



D *employer* Digest

www.op-f.org/employers

Volume 4, Number 3, December 2005

Reporting military pay

OP&F members who are called to active duty through participation in the Reserve components of the Armed Forces of the United States, including the National Guard, are entitled to leave without loss of pay for periods they are serving up to one month for each calendar year in which they are serving. A month is defined as 22 days or 176 hours under the Ohio Revised Code Section 5923.05.

When members are on active duty during the eligible month, payments are considered “salary” for purposes of reporting salary and paying contributions to OP&F so the employer should report and submit pension contributions on these payments. Any military pay beyond this is not considered salary and should not be paid or reported, specifically military differential payments. If an employer has paid and reported contributions beyond this limited time period, they can request a refund. Before making the request, however, the

employer may want to consider that members can return from active duty and file an application for reinstatement. If this happens, the employer will be ultimately responsible for reporting and paying OP&F all salary and contributions for the remaining period of such active duty for these affected members.

When OP&F members return from active duty, they should contact OP&F to begin the process of having the time on leave granted, so that no service credit is lost. Once the military time has been granted, the member’s employer will be billed the employer share of the contribution, which is 19.5 percent for police officers and 24 percent for firefighters.

Please contact Monte Cozzens, prior service/refund supervisor at (614) 628-8429 to seek refunds of applicable member contributions related to any non-pensionable military payments. ■

Reminder of new process of payroll reporting

As the New Pension Administration System (NPAS) is being implemented, changes in operation are occurring which improves how OP&F does business. The implementation of NPAS is a multi-year project that will enable OP&F to process payrolls and pension benefits more quickly and efficiently due to technology upgrades and the consolidation of multiple systems into a single system. NPAS is scheduled to be operational on Jan. 1, 2006.

Earlier this year, all OP&F employers received customized material explaining the new payroll reporting changes and upgrades relating to NPAS. Employers were also invited to attend one of the 30 statewide informational seminars regarding NPAS.

As discussed in the seminars, with the new NPAS reporting guidelines, it is important to remember that there are now fewer earning types to report since many earning types can now be reported under regular pay. Also, hours paid need only

be reported for regular pay and holiday pay cash outs.

Employers who are reporting payroll on paper must begin reporting payroll under the new NPAS guidelines with the January 2006 payrolls, which are due to OP&F no later than Feb. 28, 2006. OP&F employers who are electronically

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reporting payroll have already begun reporting under the new guidelines earlier this year. In the long term, payroll reporting will be easier for employers due to these changes.

Please contact OP&F’s Employer Education Manager, John Davis, at 614-628-8255 or jdavis@op-f.org should you have any questions regarding the reporting changes. ■

Employee Spotlight

Former APRS Manager, John Davis, will become the new Employer Education Manager on Jan. 1. As part of his duties, Davis will inform and assist employers with regulations and information that will help employers meet all required standards in reporting information to OP&F.



John Davis, Employer Education Manager, works with employers on reporting required information to OP&F.

“I hope to strengthen our relationship with employers and provide them with a single contact point where they can get all of their questions answered,” says Davis.

One of the first items on Davis’ agenda at his new position is to develop an education program for employers. The program will be designed to train employers on payroll reporting, pre-employment physicals, legislative due dates, and other items employers are required to be aware of as part of their reporting duties. Davis will then certify employers at the completion of the training. “The main goal of my job is to give employers tools they need to avoid penalties that will be incurred when items are not reported correctly or timely,” explains Davis.

All OP&F employers are welcome to contact Davis at 888-864-8363, directly at 614-628-8255 or via e-mail at jdavis@op-f.org for any question they may have, especially about issues related to payroll reporting. ■

Who to contact

Please feel free to contact OP&F’s Customer Service at 888-864-8363, Mon-Fri., 8 a.m. – 4:30 p.m. EST, should you have any questions. You may also contact an OP&F staff member directly should you have a question or concern about a specific topic listed below. ■

Topics	Contact	Phone number
Quarterly bills, accrued liability, GASB information and payments	Tisha Stephenson	(614) 628-8245
Pick-up resolutions and arranging employer site visits	John Davis	(614) 628-8255
Pre-employment physicals and Form A enrollment	Vicki Whyte	(614) 628-8350
Payroll deduction, ACH and wire payment options	LJ Adkins	(614) 628-8332
Payroll (employers A-L, excluding Columbus)	Kay Szlasa	(614) 628-8237
Payroll (employers M-Z, plus Columbus)	Nelson Bowen	(614) 628-8458

Making payroll adjustments

Before January 2006, if an adjustment needed to be made to a payroll report that was already submitted to OP&F a work adjustment or supplemental payroll was submitted to make the change. The separate, one-line payroll report had the earning dates and adjustment.

With New Pension Administration System, an adjustment can be made easier and directly within the current payroll report. However, the proper earning dates for the adjustment and the comments field should be used to help identify why the adjustment is being made.

Questions about adjustments to payroll reports should be directed to Rhonda Sheskey at 888-864-8363 or rsheskey@op-f.org. ■

Potential reduction of statutory penalties

Administrative Rule Section 742-8-07 has been recently filed with the Joint Committee on Agency Rule Review that will, in special circumstances, allow for the potential reduction of penalties assessed against employers for delinquent contributions, payroll reports or reports of pre-employment physicals. These special circumstances include the existence of a new clerk or employer, acts of God that adversely impacts the ability to timely file or make payments, and certain medical leaves. Potential reductions of assessed penalties range from 25 to 75 percent.

Should you have questions about the new rule, please feel free to contact John Davis at 888-864-8363, directly at 614-628-8255 or via e-mail at jdavis@op-f.org. You may also find the rule on OP&F’s Web site, www.op-f.org, under the “Laws & Rules” section then click on “Pending Administrative Code (OAC) Section 742.” More detailed information on this new rule will be forthcoming in future *Employer Digest* issues. ■



Payroll reporting tips

Processing annual payments

When processing annual payments such as longevity, holiday cash outs, or sick-leave incentives, please remember to provide annual earning dates on the payroll reports. For example, if your employee receives pay for 10 days of unused holidays on a calendar-year basis, you would report 80 hours of pay on the payroll report with earning dates of Jan. 1, 2005, through Dec. 31, 2005. Please note that earning dates will differ according to contracts, ordinances, and policies.

Reminder to use work codes

When an OP&F member changes work status, please remember to use the appropriate work code to describe the new status. Work codes will need to be used for reporting payroll under the New Pension Administration System guidelines with the January 2006 payrolls, which are due to OP&F no later than Feb. 28, 2006. Providing this level of detail on payroll reports will minimize phone calls from OP&F or 30-day letters and will result in faster, more efficient processing of payroll reports. Also, please add comments on your payroll reports that explain discrepancies between the hours base versus the house paid.

Work Code	Category
NNew member
TTerminated member
RRetired member
DDeceased member
LMember on leave
SSuspended member
MMember on military leave

Retroactive payments

Beginning with the January 2006 payroll reports, retroactive payments may be reported within the current payroll reports. For example, if six months of retroactive pay is reported in the July 2006 report that covers the first six months of the calendar year, each OP&F member with retroactive pay would be reported on one payroll entry line. The earning period with the beginning date of Jan. 1, 2006, and end date of June 30, 2006, along with the total gross retroactive pay, and total pension deductions that cover the six-month earning period would be reported for each member on the corresponding payroll entry line. The earnings would be reported under code number six, which is the code for retroactive pay under the New Pension Administration System. ■

Training available for staff reporting payroll

Properly reporting payroll to OP&F without facing penalties can be challenging. Please contact OP&F's Employer Education Manager, John Davis, when a staff member first becomes responsible for reporting payroll.

OP&F would like to train the staff member on the reporting requirements and provide a level of comfort in understanding the basics of payroll reporting, including statutory due dates. Contact information is also gathered on the staff member so future information regarding payroll reporting will be sent to their attention.

You can reach Davis at 888-864-8363, 614-628-8255 or via e-mail at jdavis@op-f.org. ■

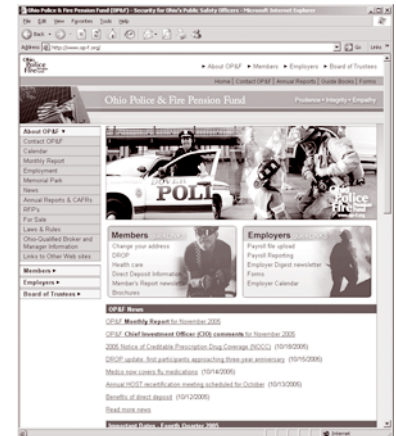
Employer section of OP&F Web site

OP&F is strengthening its relationships with OP&F employers. As part of this process, OP&F is enhancing the communication tools used to convey information to employers such as the OP&F Web site, www.op-f.org, and newsletter.

The employer section of the Web site now includes information regarding payroll reporting, issues of the *Employer Digest*, downloadable forms, and important dates and deadlines. Any updated information regarding these topics will be posted when it becomes available, so employers should visit the site often to stay up-to-date on these relevant issues.

The *Employer Digest*, a quarterly newsletter, is a tool to communicate important information to employers. The newsletter is mailed to all employers and contains information on payroll reporting requirements and tips on reporting payroll as well as other significant content.

Should you have any comments or suggestions about the employer section of the Web site or the *Employer Digest*, please feel free to e-mail questions@op-f.org. Employers will have an opportunity to participate in a formal survey in 2006 that will help OP&F evaluate its relationships and communication tools further. The survey will also allow employers to express their concerns, opinions and suggestions on a variety of topics. ■



Important dates and deadlines

Please keep these important dates and deadlines for payroll reporting for your reference. They are also posted at www.op-f.org under the “Employers” section titled “Employer Calendar.” Please contact John Davis at 888-864-8363, directly at 614-628-8255 or via e-mail at jdavis@op-f.org, should you have questions. ■

Due Date	Description
Jan. 31, 2006	OP&F payroll deductions, member contribution payroll reports in the new reporting format, and payments for December 2005
Feb. 28, 2006	OP&F payroll deductions, member contribution payroll reports and payments for January 2006
Feb. 28, 2006	1st pre-employment physical bill (November 2005 – January 2006)
March 31, 2006	OP&F payroll deductions, member contribution payroll reports and payments for February 2006
March 31, 2006	4th quarter employer bills (October – December 2005)
April 30, 2006	OP&F payroll deductions, member contribution payroll reports and payments for March 2006
May 15, 2006	1st semi-annual accrued liability bills
May 31, 2006	OP&F payroll deductions, member contribution payroll reports and payments for April 2006
May 31, 2006	2nd pre-employment physical bill (February – April 2006)
June 30, 2006	OP&F payroll deductions, member contribution payroll reports and payments for May 2006
June 30, 2006	1st quarter employer bills (January – March 2006)
July 31, 2006	OP&F payroll deductions, member contribution payroll reports and payments for June 2006
Aug. 31, 2006	OP&F payroll deductions, member contribution payroll reports and payments for July 2006
Aug. 31, 2006	3rd pre-employment physical bill (May – July 2006)
Sept. 30, 2006	OP&F payroll deductions, member contribution payroll reports and payments for August 2006
Sept. 30, 2006	2nd quarter employer bills (April – June 2006)
Oct. 31, 2006	OP&F payroll deductions, member contribution payroll reports and payments for September 2006

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.

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.

Prudence • Integrity • Empathy

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