

Employer *Outreach*

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GASB implementation begins

Recognizing that the GASB standards affecting how employers report pension liabilities were to be implemented with an extremely aggressive timeline, OPERS began working to help OPERS-reporting employers implement the requirements in the most cost-effective, timely and accurate manner. Now, as implementation begins, we remain steadfast in our effort to partner with all public employers to ensure success on this GASB-driven requirement.

Together, we did it

Active implementation begins for all accrual basis entities with fiscal years ending June 30, 2015.

(Cash-basis or Other Comprehensive Basis of Accounting (OCBOA) entities should check with their auditors to determine the impact of GASB requirements.)

OPERS will have the information necessary for employers to calculate their proportionate share of pension-related activity for disclosure in their financial statements and related footnotes available via ECS. More information will be available this month about accessing the data, but to get you thinking:

- Information will be available by employer code,
- Employers will need to identify who (typically is not the individual who processes pension reporting)

will need access to the GASB information—this may be an outside consultant.

Continuing to partner with you

Almost 3,700 different employer entities report pension information to OPERS. From large to small employers, we know the financial expertise varies greatly by necessity and by budget. Nevertheless, GASB requires all OPERS-reporting employers (except those employers that function on a

cash or OCBOA basis) to begin reporting pension liabilities and other pension-related information in their financial statements.

To that end, although the information

necessary will be available via ECS, we have created additional resources to help all employers through this project.

- Earlier this month, OPERS ran a test program with selected employers to ensure the files were functioning from the employer perspective—test included reconciliation of contribution data and employer feedback is being incorporated now.
- An operations-specific *Employer Notice* was sent detailing what employers need to do to access the information needed for implementation.

(continued on page 7)



Your Board of Trustees

Many facts are associated with OPERS such as OPERS has more than \$91 billion in net assets; OPERS manages more than one million individual accounts; OPERS is an important economic engine for the state; and, OPERS is in its 80th year of delivering on our promise of providing financial security in retirement for Ohio's public employees.

However, one of the most important facts about OPERS is that we are governed by an independent Board of Trustees—members of which are either voted for by the public employee groups they represent (seven members) or appointed by Ohio's governor and legislative entities (three members) and one individual who serves by virtue of office (the director of the Ohio Department of Administrative Services).

This configuration means that every single OPERS member has a direct representative on the OPERS Board of Trustees. As a group, these individuals work to ensure all the pension benefits your employees work toward are delivered upon retirement. 

Here's the OPERS Board of Trustees as of January 2015



Front row (left to right): Robert C. Smith, Treasurer-Appointed Investment Expert; Charles Latsa, Representative for Non-teaching College/University Employees; James Tilling, General Assembly-Appointed Investment Expert

Standing: John W. Maurer, Representative for Retirees; Sean Loftus, Representative for County Employees; Cinthia Sledz, Representative for Miscellaneous Employees and Board Chair; Christopher Mabe, Representative for State Employees; Steve Toth, Representative for Retirees; Ken Thomas, Representative for Municipal Employees

Not Shown in Photo: Governor-Appointed Investment Expert-Vacant; David Payne, Designee for Robert Blair, Director of the Ohio Department of Administrative Services, Statutory Member

Info to go Summer employment—remember these seasonal hiring details

Looking at seasonal hiring in the summer months? If handled only sporadically, remember these tips to make sure you're doing it right—for you, your employees and OPERS. Consider these tips:

- Employers are required to ensure OPERS enrollment for all qualified employees—even if the employees are seasonal—that means withholding and remitting retirement contributions.
- Consider seasonal employees just like any new employee—this means you'll need to:
 - Complete and submit the *Personal History Record* (PHR, Form A) within 30 days of the employee's first day worked for which retirement contributions are withheld. If the seasonal employee is a re-employed retiree you will need to complete the *Notice of Re-employment of an OPERS Benefit Recipient* (Form SR-6).
- If a seasonal employee is returning, a new PHR does not need to be completed if the employee is returning within a year.
- Report both new and returning employees with a Pay Period Begin (PPB) code of S for seasonal/intermittent for the Contributions Report on which the employee is listed.

When the employee terminates for the season:

- Report final contributions with a Pay Period End (PPE) code of Q (quit).
- If the employee will be returning next year, or intermittently, and you consider them still to be working for you, report the final contribution code the same as the PPB code—S. 

Health Care Update: Connector on track

Employers with soon-to-be-retirees, or who employ OPERS retirees in any capacity, need to be knowledgeable about OPERS-sponsored retiree health care.

As always, when specific questions arise, we ask that you encourage retirees and soon-to-be retirees to contact OPERS Member Services at 1-800-222-7377. However, we encourage you to have certain baseline facts at your fingertips about the retiree health care—and how it will look as of January 2016:

- OPERS will no longer sponsor a group health plan for medicare-eligible retirees and their dependents.
- Instead, OPERS will provide the opportunity for this group to enroll in a supplemental Medicare plan using the OPERS Medicare Connector. Those who enroll will receive a monthly allowance to help pay for monthly plan premiums and other qualifying medical expenses.

The Connector will be available for:

- OPERS Medicare retirees enrolled in Medicare Parts A and B
- Medicare-eligible spouses and children of OPERS retirees

OPERS-sponsored health care coverage will continue to be available for:

- OPERS retirees who are under age 65

- OPERS retirees who are older than 65 but not eligible for Medicare Part A (limited time)

Ongoing outreach

We're working to make sure eligible retirees (and soon-to-be retirees) fully understand all aspects of OPERS-sponsored health care. Please be aware of these publications:

- *Regarding the Connector:* Those eligible received a Connector Kit earlier this year. A second Connector Kit, with new information, will be sent this month. Please encourage any retirees who mention these kits to review the information carefully.
- *Regarding re-employed retirees:* We recognize retirees may be valued prospective employees for employer organizations. However, both the public employer and the OPERS retiree have specific responsibilities when returning to public employment. A fact sheet has been created for employers that clearly details employer responsibilities when hiring an OPERS retiree. This fact sheet is included. It's critical employers understand responsibilities because failure to comply may have a significant impact on both the re-employed retiree and you, as the employer.

The *Facts at a Glance* is titled, *OPERS Connector: Facts every employer should know*. Employers will find the document archived at www.opers.org. 

Info to go : All-ECS, all the time

Our thanks and shoutout to the counties that have reached all-ECS status. What is All-ECS status? Well, it means every OPERS employer within the county submits reporting electronically. That translates into accurate, timely, pension processing—each and every month of the year.

Here are the counties:

- Butler—16 employers total
- Ottawa—27 employers total
- Clermont—22 employers total 



Employer Resources

Who do you have?

Employer Services has been realigned to provide employers enhanced services within a one-stop shop. Take a look: now when you contact Employer Services (phone or e-mail), your compliance specialist and outreach representative have worksites in close proximity. This partnering will allow each to seamlessly provide you with the best possible customer service.

We've heard from many employers they feel as if they know their Employer Services team, but they don't KNOW the team in person. That's a compliment to us, because we work to establish relationships with each of our 3,700 employer entities. Take a look: who do you have as YOUR team?



The team for county, hospital, state and university employers includes, from left to right, Molly Bland, Tonia Carrizales, Paul Puccetti and Lisa Rodriguez-Allen.



Cities, libraries and villages have, from left to right, Laura Norman, Lisa Rundag, Angi Tolliver and Missy Castaneda on their team.



The team for housing authorities, miscellaneous employers, townships and transit authorities includes, from left to right, Dana Russell, Heather Fullen, Ruth Morrison, and Eric Wilson.

A word about employer codes—

Providing your employer code when calling employer services benefits you. If you enter your employer code on the phone, you'll be automatically directed to YOUR Employer Services team—you'll be talking to your partner who may already have the answers to your questions. Simply put, entering your employer code saves you time and directs you to the appropriate team right away. 

Employer Resources *(continued)*

Summer reading recommendations

Each year, OPERS makes two publications available that are important for every employer to access and make available for interested employees. Take a look:

- *The 2014 Comprehensive Annual Financial Report (CAFR)* has been published and is available online at www.opers.org.

Although the annual report isn't expected to make the big best seller lists, employers are encouraged to remember the information in the CAFR is vital—especially since the 2014 CAFR has important GASB-oriented information.

Even if you're all squared away on GASB standards, employers should take the time to review the financial section to be knowledgeable about the System's funded status.



- The *2014 Summary Annual Report* is also available online or in print. The summary report, often called the popular annual financial report (PAFR), is a plain-language version of the CAFR aimed at keeping active members and retirees updated on the System, our financial strength, and year-specific activities.

Both the 2014 CAFR and PAFR are also available by contacting OPERS. 

Pension plans changing—make sure onboarding information is updated

Employers know OPERS provides three retirement plans (Traditional Pension, Member-Directed and Combined). Each plan has different features, enabling members to select a retirement plan that best suits their individual needs. Each plan is a separate legal entity and is required to be self-sustaining. From time-to-time, and after extensive analysis, specific elements of all plans change to remain up-to-date with actuarial analyses.

A recent review of all plans, including an assessment of the Member-Directed Plan Retiree Medical Account (RMA), revealed the need for changes to the Member-Directed and Combined plans.

Employers can view a detailed *Plan Change Summary Chart*, available online at www.opers.org to learn more about changes to these plans.

Why bring this up? Although employers do not know what retirement plans employees have chosen, we know some employers create organization-specific onboarding materials with pension plan information included. If you are such an entity, we ask you to:

- Review onboarding and new-employee orientation materials to ensure the most accurate information is included in your orientation materials.

All employers are asked to encourage employees contemplating a retirement-plan change or plan selection to obtain all important information. The OPERS website is available 24/7 and the Member Services Center at 1-800-222-7377 is available from 8 a.m. to 4:30 p.m. to help. 

Employer Resources *(continued)*

Do you employ OPERS retirees? If yes...note this information

Employing or contracting with an OPERS benefit recipient creates compliance obligations for the employer. Be knowledgeable to keep your organization compliant and to preserve your employee's (our retiree's) benefits and health care coverage.

Here's an overview of facts to know:

- You must send OPERS a *Notice of Re-employment of an OPERS Benefit Recipient* (form SR-6 or 6E for elected officials) by the end of the first month of hiring or securing services provided by a retirement or disability benefit recipient.
- Age-and-service benefit recipients receive neither pension benefit nor health care coverage for the length of the contract when contracting with the public employer *from which they retired*.
- Failure to notify OPERS of the employment or services of an OPERS retiree may result in the

employer being liable for the pension benefits overpaid during the period of work.

- Medicare-eligible, re-employed retirees are not eligible for monthly allowances or use of health reimbursement account balances for reimbursement of claims incurred during any month of re-employment.

Remember, employers must offer health care to re-employed retirees if it is offered to non-retirees performing similar services. If offered and the retiree declines, your re-employed retiree will not have access to OPERS health care coverage unless they have access to comparable coverage through another source, such as a spouse. Medicare coverage is not comparable coverage.

If you have or are contemplating hiring an OPERS retiree, we suggest you work directly with your Employer Services representative to ensure compliance with all factors related to employing an OPERS age-and-service retiree or disability benefit recipient. 

We LIVE pensions; you might not—special note to human resources

At OPERS, we're experts on pensions—and we recognize you're the expert in HR. Let us help you when onboarding new employees. The Education unit recently created a video that provides an overview of educational offerings OPERS provides for employees. You can find the video at www.opers.org, Members, Educational Opportunities. You can access the information for an overview OR use the video in your next orientation.

Remember that onsite training for employees about retirement options is also available from our Education unit. Keep in mind, a minimum of 25 employees is required for each onsite training. If that number is too large to be a reality—partnering with additional area public employers is suggested—and has proven to be very successful for other groups. 



Employer Census Data Validation project—coming soon

The Employer Census Data Validation program was developed in partnership with representative employer organizations—the intent of the program is to ensure pension information between employers and OPERS is accurate.

Why is accuracy so important?

Accurate accounting of pension information is important for employers, employees and OPERS. Accurate reporting means:

- All employees who are OPERS members will get all benefits they are entitled to for their public service, AND
- Your organization will neither underpay nor overpay the contributions for which you are responsible.

What data will be validated?

We anticipate this program will help reduce financial risk for employers by ensuring the legally required data is in compliance. Validation of data will help employers identify non-compliance in the areas of:

- Pensionable salary,
- Membership eligibility, and
- Public re-employment for OPERS retirees.

How validation works

Employer Services will prepare an employer-specific packet for each organization selected for the validation project. This packet will guide the employer organization through the entire process and detail exactly what is needed from the employer. When the packet has been fully vetted by the employer, a compliance specialist will come to the employer organization to review all information onsite.

What's next

Throughout 2015, the employer representatives on the Employer Advisory Council will be on deck for the validation program. (Many representatives have already provided their input on how to work with employers to ensure the validation program is as productive as possible—for you and for us.)

In 2016, the Employer Census Data Validation program will be fully deployed. 

GASB implementation begins *(continued from page 1)*

- OPERS will release videos with job aids available to provide basic information about this GASB implementation and the information provided to employers.

OPERS website—always up-to-date

We understand the burden this initiative places on OPERS-reporting employers and want to partner with each of you to ensure accurate implementation. In addition to the outreach mentioned, please remember the OPERS website (www.opers.org) has significant, up-to-date resources to help public employers with this GASB-required implementation. 



Online payments: Quick survey for financial officers

I want to save my organization money.	<input type="checkbox"/> Y	<input type="checkbox"/> N
I like to implement time-saving efficiencies.	<input type="checkbox"/> Y	<input type="checkbox"/> N
I want to know exactly when my organization's funds are released.	<input type="checkbox"/> Y	<input type="checkbox"/> N
I want to reduce (or eliminate) the risk of late-payment penalties.	<input type="checkbox"/> Y	<input type="checkbox"/> N
I understand the online payment function is already on ECS, but requires activation.	<input type="checkbox"/> Y	<input type="checkbox"/> N

What your score means

If you answered yes to any of these questions—what are you waiting for? You clearly want to activate the online remittance function of ECS that provides your organization with convenience, control and security. And, you get to save your organization time and money while reducing risk.

Getting started

Contact Employer Services to activate online payments for pension contributions. Most employers can activate online or over the phone. However, if you prefer, we'll come to you and work with you and your staff.

Call us at 888-400-0965 or e-mail employeroutreach@opers.org. We'll get you set up. 

Info to go: Employer webinars—new and improved recorded videos

Employer Services offers on-demand, employer-specific videos to help train your employees who are responsible for pension reporting and remitting. Videos provide up-to-date information about how to handle the operations-oriented changes necessary to ensure all things pension are processed quickly and accurately within your organization.

New this year, you'll find videos on annual conversion plans, earnable salary, membership, early retirement incentive plans, non-contributing lists, pick-up plans, and law enforcement (new to the lineup). And, of course, the tried-and-true webinars on GASB 67 and 68 (executive and operations tracks) remain available to you and your employees. By accessing the videos online at www.opers.org, desktop training is at your fingertips—no downtime for travel.

Of course, if you prefer one-on-one training, contact your dedicated employer representative at 888-400-0965 or via e-mail at employeroutreach@opers.org. 