

## Membership determination specifications for decentralized employers

**Note:**

*This is important information for employers that have:*

- *workers whom the employer does not classify as public employees for OPERS purposes*
- *More than one hiring location.*

*The Independent Contractor/Worker Acknowledgment Form (PEDACKN) has recently been updated and is available on the employer forms section of [www.opers.org](http://www.opers.org). All versions of the form are acceptable.*

**Who should read this notice**

Finance directors, payroll, human resources and benefits professionals for employer entities who may have more than one hiring location (decentralized employers)

**Situation overview**

The information in this notice supplements the information provided in the July *Employer Notice* regarding employer responsibilities for workers whom the employer does not classify as public employees for OPERS purposes. The information in the previous notice was correct, but did not fully highlight information specific to decentralized employers. The following information clarifies, but does not change, the *Employer Notice* of July 17, 2013.

As you may be aware, the legislation on member determination requirements has been revised multiple times since the passage of the initial pension reform legislation. Employers are encouraged to remember that the legislation was designed to protect employers from potentially substantial liabilities, while protecting an individual's right to fully understand hiring decisions.

The following information details how decentralized employers need to process individuals who have been hired by public employers but for whom no OPERS membership is extended.

**What decentralized employers need to do:**

Effective Sept. 29, 2013, public employers must obtain a signed acknowledgment (on the OPERS-specific acknowledgement form PEDACKN) from workers whom the employer does not classify as public employees.

Important things to note:

- The hiring unit must:
  - Provide the OPERS acknowledgement form for worker review and signature
  - Forward the completed form to the public entity responsible for reporting to OPERS
- The public entity responsible for reporting contributions to OPERS must then forward the form to OPERS
- The public entity should retain a copy of the form for at least five years

This provision to the legislation was included to address feedback that compliance with the acknowledgement form process would be difficult for decentralized public entities (such as those with a main and satellite branch or those with many different hiring units) that may not be aware of all new hires.



### **Retention responsibilities**

Employers must understand the retention responsibilities for this form:

- The public entity must keep the form for a minimum of five years.

As the public employer, you can determine how your copy of the form will be archived (electronic, hard copy, professional archivist).

If a form is needed in the future to help determine membership status, OPERS will contact the employer contacts on file to request the copy.

Note that if the form sent to OPERS contains a full Social Security number (SSN), OPERS will also retain a copy. However, the ultimate responsibility to produce the form in the event an individual requests a membership determination rests with the employer. Please note that forms with redacted SSNs or employer identification numbers will be purged.

### **Why this is important**

The legislative changes reviewed here provide important protections for public employers, while still ensuring individuals who may be eligible for OPERS membership have the information necessary to pursue that membership in a timely fashion.

### **Changes to the *Employer Manual***

Revisions to the *Employer Manual* have been made as a result of this *Employer Notice*.

### **Who to contact for more information**

As always, if you have questions, contact OPERS at 888-400-0965, option #3, for your dedicated compliance specialist, 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)**

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