

## EMPLOYER Notice

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

**Reminder: Conversion Plans Require Annual Review****Who should read this notice**

Human resources professionals, finance directors and payroll professionals who administer employee programs and/or process *Reports of Retirement Contributions*

**Situation overview**

Each year, employers are required to submit their annual conversion plans to OPERS for review and earnable salary determination. This is a necessary step if employers intend for payments made to employees for the conversion of vacation, sick or personal time to be considered earnable salary regardless of whether a determination was rendered the previous year. A date of March 31 is suggested to ensure an earnable salary determination is made on the conversion plan for employers with flexible payment options prior to when payments for conversion of leave occur.

**What employers need to do**

Submit all resolutions, bargaining agreement language, employee contracts and/or sections of employee handbooks that reference the conversion of vacation, sick and personal time. Because many employers have more than one conversion plan, it is important for the information to clearly identify the subset of employees each document covers.

**Why this is important**

Compliance with proper reporting and payment of retirement contributions is necessary to ensure each member's pension is calculated correctly and the benefit paid is both accurate and timely. Employers may impact the timely processing of a retirement benefit if the information certified on the *Certification of Employee's Final Payroll* (Forms SRF-85 or DRF-85) indicates an approved conversion plan is on file with OPERS under which the employee will receive a payout and the conversion plan has not been submitted for evaluation and determination. Retirement contributions made on payments issued to employees for the conversion of leave for which OPERS has not rendered an annual determination will be returned as unauthorized. For convenience, a sample conversion plan document is attached which can be used as a starting point when drafting conversion plan language.

**Changes to the *Employer Manual***

No revisions to the *Employer Manual* have been made as a result of 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 e-mail at [employeroutreach@opers.org](mailto:employeroutreach@opers.org).

**For a current listing of OPERS Board members, please visit [www.opers.org](http://www.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.*

**Note:**

*Compliance with an annual earnable salary determination of all employer sponsored conversion plans ensures employees are paid the pension benefit due in a timely manner.*

*Failure to submit conversion plan documents on an annual basis and prior to payment being made will result in OPERS contributions on payments made to employees for the conversion of leave being returned as unauthorized.*



1-888-400-0965

[www.opers.org](http://www.opers.org)