Safety	10.10%
Law Enforcement	10.10%

The **employer** contribution rates for 2008 are:

Local	14.00%
Public Safety	17.40%
Law Enforcement	17.40%

Year-end reminder: Salary must be reported when it is *earned*, not paid. This means you must report, each month, all pay periods that end in that month—regardless of when payment is made. Therefore, if your last pay period in 2007 has an ending date in 2008, the retirement deduction for this entire pay period must be taken at the higher 2008 contribution rate. Conversely, if the last pay period in 2007 has an ending date in 2007 but is paid to employees in 2008, the 2007 rate would apply.

(More information on back)



1-888-400-0965
www.opers.org

Special note for employers with pick-up plans: Please be aware that increased contribution rates may potentially impact previously approved resolutions from your board of directors for fringe-benefit pick-up plans. To ensure compliance, we encourage you to review your current resolutions to determine if revision is required. Any resolution stating contribution rates specific to previous years may need to be revised and submitted to OPERS.

We encourage you to be mindful of the new Internal Revenue Service (IRS) ruling (Revenue Ruling 2006-43) that requires employers to provide specific written documentation about pick-up plans (discussed previously in the April 5, 2007 *Employer Notice*). If the rate change requires a new resolution, this would be an ideal time to have your resolution documents reviewed for IRS compliance as well.

However, even if a revised resolution is not required because of the rate change, all employers must submit their pick-up resolution document to OPERS for review by the established schedule, beginning with all townships that have a due date of August 1, 2007.

All employers should realize that OPERS has draft language employers may request for making modifications to their resolutions.

Why this is important

Accurate reporting and remitting of retirement contributions is important for your organization and your employees.

Who to contact for more information

After you review this *Employer Notice*, contact your Employer Outreach representative with questions at 1-888-400-0965 or via the Internet at employeroutreach@opers.org.

This Employer Notice 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.



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