



Employer Bulletin

June 21, 2016

*Like our new logo and design?
Scroll down to read the story, "New Look for Employer Services."*

Due Dates for Surcharge and Statements

Available: August 22

Due: September 21

Make sure to mark your calendars with the Surcharge Report and Annual Employer Statement due dates.

The Surcharge Report and your Employer Statement will be available on Aug. 22, 2016. Both amounts will be due to SERS no later than Sept. 21, 2016

The Surcharge Report and Annual Employer Statement are only available on eSERS.

If you have questions, please call Employer Services toll-free at 877-213-0861 or email us at employerservices@ohsers.org.

If SERS is collecting the surcharge through the Foundation program, no direct payment is needed.

For more information on the Surcharge Report and Employer Statement, scroll down to the articles, "Get Down to Business with Employer Statement Basics" and "Surcharge: an Introduction."

Contract Employees and Membership Determinations

If you contract directly with a person to provide services, and the nature of the person's relationship to you is that of an employee - not independent contractor - that person must contribute to SERS. Simply including language in the agreement stating the relationship is that of an independent contractor does not determine the

classification.

If you contract with an entity to provide workers for a service "common to the normal daily operation" of a school, those workers should contribute to SERS.

According to the Ohio Revised Code, SERS membership is required for "Any person who performs a service common to the normal daily operation of an educational unit even though the person is employed and paid by one who has contracted with an employer to perform the service, and the contracting board or educational unit shall be the employer for the purposes of administering the provisions of this chapter."

"Service common to the normal daily operation of an educational unit" **is more than just transportation, food service, and custodial functions**. It is defined as any service:

- Required to be provided by an educational unit or the provision of which is governed by law, statute, or rule, or
- Necessary on a regular continuous basis to the efficient operation of an educational unit, or
- Through custom and usage, has become a service commonly provided or used by an educational unit on a regular or continuous basis

Contract Employees who provide services that help in the planning, supervision, direction, management of, assistance in, and/or responsibility of their service in the educational unit are subject to membership in SERS.

When you have a question whether an employee should report to SERS, you should always request a membership determination. SERS always requires a copy of the job description and/or the contract. Depending on the type of membership determination, we may request that you fill out the new Membership Determination Form (75.768). You can find the form [here](#).

The law places the risk of an incorrect membership determination on the employer. This means if a membership question arises, and SERS determines the person is an employee and should be contributing to SERS, you are responsible for the employer and employee contributions, plus interest.

If you have any questions about membership, contact Employer Services at employerservices@ohsers.org.

Employer 101 Workshop Reminder

If you haven't already done so, don't forget to sign up for the annual Employer 101 Workshop. This year, Employer Outreach has expanded workshop dates and locations in hopes of reaching more employers.

The workshops will cover important topics, including contribution reporting and payment, membership, surcharge, and annual statements. Any recent and current updates will also be covered. Along with a workbook, attendees will receive instruction from the Employer Outreach Team.

Advanced registration is required because space is limited to 50 slots per location.

To ensure a spot at your desired workshop location, please register at least two weeks in advance.

If you missed the Special Notice announcing the workshops, you will be able to register electronically from the embedded location links contained in the notice by [clicking here](#).

If you have more questions, please call Employer Services toll-free at 877-213-0861 or email us at employerservices@ohsers.org.

New Web Video: Final Certification Form

With retirement season in full swing, Employer Services has created a web video on how to fill out the Employer's Final Certification Form for Service Retirement and Survivor Benefits.



This quick video will walk you through each section of the form. You will learn how to complete the form as well as why SERS needs this information. It also will answer many frequently asked questions.

You can watch the video [here](#).

New: Employer Fact Sheets

We understand that our employers are extremely busy, and it's hard for you to find time to read our handbooks and guides cover-to-cover. With that in mind, we created the Employer Fact Sheet series.

These handy fact sheets contain information on our most popular topics, including:

- [Employer Life Cycle](#)
- [Employer Checklist](#)
- [Reemployment and Health Care Eligibility](#)
- [School Board Members](#)

Coming Soon:

- Membership
- Compensation
- Pick-Up

You can access all available fact sheets [here](#).

Summer Reporting for Days and Hours

Please remember that you are not required to report days and hours for your summer stretch-pay employees.

However, if stretch-pay employees work extra time on top of their contract, you need to report those days and hours.

If you have regular summer employees, report days and hours with their regular contributions.

Benefits of ACH Debit

ACH Debit is the fastest and most efficient way to submit your payments to SERS. ACH Debit allows SERS to automatically withdraw your payment from your designated bank accounts.

To submit an ACH Debit, the user sets up the payment with the Payment Remittance Form Application on eSERS, and then the employer can simply submit the payment and the Payment Remittance Form in one, easy step.

ACH Debit is the preferred method of payment.

When submitting an ACH Debit, please make sure you select ACH Debit rather than ACH Credit. ACH Credit payments are payments you initiate through your bank, and the bank sends the payment to SERS.

Make sure you select the correct ACH method in eSERS.

Surcharge: An Introduction

No need to cram for an end-of-the-year final on surcharge. We have compiled everything you ever wanted to know about the surcharge, and surcharge-related issues, into the list below; keep it nearby as a reference when performing your duties.

Surcharge:

- Is an additional employer charge used exclusively to fund health care
- Is calculated at 14% of the difference between an employee's annual compensation and the minimum compensation amount
- Is limited to 2% of each district's total qualified SERS payroll
- Has a statewide limit of 1.5% of SERS' eligible compensation
- Applies to SERS members reported during the fiscal year, except reemployed retirees and those who have died prior to July 1

- Payments are subject to penalties if submitted after due dates

Minimum Compensation:

- Is determined annually by the System's actuaries
- Is \$23,000 for fiscal year 2016

How to Report Exemptions:

For reemployed retirees or members who have passed away during the fiscal year, email their names and the last four digits of their Social Security numbers to Employer Services at employerservices@ohsers.org.

Foundation Program and Surcharge:

- If your district is participating in the Foundation Program, you can have your surcharge deducted as part of the overall SERS employer charges
- Community Schools pay through the Foundation
- If not paying through the Foundation, surcharge is due within 30 days of the Final Surcharge Report's availability on eSERS
- Payment due date is September 21

To find out if SERS is collecting for your 2016 surcharge, please check your Foundation Deduction letter for FY2017. The letters have been uploaded onto eSERS. If SERS is collecting for your surcharge through the Foundation, please do NOT mail a payment to SERS. We pull those payments from your Foundation account.

Get Down to Business with Employer Statement Basics

Your Employer Statement:

- Is available August 22
- Recaps the year
- Breaks down information into employee and employer activities
- Shows the employer overpayment or underpayment
- Cannot be paid through the Foundation Program

Employee Activities:

- Are contained in the "Employee Activity" box
- Include data from Contribution Detail Reports

Employer Activities:

- Are contained in the "Employer Activity" box
- Include your calculated charge, payments, surcharge, and balances

Overpayment and Underpayment:

- Overpayments and underpayments are located at the bottom of the statement.
- If the figure is marked as "Amount due to District," payment is refunded to the employer within 30 days of the statement date, which is September 21.
- If "Amount due to District" is \$50 or less, credit rolls forward into the next fiscal year, unless you email a request for a refund to employerservices@ohsers.org.
- If the figure is marked as "Amount due to SERS," payment is due within 30 days of the statement date, which is September 21.
- If "Amount due to SERS" is \$50 or less, amount rolls into the next fiscal year.
- Payments received after due dates are subject to penalties.

GASB 68 Contact Information

The Governmental Accounting Standards Board (GASB) has the authority to establish standards of accounting and reporting for state and local governmental entities. GASB 68, Accounting and Financial Reporting for Pensions, addresses the accounting and financial reporting requirements for pension expense and unfunded pensions liabilities.

For further information on GASB 68, please visit the SERS website at <https://www.ohsers.org/gasb-67-and-68>

If you have any questions, please call 614-340-1823 or email SERSGASBreports@ohsers.org.

Prepare Your Employees for Retirement

Our Member Services Department regularly receives questions from school employees regarding severance packages and notifications of retirement. Because every district is different, please be sure to talk to your employees about your district's severance packages and retirement notice policies.

Severance:

Unused vacation and unused sick time that is NOT reported to SERS

Pension Reform

Pension reform discussions aimed at achieving 90% funded status for SERS' pension fund continue. While no decisions have been made, the Board has asked SERS' actuary to assess the impact of several different cost of living adjustment (COLA) changes on the System's funded status, and their effects on members and retirees. Since 1970, SERS has adjusted the COLA nine times, depending on the prevalent economic conditions.

We will let you know once a decision has been reached.

New Look for Employer Services



Employer Services is evolving with you. Because we are your source for information, assistance, and answers regarding your employer duties, we want to make sure you know who we are. In this issue of the Employer Bulletin, we are unveiling our new logo. Look for it at the top of all our electronic publications, and use it to help identify materials, resources, and communications that come from us, your Employer Services. We are here to serve you.

Candidate Chosen for Open Employee-Member Seat

In accordance with the rules of a Special Board Election, James Haller was chosen to fill the open employee-member Board seat.



Haller is a custodial/maintenance worker at Lima City Schools. He has served the school district for nearly three decades. He also has been a member of the Ohio Association of Public School Employees for 27 years, and currently serves as chairman of the organization's Budget Committee. In addition, he has served as vice president representing Allen County for the Northwest Ohio Central Labor Council.

Haller is a graduate of Lima Technical College.

The term for this seat runs from April 21, 2016, to June 30, 2017.

Three Months at a Glance

July

July 15 - June Contributions Due (employee reports and payments / employer payment for non-Foundation). Anything submitted after this date may be subject to penalties.

* June 30th is the end of the fiscal year. If payment reporting is not received by July 15, both employer and member statements may be affected.

August

August 15 - July Contributions Due (employee reports and payments / employer payment for non-Foundation). Anything submitted after this date may be subject to penalties.

August 22 - Employer Statements and the Surcharge Report will be available on eSERS only.

September

September 15 - August Contributions Due (employee reports and payments / employer payment for non-Foundation). Anything submitted after this date may be subject to penalties.

September 21 - Employer Statement balance and Surcharge amounts due.

[Click here to add monthly due date reminders to your Outlook calendar.](#)

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