

## Employer feedback results in changes to large earnings process

**Note:**

Updates to the large earnings process have been made based upon employer feedback.

**Who should read this notice**

Finance directors, human resources and payroll professionals

**Situation overview**

On March 9, 2012, enhancements were made to OPERS' review of larger than normal earnings. Since then we have received feedback from employers that has resulted in additional updates intended to address some of the issues identified while still ensuring OPERS is receiving good data that will ultimately be used to calculate a member's pension. We will continue to work with our employers to improve the process. The specific updates include:

- Employers indicated a daily wage rate of \$50 to be evaluated was too low to address incoming seasonal/intermittent employees. The threshold has been increased to a daily wage rate of \$120.
- Response from employers has been timely since implementing the outbound e-mail to alert employers of large earnings inquiries. Based on these results, we have temporarily suspended the follow up letters sent to employees.

To help further reduce large earnings inquiries, employers can evaluate current reporting processes to ensure:

- A *Report of Retirement Contributions-Supplemental* is being used for:
  - Disability payments
  - OPERS-approved annual conversion payments
  - Retroactive salary increases
  - Settlement agreements
- An additional regular *Report of Retirement Contributions* is being used for:
  - Late receipt of a timecard from an employee
  - Underreported or underpaid salary in the current calendar year
- Salary that has already been reported is not being reported twice based upon an internal employer correction (such as reissuing a payment)

As a reminder, OPERS will make an outbound call to employers if a pending large earning inquiry is preventing an employee's ability to receive an estimate of future retirement benefits, or any type of retirement benefit or refund.

**What employers need to do**

Ensure all internal processes support proper reporting to the retirement system, including using the appropriate type of report and only reporting *earnable salary*. Respond to any large earnings inquiries in a timely manner. Large earnings responses that are not complete or do not provide the requested information will be returned to employers as *rejected*. A response is only considered resolved when accepted by OPERS.



Review the *Frequently Asked Questions* attached to this *Employer Notice*. These questions surfaced in the *How to Resolve Large Earnings Clarifications on ECS* webinar.

Electronic reporting employers should review the help within ECS for a definition of large earning responses to assist with properly answering inquiries.

**Why this is important**

These enhancements were the result of both employer feedback and the system's need to ensure that only salary that is *earnable salary* per ORC 145.01 and OAC 145-1-26 is reported.

OPERS is committed to ensuring that future retirees receive the benefit to which they are entitled. Changes to the process are already showing positive results. Over time, large earnings inquiries should decrease due to changes in reporting practices and education of what constitutes *earnable salary*.

**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.*

