

EMPLOYER Notice

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

Verify calculated liability with ECS prior to payment

Who should read this notice

Payroll professionals, finance directors and individuals with retirement contribution-reporting and/or payment responsibilities

Note:

ECS-reporting employers should verify totals with ECS.

If your system generates a different payment total than the amount calculated by ECS, the number provided by ECS is the amount due.

Situation Overview

ECS-reporting employers know that OPERS' Employer Contribution System (ECS) is an accurate and efficient electronic tool that enables employers to quickly and easily report and pay retirement contributions. ECS calculates the correct employee contributions and employer liability--based upon the earnable salary you report and the contribution rates in effect for the reporting period. Therefore, employers can always rely on ECS to provide the correct amount to remit for both employee and employer contributions.

ECS calculates the employer liability by taking each employee's earnable salary for the reporting period and multiplying it by the contribution rate in effect, rounded to two decimal places. The total of all individual calculations is then added to provide the employer liability due for the *Report of Retirement Contributions*.

The accurate employee contribution amount and employer liability due is provided to employers who report electronically on the ECS *Confirmation* page for data-entry and file-transfer reports.

What you need to do

Employers currently using calculations generated by an internal payroll system should check internal calculations against the amount calculated by ECS to ensure accuracy prior to forwarding reports or making payment to OPERS.

A few tips to remember:

- If your system calculates employee retirement contributions differently than the amount calculated by ECS, you have two options:
 - o Change the contribution amount in ECS for the employee(s) whose calculation differs. Once you have made your adjustments, your total employee contribution amount and the amount calculated by ECS should be in agreement.

– Or –
 - o Submit payment based on the total employee contribution amount calculated by ECS.

(More information on back)



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

- If your system calculates the employer liability amount differently from the amount calculated by ECS, the number provided by ECS is the amount due.
- Employers who do not use the ECS online payment feature *must* have checks or wire transfers accompanied by an *Employer Payment Remittance Advice (form E-3.)* This will ensure OPERS has the correct allocation information to accurately process your payment.

Why this is important

Inaccurate or late reports or payments may result in penalties—something both OPERS and you would like to avoid. A simple accuracy check via ECS for the employee contribution amount and employer liability may help all of us steer clear of costly penalties.

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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