

## Ohio Police & Fire Pension Fund Employer billing deadlines for 2004\*

Due Date	Description
1/31/04	OP&F member contribution payroll reports and payments for December 2003
2/29/04	OP&F member contribution payroll reports and payments for January 2004
3/31/04	OP&F member contribution payroll reports and payments for February 2004
3/31/04	OP&F employer quarterly bills for 4th quarter of 2003 (Oct.–Dec. 2003)
4/30/04	OP&F member contribution payroll reports and payments for March 2004
5/15/04	OP&F 1st Semi-Annual Bills for employer accrued liability
5/31/04	OP&F member contribution payroll reports and payments for April 2004
6/30/04	OP&F member contribution payroll reports and payments for May 2004
6/30/04	OP&F employer quarterly bills for 1st quarter of 2004 (Jan.–March 2004)
7/31/04	OP&F member contribution payroll reports and payments for June 2004
8/31/04	OP&F member contribution payroll reports and payments for July 2004
9/30/04	OP&F member contribution payroll reports and payments for August 2004
9/30/04	OP&F employer quarterly bills for 2nd quarter of 2004 (Apr.–June 2004)
10/31/04	OP&F member contribution payroll reports and payments for September 2004
11/15/04	OP&F 2nd semi-annual bills for employer accrued liability
11/30/04	OP&F member contribution payroll reports and payments for October 2004
12/31/04	OP&F member contribution payroll reports and payments for November 2004
12/31/04	OP&F employer quarterly bills for 3rd quarter of 2004 (July–Sept. 2004)

\* Payroll deduction payments are due on the same dates as billing.

### Additional Filing Requirements

**Pre-employment physicals**  
Must be received by OP&F no later than 60 days after the employee becomes an OP&F member.

**Retirement certification**  
Documents verifying an employee's termination date or retirement date must be received by OP&F no later than 60 days after OP&F mails certification paperwork.



# employer Digest

www.op-f.org

Volume 3, Number 1, June 2004

## New “pick-up” rule adopted to simplify reporting

*Model Resolution expected to result in more accurate reporting and provide membership and employers with the certainty of proper tax treatment in the future*

As a service to OP&F's membership and participating employers, the Board of Trustees adopted Ohio Administrative Rule 742-7-14, *Recognition of Pick-Up of Contributions*, to aid in the proper recognition of employer “pick-up” (or pre-tax) contributions. OP&F records contributions based on information submitted by employers, which is later used for determining the taxability of benefits paid by OP&F. As a result of the adoption of Rule 742-7-14, employers who “pick-up” contributions now need to file a resolution in the form approved by OP&F before reporting to OP&F.

In addition to the adoption of this rule and as an additional benefit to OP&F's employers, OP&F is filing a Private Letter Ruling with the Internal Revenue Service (IRS), which will ensure proper IRS treatment of the tax-deferred contributions.

To assist in complying with the new rule, OP&F provided all employers with two sample model resolutions—one for employers with an existing pick-up plan and one for employers who may wish to adopt such a plan in the future. Employers currently reporting contributions or purchases of service credit with amounts designated as picked-up contributions, must ensure

that the appropriate governing body of their municipality has properly completed and adopted such a resolution and returned it to OP&F. Supplying OP&F with this resolution certifies that a pick-up plan is in existence. If an approved resolution is not received, OP&F will not be able to recognize the picked-up contributions.

Municipalities interested in reporting picked-up contributions should adopt and return a resolution, in the form approved by OP&F, within 90 days after the earliest date desired to begin reporting picked-up contributions. A copy of the OP&F-approved model resolution for pick-ups can be acquired by contacting OP&F Employer Liaison Rhonda Sheskey at 614-628-8235. An example of the resolution is also available for download on OP&F's website (www.op-f.org).

Municipalities that have pick-up plans for both police and fire employees should adopt and file separate resolutions for each department. Additionally, if the pick-up status differs between bargaining and non-bargaining groups, then separate descriptive paragraphs should be included in the resolution. Please send completed resolutions to:

**Rhonda Sheskey**  
Ohio Police & Fire Pension Fund  
140 East Town Street  
Columbus, Ohio 43215.

There are two methods of picking-up member contributions. One is the payroll reduction method, where pension contributions are taken from

an employee's paycheck before federal and state taxes are applied. The second method is where the employer directly pays the contributions on behalf of the member, rather than having them deducted from the employee's paycheck. Municipalities are not required to adopt and supply a resolution if they do not provide picked-up contributions as outlined.

**PLEASE NOTE** that Ohio law requires OP&F to assess penalties and interest if the appropriate steps are not taken to properly note and file picked-up contributions. If an employer files a report of deductions that does not conform to the pick-up resolution filed with OP&F, a written notice of such will be sent, allowing 30 days for corrective action. Penalties will also apply if an employer reports picked-up contributions but does not file a resolution approved by OP&F. ■

### Errors decline

Changes in the Ohio Revised Code, adding flexibility to reporting requirements, along with the creation of the Employer Liaison position at OP&F have resulted in a gradual decrease in reporting errors and resulting penalties, statistics show.

Payroll reporting penalties were reduced by 31 percent from 2002 to 2003, as a direct result of OP&F's efforts to increase communications and employer compliance. In 2002,

*Continued. See Errors, page 2.*

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Errors, from page 1.

House Bill 244 was incorporated into the sections of the Ohio Revised and Administrative Codes impacting employer reporting. The bill includes changes in the processing of penalties applied to late or missing pre-employment physical information for new members, as well as how penalties are applied when employers file late or deficient payroll reports.

The changes in reporting requirements and penalties have worked to show marked improvement in employer compliance. OP&F will continue working with employers to help avoid future penalties and mitigate any remaining penalties.

To assist employers, on-site visits from OP&F staff are available upon request. During these visits OP&F staff meet with employers to resolve outstanding issues and provide education on reporting requirements. Site visits have increased over 40 percent since becoming available in 2002. This increased communication and awareness are believed to be the reason for the successful decline in reporting errors and any applicable penalties.

To schedule an on-site visit, please contact OP&F at 614-628-8235. ■

## Ohio Police & Fire APRS staff profile

OP&F has many checks and balances in place to insure the accuracy of all aspects of employer reporting. Each issue of the Employer Digest will feature an employee from the payroll reporting area, known as APRS (Amplified Payroll Reporting System). In this issue, we feature OP&F Senior APRS Specialist Kay Szlasa.



**KAY SZLASA** is OP&F's Senior Amplified Payroll Reporting

System (APRS) Specialist. She is working together with the APRS Team to help maintain accurate payroll reporting records. Before an employer's payroll report can be posted, it must first be reviewed for appropriate form usage, accuracy and completion. All APRS team members are assigned specific employers based on the letters of the alphabet. Kay is responsible for reviewing the payroll reports for employers beginning with letters A through D and the letter N.

Troubleshooting is the most important task assigned to Kay. She must closely review every aspect of the reports, looking for inaccuracies. If an error is identified, Kay will work together with

that city's payroll clerk to isolate the cause and eliminate the inaccuracy. Only after the correction is made and the payroll report is audited can it be posted and accounted for among the OP&F membership for that employer.

Kay has been a valued employee with OP&F for nearly 17 years, beginning her employment in 1987 calculating pension benefits for retirees. Although Kay has been a part of many changes at OP&F over the years, one thing remains the same for her: "I really enjoy my job," she explains. "I do all I can to help our employers and make their job a little easier as well."

When she's not spending time with her grown son, Don, Kay enjoys playing a round of golf or planning her next trip to Florida to visit extended family. ■

## Contributions continue during active military duty

While serving their communities as police officers and firefighters, many active members of OP&F are serving our country as military reservists. In recent times many reservists have been called to active duty. According to Ohio law, a member of the U.S. Armed Forces, who is absent from employment due to active military duty, is considered a member of OP&F for the duration of military duty.

Throughout the time period spent in military service, the member's information should continue to appear on all payroll reports with the usual employee hours base indicated. Assuming the police officer or firefighter was on active military leave for an entire reporting month, the hours worked should read "0." To better assist OP&F, the "reason" portion of the payroll report should indicate that the member is on military leave.

Although some employers may only compensate members a

portion of their normal salary, as described in their contract, they will continue to submit and pay contributions to OP&F on payments made to members while on active military duty.

When a member returns from active military duty, he/she should notify OP&F to learn how to have the military time granted. Supplying OP&F with the appropriate information helps eliminate any service time calculation delays for the member in the future. Part of the granting procedure involves OP&F contacting employers for certain verification, including the member's last day on payroll before leaving for active military duty and his/her first day back on payroll following discharge from active military duty.

Please keep in mind that members can only apply for a grant of military time served if they have been honorably discharged and apply for reinstatement with their employer within 90 days of their return. ■

## Ohio Police and Fire Memorial Park Dedicated



A granite monument and life-size bronze statue of a police officer and firefighter with a child adorn the newly dedicated Memorial Park in Columbus.

On April 28, 2004, an estimated crowd of 150 people gathered in the park west of the OP&F headquarters to attend the dedication ceremony for the Ohio Police and Fire Memorial Park, which is the only statewide memorial to Ohio's police officers and firefighters who have dedicated their lives to public safety. The guests included the OP&F Board of Trustees, the Governor's office and several family members of police officers and firefighters who have fallen in the line of duty, for whom the park is dedicated.

The dedication ceremony included

comments from OP&F Executive Director William J. Estabrook.

Estabrook recognized several key individuals in attendance, including city dignitaries and families who traveled from great distances to the event.

Bob Beck, Chairman of the OP&F Board of Trustees, gave a moving speech, addressing the heroism of all public safety officials. He was quick to point out that it is not the intent of those entering the public safety field, to be viewed as heroes. "Nobody goes into this job... and says to himself, 'Boy I want to get my name on that [memorial] someday,'" explained Beck.

*"Nobody goes into this job... and says to himself, 'Boy I want to get my name on that [memorial] someday.'" —OP&F Chairman Bob Beck*

Steven Walker, Honorary Chairman of the OP&F Memorial Park Corporate Fundraising Campaign and Portfolio Manager for Invesco Real Estate, also addressed guests. He explained that being a part of the Memorial Park project has been "the single most fulfilling task" he has ever been asked to carry out.

OP&F Board of Trustees, Estabrook and sculptor Ronald Dewey broke ground for the park on March 26, 2003, which started corporate and private fundraising efforts for

the construction and maintenance of the park.

Individuals and organizations had (and still have) an opportunity to recognize Ohio police officers and firefighters by purchasing a brick, paver or granite bench for the park. The park now includes over 300 memorial bricks and pavers and six granite benches—including one purchased by the City of Centerville—leading to the collection of over \$285,000 in private donations. Donations will continue to be accepted with the proceeds to be used for park maintenance. Donor information is available online at [www.op-f.org](http://www.op-f.org). ■

## Error notification procedures change

Beginning in January 2004, OP&F changes its administrative rule on notifying employers to help correct errors in reporting member contributions. The change will still give employers information regarding the error and a reasonable opportunity to correct the error.

Once a reporting error is found, OP&F will now call the employer to give a verbal notice of an error. This verbal notice will trigger the beginning of a 30-day period to correct the error. If the employer has not corrected the error in writing to OP&F by the Friday following the verbal request, a written notice will be sent. This notice will explain the reporting error and the steps that must be taken to correct it. The written notice will also indicate *when* the 30-day period began and spell out the consequences and fines that apply if corrections are not made within the prescribed time period. ■

## Contributions can be filed via Automated Clearing House

Historically, employers have filed contributions in one of two ways: Either mailing a check to OP&F, or by using same day, bank-to-bank electronic transfers. While the same-day electronic transfers are efficient, they tend to be costly (averaging \$20 per transfer). As a service to employers, in 2003 OP&F announced its ability to accept bank transfers via the Automated Clearing House (ACH) method. This method offers employers the option to send contributions with next-day electronic transfers for just a few cents per transaction.

Employers interested in using the ACH service should contact OP&F at 1-888-864-8363. The proper paperwork will be mailed to your office for completion. Once your municipality has been established as a participant in the ACH program, you will receive instructions on how to use the system as well as a password to access the program. ■