

# EMPLOYER Notice

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

**Note:**

*Employers are liable for pension overpayments—citing lack of information from employees is not considered an adequate reason for avoiding this type of billing.*

## Avoid unnecessary pension overpayment billings

**Who should read this notice**

Human resources professionals who process new employees and rehires, finance directors and payroll professionals

**Situation Overview**

Under certain scenarios, employers might receive a bill for a pension overpayment for employees who are receiving either an age-and-service retirement or a disability benefit from OPERS. Here's how this situation can occur:

Current law permits Ohio retirement system retirees to return to public employment. Employers hiring or rehiring a retiree are required to notify OPERS of the employment before the end of the first calendar month in which the employment begins. This can also be applicable when rehiring a retiree as an independent contractor.

Because a retiree receiving a benefit payment and returning to public employment within the first two months of retirement must forfeit the payment for those two months, it is critical employers provide the required notice to OPERS to avoid an overpayment by the System. This forfeiture of benefits by the retiree applies even if they waive salary for the two-month period.

Disability benefit recipients returning to work for a public employer will have their disability benefit terminated. The employer is required to notify OPERS in writing to avoid an overpayment of benefits by the system. Failure of the employer to provide this notice can result in a billing to the employer for any overpayment of benefits.

*Exception:* If an employee holds two public-sector jobs, but is retiring only from the higher-paying job, the requirement for a two-month forfeiture in benefits does not apply. This employee can receive pension benefits during the two-month period without the employer incurring a liability. This applies only if the employee works at the lower-paying job *during the month of retirement.*

**What you need to do**

To avoid this situation, employers are urged to fully understand the process (and consequences for not following the process) for hiring or retaining the employment of these individuals.

- Employers are required to determine:
  - If a newly hired employee, a re-hired employee to your organization, a current employee if holding two public-sector jobs, or an independent contractor is also a public retirement system retiree.
  - If a newly hired employee is a disability benefit recipient.



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

(More information on back)

If yes...

- Employers are required to notify OPERS by completing:
  - *A Personal History Record* (form A), and
  - *Notice of Re-employment of an OPERS Benefit Recipient* (form SR-6) or if the employee is an elected official, a *Notice of Re-employment of a Retired Elected or Appointed Official to an Elected Position* (form SR-6E). Please understand that this form must be completed even if the employee is returning to work for the employer from which s/he retired or the employee is returning only on a contractual basis.

**Note: To be in compliance, and therefore not liable for benefit overpayments, employers must ensure both forms are completed and submitted by the end of the first month of the re-employed retiree or disability benefit recipient's employment.**

#### **Why this is important**

It is in everyone's best interest to avoid unnecessary payments. Following these simple procedures will ensure employees; employers and OPERS remain in compliance with the law.

#### **Who to contact for more information**

If you have questions about the scenarios in which reemploying a retiree or disability benefit recipient may result in an employer billing, contact your Employer Outreach representative at 1-888-400-0965 or via the Internet at [employeroutreach@opers.org](mailto: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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