

EMPLOYER DIGEST



The quarterly newsletter for Ohio employers of full-time police officers and firefighters

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Billing task force created

OP&F has created a billing task force that is reviewing and making recommendations on employer processes to increase efficiency and ease of use.

The main goal of the billing task force will be to streamline current processes and enhance our services to employers, which is part of OP&F's strategic plan.

The task force consists of OP&F employees from a variety of departments that have interaction with the billing process and employers on a regular basis.

Track the progress of the billing task force and its suggestions in upcoming issues of the *Employer Digest* and at www.op-f.org. ■

Paying contributions electronically

Employers can send contribution payments via an electronic transfer method called Automated Clearing House (ACH) for a fast and convenient delivery.

Using ACH eliminates the worries that mailing a check can cause, such as the possibility of losing the payment in the mail or not allowing enough time for arrival. It also adds the convenience of completing the payment through the easy use of a telephone.

Applying for ACH and sending contribution payments through electronic transfer is simple and can be completed by following these steps:

1. Contact OP&F at 888-864-8363 to request enrollment information and a letter of understanding or visit www.op-f.org/employers and download the information and letter of understanding from OP&F's Web site, including frequently asked questions and answers regarding ACH.

2. Complete and file the letter of understanding with OP&F.
3. OP&F will send the employer's information to Huntington National Bank, or another designated bank, to process.

Using ACH eliminates the worries that mailing a check can cause...

4. The bank will forward information for accessing ACH, such as a user name and password, to the employer.
5. The employer will access ACH through the information received from the bank and pay the contributions due.

Sign up for ACH by calling OP&F, at 888-864-8363, and access the convenient and quick way of paying contributions through the telephone via ACH. ■

Employee spotlight

For almost 16 years Atonya Malone has worked at OP&F in a variety of roles and departments. She began in the Records Group, moved to the Finance Department and now works in the Member Services Department as a Senior Payroll Contribution Specialist.



Senior Payroll Contribution Specialist, **Antonya Malone**, audits payroll reports to ensure they are compliant under the law.

“I currently audit payroll reports to make sure that the information in our system is accurate,” explains Malone. “Since retirement benefits are based upon payroll reporting, I work closely with employers and OP&F staff to ensure that payroll reports are compliant under the law.”

Malone’s job requires attention to detail and an expansive knowledge of payroll reporting. “I’m one of the last people to review and audit payroll reports and since there can be unusual circumstances or uncommon reporting items, I have to stay up-to-date on payroll reporting,” says Malone. “This can be challenging at times, but it is the part of the job that I like best.” ■

Determining pension benefits

OP&F calculates retirement and disability benefits for an OP&F member by using the reported hours worked and salary, which is defined by Ohio law and administrative rules and captured in the employer payroll reporting process.

A member that works, or is paid for, his or her standard scheduled hours, earns contributing service credit. Service credit along with the member’s average annual salary is then used to determine the member’s pension benefit.

Salary is defined as compensation, wages and other earnings paid to an employee by reason of employment. The employer pays the member a salary and is required to submit, on a monthly basis, the member’s contributions directly to OP&F. Therefore, it is up to the employer to correctly define the hours base, hours paid and the pensionable portion of the member’s salary. OP&F may audit and reject any compensation that does not meet the statutory provisions and administrative rules.

Contact OP&F’s Employer Education Manager, John Davis, at 888-864-8363, extension 8255, or jdavis@op-f.org for an interpretation of a particular payment to determine if it is pensionable. ■

Explanation of the penalty structure

Under Ohio law, an employer must submit, in the approved format, payroll reports, contributions and the *Summary of Payment Remittance Information* form. If an employer fails to do so, the employer will receive penalties as described below. ■

An employer with 20 or less employed OP&F members

Payroll report and/or contribution past due	Penalty received
1—15 days	\$50
16—60 days	\$100
61—180 days	\$500 or 2% of the payment due, whichever is greater
181—240 days	\$1,000 or 3% of the payment due, whichever is greater
Over 241 days	\$3,000 or 4% of the payment due, whichever is greater

An employer with 21 or more employed OP&F members

Payroll report and/or contribution past due	Penalty received
1—15 days	\$100
16—60 days	\$500 or 1% of the payment due, whichever is greater
61—180 days	\$1,000 or 2% of the payment due, whichever is greater
181—240 days	\$3,000 or 3% of the payment due, whichever is greater
Over 241 days	\$7,500 or 4% of the payment due, whichever is greater

Payroll reporting tips

Contact your OP&F payroll representative if you have any questions regarding the following payroll reporting tips.

Tip 1: Send only one payroll report per month

Retro payments, supplements and adjustments can be submitted within the current monthly payroll report so only one report per month, per pay frequency should be submitted to OP&F. Also, Ohio law requires all employers to submit the *Summary of Payment Remittance Information* form with all payments made to OP&F. The form should only be submitted once per month with the payment due.

Tip 2: Do not switch between electronic and paper payroll reporting

Do not switch between reporting payroll electronically and reporting on paper. Once a method of submission is chosen, the employer should continue to report the same way each month.

Tip 3: Reporting under earning types "7" and "8"

Earning types 7 and 8 are defined as current additional allowable salary and lump sum additional allowable salary. These codes are used to report additional pensionable salary that do not pertain to the base pay. Only the following earnings should be report using earning types 7 or 8:

- resident pay;
- firearms proficiency;
- weapons allowance;
- K-9 allowance;
- court time;
- fire and EMT runs;
- paramedic pay;
- fire drills;
- phone duty;
- training pay; and
- extra hours at straight or base pay.

Please contact a Payroll Contributions Specialist before reporting any payments not defined above for earning types 7 or 8.

Tip 4: Report correct Social Security numbers

The correct Social Security number must be entered for each member on the payroll report. If any number is incorrect, the report is not compliant, which could lead to penalties being applied. Please double check Social Security numbers before submitting the payroll report. ■

Summary of Payment Remittance Information form updated

An updated version of the *Summary of Payment Remittance Information* form has been posted under the "Forms for Employers" section online at www.op-f.org/employers. The most notable change on the form is the clarification of using the employer's office address for the employer contact information. Please do not use a home or personal address since OP&F needs to know where the employer's office is headquartered.

The *Summary of Payment Remittance Information* form must be submitted with all payments made to OP&F, according to the governing administrative rule. ■

Positive feedback on employer educational sessions

In April, OP&F held five employer educational sessions throughout the state updating employers on payroll reporting changes. Approximately 150 employer representatives attended the sessions and 90 percent of them rated the training good to excellent.

Some of the most discussed topics during the meetings included online payroll reporting, the *Summary of Payment Remittance Information* form and how to report military leave.

OP&F is planning to hold the sessions on an annual basis. Look for the 2008 dates and locations in future issues of the *Employer Digest*, OP&F's Web site and through special mailings. ■

30-day penalty letters

When a payroll report is submitted that is not compliant, OP&F is required, under the law, to use the following procedures:

1. OP&F will call the employer to inform and assist in resolving the issue with the payroll report.
2. The employer has until Friday of the week the call was made by OP&F to send a written correction via e-mail or fax. The response must be in writing and the employer should not submit a corrected report, unless instructed.
3. If the employer has not responded by Friday, OP&F will send a certified 30-day letter. The employer then has 30 days from the day the initial call was made to respond and correct the report.
4. If the employer responds after the 30-day deadline, penalties will be assessed.

Please contact a Payroll Contributions Specialist with questions about payroll reporting. ■



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The Ohio Police & Fire Pension Fund (OP&F) is dedicated to providing retirement and related benefits, accurate information, dependable communication and valuable educational assistance to our members. As responsible fiduciaries, we will professionally manage the resources of OP&F and implement its practices, plans and benefit services with the highest ethical standards.

Nothing contained in this newsletter is meant to interpret, extend or change, in any way, the governing statute, administrative rules or policies. As a result, rights can only be determined by the provisions of OP&F's governing documents, which are subject to change.

Attend the next Employer Advisory Group meeting

To meet OP&F's objective of providing a high level of service to employers and a forum for employers to have their concerns heard and addressed, OP&F established an Employer Advisory Group.

The group consists of 15 individuals from different OP&F employers that meet quarterly at OP&F. The next meeting is scheduled for late June or early July and is currently opened to all employer representatives, although space is limited.

Contact OP&F's Employer Education Manager, John Davis, at 888-864-8363, extension 8255, or jdavis@op-f.org to make your reservation. ■

Important dates and deadlines

Submit the appropriate payroll reports, contributions and paperwork by the due dates listed below to avoid penalties. Reports and contributions must be received by OP&F by the dates listed and not just postmarked by the due date. Visit our Web site at www.op-f.org under the "Employers" section titled "Employer Calendar" to view all the due dates for the year. Please contact your OP&F Payroll Contribution Specialists should you have questions. ■

June 30, 2007 2nd pre-employment physical bill (February—April 2007)

June 30, 2007 OP&F payroll deductions, member contribution payroll reports and payments for May 2007

June 30, 2007 1st quarter employer bills (January—March 2007)

July 31, 2007 OP&F payroll deductions, member contribution payroll reports and payments for June 2007

Aug. 31, 2007 OP&F payroll deductions, member contribution payroll reports and payments for July 2007

Sept. 30, 2007 3rd pre-employment physical bill (May—July 2007)