

Employer Education

Membership and Compensation
WEBINAR

Presented by



Membership



- Who is a Member?
- Membership Breakdown
- Contracted Services
- SERS or STRS?
- Membership – Employer Roles and Responsibilities

Who is a SERS Member?

A SERS member is anyone who works in a public school in a non-teaching position.



A SERS member is anyone who works in a public school in a non-teaching position.

Paragraphs (B)(1), (B)(2), and (B)(3) of section 3309.01 (B) of the Ohio Revised Code describes three separate definitions of “employee” for SERS-covered members.

Who is a SERS Member?

A SERS member is any person:

- Employed by a school in a position for which the Ohio Department of Education does not require a license
- Employed by a contractor who performs a service that is common to the normal daily operation of a school
- Employed in a non-faculty position in a school, college, or other institution.



A SERS member is any person:

- Employed by a school in a position for which the Ohio Department of Education does not require a license under Ohio Revised Code 3319.22-3319.31
- Who performs a service that is common to the normal daily operation of a school even though the person is employed and paid by one who has contracted with an employer to perform the service.
- Employed in a non-faculty position in a school, college or other institution — wholly controlled and managed — and wholly or partly supported by the state or political subdivision.

Membership Breakdown

What is “common to the normal daily operation”?

1. Any service required to be provided by the educational unit by law, statute, or rule.

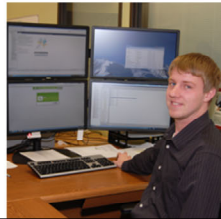
Example: A school district is required to provide meals, transportation, and nursing services.



Common to the Normal Daily Operation

2. Any service necessary on a regular continuous basis to the efficient operation of an educational unit.

Example: Information Technology (IT services), grounds maintenance, cleaning services.



Common to the Normal Daily Operation

3. Any service that, through custom and usage, has become a service commonly provided or procured by an educational unit on a regular continuous basis.

Example: Security Services



Example:

SERS previously determined a position should NOT to be covered under SERS membership, based on the premise that the position was not “normal to the daily operation.”

However, in recent years, months, or weeks, you notice this position has been commonly provided. You will need to obtain a new determination from SERS to see if the membership status has changed.

Services Common to the Normal Daily Operation

- Fiscal services or management company services
- Food services
- Transportation services for the employer
- Custodial or maintenance services
- School security services on school property
- Health-related services
- Substitutes for SERS-covered positions
- IT services
- Services that help in the planning, supervision, direction, management of, assistance in, and/or responsibility of providing a service that is common to the normal daily operation of a school



Services Not 'Common to the Normal Daily Operation'

- Service to vending machines
- Service to equipment under an equipment warranty or purchase/lease service agreement
- Service and/or repair to equipment and/or facilities of the employer on an emergency basis
- Providing trash pick-up and disposal
- Providing student transportation in vehicles that are not identified by law or marked as "school buses"
- Advising and/or consulting on a temporary basis



Persons performing such services are not SERS' members.

Contracted Services

- Persons employed by a contractor to perform a service “common to the normal daily operation” must enroll in SERS.
- There is no exemption from the requirement to enroll even if:
 - A different employee is sent every day.
 - The work is part time.



Contracted Services

- Enrollments are needed for each new employee.
- Claiming that employees are independent contractors does not avoid membership in SERS.



If you believe the contractor is a true independent contractor, you will need to complete the Membership Determination Form, which can be downloaded from our website: <https://www.ohsers.org/employers/formsandpublications/>.

SERS or STRS?



- Teacher's aides/Paraprofessionals
- Bus drivers
- Food service personnel
- Custodial or maintenance personnel
- Technology coordinators
- Treasurers
- Business managers
- Secretarial or clerical personnel



SERS or STRS?



- Regular preschool teachers, including head teachers and aides
- Special education preschool teachers, including aides but not head teachers
- Latchkey employees
- Early childhood instructors
- Ticket takers
- Security officers
- Auxiliary services personnel (in positions that do not require licensure under Ohio law)



SERS or STRS?



- Full-time and part-time teachers
- Preschool directors
- Special education preschool head teachers
- Adult education instructors
- Substitute teachers
- Pupil Services
- Tutors



SERS or STRS?



- County board of developmental disabilities teachers
- Superintendents
- Psychologists
- Guidance counselors
- Auxiliary service personnel (in positions that require licensure under Ohio law)



Membership: Coaches

Does the individual hold a valid teaching license?

Yes – STRS Ohio membership

No – SERS membership



When it comes to coaches, the question you need to ask yourself is “Does the individual hold a valid teaching license?”

Membership: Nurses

Does the position require an ODE school nurse license?

Yes – STRS Ohio membership

No – SERS membership



When it comes to nurses, the question you need to ask yourself is “Does the position require an ODE school nurse license?”

Membership: Speech-Language Pathologists and Audiologists

Did your school receive an exception from ODE under Section 3319.224 of the Revised Code?

No – STRS Ohio membership

Yes – SERS membership



In order to receive an exception from the ODE, your district would have to meet certain requirements set forth by the ODE in order to be granted the exception.

Membership Exemption

Employees who may choose exemption include:

- Students who are not members at the time of employment, and are employed by the school, college, or university in which the student is enrolled and regularly attending classes.
- Emergency employees serving on a temporary basis.
- Individuals who are employed in a program established under any federal job training program.



“Emergency situations” includes fire, snow, earthquake, flood, or similar emergency.

Membership Exemption

Must complete a **Request for Exemption from Membership Form** within the first month of employment. The district keeps the form on file indefinitely.

This exemption is **irrevocable**.



Optional Membership

School board or governing board members have the option to contribute to SERS.

- Membership in SERS or Social Security must be chosen within the first 30 days of taking office.
- If the board member chooses membership in SERS, a **New School or Governing Board Member Election for Membership to SERS** form will need to be completed and submitted to SERS.



Optional Membership

Once membership is chosen, it is **irrevocable**.

Governing authorities of community schools cannot belong to SERS.



Exclusion from Membership

Those excluded from membership include:

- Individuals who participate in an Alternative Retirement Plan (ARP) established by a college or university.
- University of Akron police officers who are covered by the Ohio Public Employees Retirement System (OPERS).



Exclusion from Membership

Individuals who have a license and are employed in an educational position through programs under federal law and financed by federal funds for which no license may be required.



Exclusion from Membership

Non-teaching University of Akron employees who are initially employed after September 28, 2016, or who were employed by the university as of September 28, 2016, who subsequently terminated their employment and are then reemployed by the university at least 12 months after termination.



Exclusion from Membership

Community School Operators:

As a general rule, individuals employed after July 1, 2016, by community school operators who were withholding and paying Social Security taxes for employees on or before February 1, 2016, are excluded from membership.



Membership Enrollment

Employees and reemployed retirees can only be enrolled electronically through eSERS.

Use the “Upload Enrollment Files” or “Manual Enrollment Entry” applications.

You will not be able to submit contribution reporting for an individual until an enrollment is uploaded or manually entered into eSERS.

The SSA also can be uploaded into eSERS.



Membership Determinations

A determination request must be in writing and should include a completed Membership Determination form, and the job description and/or contract.

Upon review, Employer Services will make a determination.

If SERS Staff have any questions, you may be required to submit additional information.

SERS will issue a final determination, which may be appealed to the Board.

Any decision made by the Board is final.



Membership: Payment of Unreported Time

If it is determined that the employee is a SERS member, and services have already been provided, you have 30 days to certify all earnings paid to the employee on the **Certification of Salary for Non-contributing Service** form.

Once calculated, the district has 30 days to provide payment.

Failure to certify the earnings will result in a charge based on estimated figures.



Employment of Retirees

A retiree of SERS or another Ohio system may be employed by a school in a position in which SERS contributions are required without limitation on the number of days or earnings.

All reemployed retirees are required to contribute to SERS if employed in a SERS-covered position.

Retirees should consider waiting two months so that they do not have to forfeit payment for each month worked during that waiting period.

The reemployed retiree will need to be enrolled and contributions will need to be remitted.



There is one exception - if a retiree held two positions prior to retirement, the employee may continue to work in the lower-paying position without forfeiting their pension benefits.

Reemployed Retirees and Health Care

Individuals who retire and then take a new job or go back to work for a public or private employer, may temporarily lose their eligibility for SERS' health care coverage while they are reemployed.

Once reemployment ends, eligibility is restored.



Reemployed Retirees and Health Care

This affects individuals who began employment on or after January 1, 2016, and are:

- Under age 65 and not yet eligible for Medicare, or
- Eligible but not enrolled in Medicare Part B

Individuals not affected are:

- Enrolled in Medicare Part B



Reemployed Retirees and Health Care

SERS health care eligibility is lost when an individual:

- Is eligible for medical and prescription coverage through his or her new employer, or
- Is not eligible for medical and prescription coverage through his or her new employer, but other employees in comparable positions are eligible for coverage. The coverage available to employees in comparable positions must be at the same cost as full-time employees.



Reemployed Retirees and Health Care

Individuals will not lose eligibility for SERS' coverage if they do not have access to the employer coverage or it costs employees in comparable positions more than what full-time employees pay.

This also applies to spouses, but not children.



Employing Disability Benefit Recipients

A SERS disability benefit recipient cannot be employed by a SERS-covered employer; if a recipient is employed, the benefit ends.

Schools that hire a disability benefit recipient must file notice of the employment, including the date of employment, with SERS.



Employing Disability Benefit Recipients

A disability benefit recipient of another Ohio retirement system should contact the other system to determine any restrictions on returning to other public employment.

A member is not eligible for a SERS disability benefit if the person is receiving a disability benefit from another Ohio retirement system.



If you would like further information on the Disability program, you can watch our recorded webinar in the Employer Video Center:

<https://www.ohsers.org/employers/employer-education/video-center/>.

Alternative Retirement Plan (ARP)

An ARP is only an option for employees of colleges and universities.

Employers are responsible for notifying SERS of an employee who is eligible for an ARP within 10 days of the employee's first day of employment by submitting a Notice of Employment or Reclassification of Employee Eligible for Alternative Retirement Plan form.



ARP

Eligible employees have 120 days from their first day of full-time employment to enroll in the ARP.

An employee who chooses the ARP must sign the Retirement Plan Election Form and return it to the employer, who is required to file it with SERS within 10 days.

Once submitted, is **irrevocable**.



Multiple System Coverage

An employee who has more than one job may contribute to more than one Ohio retirement system.

For each covered job, the appropriate contributions should be sent to the proper retirement system.



Compensation



- What is Covered Compensation?
- Compensation Subject to SERS
- Compensation Not Subject to SERS
- Compensation Determinations



What is Covered Compensation?

- Covered compensation includes all salary, wages, and other earnings paid to an employee by reason of employment.
- Compensation is determined prior to the amount deducted as the employee's contributions and before any of the compensation is treated as deferred income for federal income tax purposes.



What is Covered Compensation?

- Contributions are to be remitted to SERS no later than five business days after each Pay Date.



The Pay Date is provided by the school district when a payroll schedule is created or extended in eSERS.

Compensation Subject to SERS Contributions

- Regular salary or wages
- Overtime earnings
- Pay for used vacation and sick leave
- Paid holidays
- Calamity days
- Across-the-board retroactive wage settlements
- Longevity pay
- Merit increases



This is not an all inclusive list.

Compensation Includes

- A lump-sum payment in lieu of a salary or wage increase to all persons in a class of employees, in the same dollar amount or percentage, and in accordance with a written contract.
- Payments paid on behalf of the individual to an eligible retirement plan, such as an IRA, 457(b), or 401(k).



Compensation Includes

- Back pay awards that reinstate an employee to the employee's position without interruption or loss of time.
- Payments made by the employer to the employee for Workers' Compensation Salary Continuation.





Compensation

NOT Subject to SERS Contributions:

- Payments for accrued but unused sick leave, personal leave, vacation leave, or compensatory time.
- Amounts paid to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage; other insurance for the employee; or amounts paid to the employee in lieu of providing the insurance.



Compensation

NOT Subject to SERS Contributions:

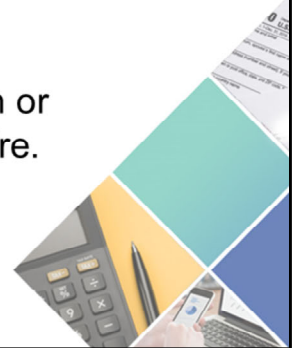
- Incidental benefits, including lodging; food; laundry, including clothing/uniform allowance; parking; services furnished by the employer; use of the employer's property or equipment, including cell phones; and reimbursement for job-related expenses authorized by the employer, including moving and travel expenses; and expenses related to professional development.



Compensation

NOT Subject to SERS Contributions:

- Compensation made to, or on behalf of, an employee that is in excess of the allowable amount under federal tax law.
- Anything of value paid to an employee based on or attributable to retirement or an agreement to retire.



Compensation

NOT Subject to SERS Contributions:

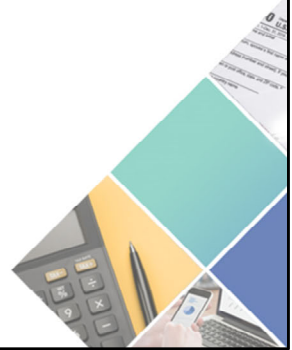
- One-time and/or lump-sum payments made that were not made for additional services rendered, or not based on an employee's standard rate of pay, such as:
 - Severance
 - Incentive bonuses for low use of leave
 - Signing bonuses
 - Wellness Incentive



Compensation

NOT Subject to SERS Contributions:

- Payments made as a differential wage payment for an employee who enters active military duty for more than one month.





Compensation Determinations

You need to send SERS:

- Complete information about the compensation
- Settlement or grievance paperwork

- SERS may request additional information to make a determination.





Compensation Determinations

Next Steps:

- If it is determined that the payment is compensation for SERS' purposes, a charge will be made to the employer for both the employee and employer contributions, plus interest.
- Once the cost has been calculated and submitted, you have 30 days to send the payment.



Contact Information

Call toll-free: 877-213-0861

Email: employerservices@ohsers.org

Secure Fax: 614-340-1195

