



Employer Bulletin

School Employees Retirement System of Ohio

Spring Issue | May 12, 2017

Reminder: Salary Estimates

If you are a Foundation-participating district, please remember you have until May 24 to submit a new salary estimate for FY2018.

The Surcharge Minimum Compensation amount for FY2017 is \$23,500.

eSERS Training Planned for Summer

The Employer Outreach Team will be hitting the road for eSERS training in July and August. These workshops will cover how to use the new eSERS system, focusing specifically on issues and challenges that commonly arise. Online registration will be announced later this spring.

July 18 - West Chester	July 19 - Lima	July 20 - Perrysburg	July 25 - Beachwood
July 26 - Canton	July 27 - Athens	August 1 - Chillicothe	August 2 - Columbus

Do Not Send Membership Record Forms: Upload SSA 1945 Forms through eSERS

Employer Services is aware that many employers use the old SERS Membership Record to gather the needed enrollment information from their employees. If you are one of those employers, you can continue to use the form for your records if this process works best for you; however, SERS asks that you don't mail or fax the form to us. Instead, once you have entered the enrollment information into eSERS, please keep the form for your records or shred it.

If you are using the form for the SSA1945, you can find the form [here](#).

Please remember that you are now able to upload PDF copies of your SSA-1945 into eSERS by using the SSA 1945 Upload application.

Contract Employees and Membership Determinations

Who Should Contribute?

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.

Have a Question about Membership?

When you have a question whether an employee should be reported to SERS, you should always request a membership determination. SERS 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](#).

Who Has the Burden?

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.

[Click here](#) to view the Membership Fact Sheet for additional information.

Minimum Compensation amounts and the Employer Contribution Allocation can be found on the SERS website at www.ohsers.org, under "Audit Resources."

New CAFR and SAFR on the Employer Page

The new *Comprehensive Annual Financial Report* (CAFR) is now available. It contains extensive data and detailed facts about SERS' financial operations for the period from July 1, 2015, to June 30, 2016. It outlines initiatives and investments, and includes actuarial and statistical information.

However, if the CAFR is just a little more financial information than you want, check out the *Summary Annual Financial Report* (SAFR).

As a companion to the CAFR, the SAFR provides a brief overview summarizing the financial health, investment performance, demographics, and key accomplishments of the previous fiscal year.

Printable versions of both are available on the Employer Publications page of the SERS website under "[Audit Resources](#)."

Publication Updates

If you missed an *Employer Bulletin*, *eSERS Hotline*, or a *Special Notice*, they too can be found on our website at www.ohsers.org, where you can view them any time, print a hard copy, or download them to your computer.

COLA Changes Awaiting Legislation

After extensive review of SERS' funding status and all possible benefit changes to improve pension funding, the Board voted to approve Cost-of-Living Adjustment (COLA) changes that will affect current and future retirees, and benefit recipients, beginning in 2018.

We anticipate that these changes will go into effect on January 1, 2018; however, they will require legislative approval, and it is unknown how long that will take.

While SERS is not in financial crisis, the COLA changes are necessary to address immediate financial challenges and long-term funding goals. SERS' funding progress has stalled because of minimal investment returns over the last two years and the lowering of the assumed rate of return for future investments.

To understand all the reasons why the COLA changes are necessary, visit the SERS website at www.ohsers.org/cola-changes.

Proposed Changes

After extended discussions with advocacy groups that represent many of SERS' active members and retirees, the Board decided to:

- Replace the current 3% COLA with a COLA based on the Consumer Price Index capped at 2.5%
- Implement a four-year waiting period for new retiree and benefit recipient COLAs
- Temporarily suspend COLAs for retired members and benefit recipients for three years

Clarification

The proposed changes will not affect the COLA increases retirees received before January 1, 2018.

For example, if the "current month" COLA amount on your check stub as of December 1, 2017 is \$165, you will continue to receive \$165 monthly from 2018 through 2020.

Your COLA amount will not increase during those years. The gross amount of your check will remain the same; however, the net amount may change based on your deductions.

Beginning January 1, 2021, you will resume receiving an increase on your COLA anniversary date, indexed to the Consumer Price Index not greater than 2.5% with a floor of 0%.

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