

EMPLOYER Notice

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

Important:

Beginning Feb. 1, 2011, all payments made under an OPERS-approved Annual Conversion Plan will need to be reported on a Report of Retirement Contributions-Supplemental.

Reminder: Changes slated for reporting payments made under OPERS-approved *Annual Conversion Plans*

Who should read this notice

Human resources professionals, finance directors, and payroll professionals who process *Reports of Retirement Contributions*

Situation overview

As announced in an *Employer Notice* dated July 22, 2010, reporting requirements for payments made under an OPERS-approved *Annual Conversion Plan* are changing. Beginning February 1, 2011:

- Payments made under an OPERS-approved *Annual Conversion Plan* will need to be reported on a *Report of Retirement Contributions-Supplemental*. An additional supplemental report reason of *Annual Conversion Plan Payment* will be created.
 - The Pay Period Begin (PPB) and Pay Period End (PPE) dates of conversion payments are required to match a previously reported regular contribution for the employee. As noted in prior *Employer Notices*, conversion payments are to be reported for the period as indicated in the conversion plan document.
 - Payments made to employees who do not have a regular contribution for the period during which conversion payments were made will have to be adjusted to the last reported PPB and PPE dates for the employee
- The *additional earnings* code **C** will no longer be accepted on a *Report of Retirement Contributions* using *file transfer* or available to add to a report using *data entry* in ECS. Any *file transfer* reports containing the code **C** will be blocked.

These changes are **in addition** to the other requirements announced in an earlier notice, which include:

- Submitting copies of *Annual Conversion Plans* for approval by March 31 each year, and
- Including documentation of annual leave accruals, leave taken, and leave converted for each employee every time a conversion payment is submitted. The attached *OPERS Conversion Payments* form can be used to provide the necessary information.

Remember these requirements only apply if OPERS contributions are being withheld on payments made under an OPERS-approved *Annual Conversion Plan*. Employers that allow employees to convert leave into salary, but are not reporting it to OPERS, are not subject to these requirements.

More information on back



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

What employers need to do

Ensure the necessary resources are available to become compliant with the new reporting requirements that will go into effect on Feb. 1, 2011. Keep in mind that submissions using *file transfer* in ECS will be blocked if they contain the *additional earnings code C*.

Continue to submit copies of any conversion plan for review on an annual basis. Once a conversion plan has been approved by OPERS, any payments made under the plan will require supporting documentation. Guidelines for implementing an OPERS-approved *Annual Conversion Plan* are attached to this *Employer Notice*.

Why this is important

Accurate retirement contribution reporting for compensation made under an annual conversion plan is important so that service credit and retirement benefits can be properly calculated. Current conversion plan documentation and supporting information, as well as the new reporting requirements, will enable OPERS to determine if the payments have been made in compliance with conversion guidelines.

Failure to comply with the requirements before payments are made will result in the contributions for conversion plan payments being refunded as unauthorized.

Changes to the *Employer Manual*

The online *Employer Manual* has been updated to include the changes mentioned in this *Employer Notice*.

Whom to contact for more information

After reviewing this *Employer Notice*, contact Employer Outreach with questions at (888) 400-0965, or by email 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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