

EMPLOYER Notice

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

Important:

This change aligns the penalties for late payment or submission of data for both the employer and employee portion of retirement contributions.

Penalty assessment schedule changed

Who should read this notice

Those individuals responsible for payment of retirement contributions to OPERS, such as finance directors and payroll officers

Situation overview

In 2007, legislation was passed to change the penalty assessment schedule for late payment of the *employer* portion of the retirement contribution. The change reduced the penalty from a flat percentage to a penalty assessment on a graduated scale, based on the length of time the payment was outstanding.

That legislation did not apply to penalties assessed on the remittance of the *employee* data and payment. As a result, penalties incurred due to late reporting or payment of the employee portion of retirement contributions have continued to be assessed at the full 5% rate.

Recent legislation has now aligned the calculations on how penalties are assessed. The legislation has an effective date of September 23, 2008. The new schedule for penalties due to late reporting or payment of employee contributions is:

Days late	Penalty assessed
1-10	1.0%
11-30	2.5%
31 days late and beyond	5.0%

It's important to note the applicable percentage will be calculated on the total employee contribution amount due found on the *Report of Retirement Contributions*.

What you need to do

All employers should be aware of the revised penalty structure and realize late penalties will be assessed on the stepped-increase basis beginning September 23, 2008.

Why this is important

These changes have been made for consistency. This will align the overall economic impact of penalties with the timing of the remittance of your employees' retirement contribution data and payment.

Changes to the *Employer Manual*

Pages 3.7 and 3.8, 3.27 and 3.28, and 6.1-6.8 have been updated and posted to the *Employer Manual* in the Employer section of the opers.org Web site. Any employer that maintains a hard copy of the manual should print these pages and update the manual.



1-888-400-0965

www.opers.org

(More information on back)

Who to contact for more information

After you review this *Employer Notice*, contact your Employer Outreach representative with questions or comments at 1-888-400-0965 or via the Internet at employero outreach@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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