Ohio Police and Fire Employer Update-2018

OP&F at a Glance

• We provide pension, disability, and survivor benefits to eligible full-time police officers and firefighters
• Under IRC Section 401(a), we administer a defined benefit plan
• OP&F was created in 1965 by the Ohio General Assembly-Opened our doors in 1967
About OP&F

• We are governed by Ohio Revised and Administrative Code (Chapter 742) and a Board of Trustees
• As of 1/23/2018, 2017 OP&F’s investment portfolio was valued at $16.2 billion

Who are our OP&F Employers?

• Municipalities (Both police and fire)
• Townships and Fire Districts (fire only)
• Villages (Both police and fire)

Who are our OP&F Employers?

• As of Dec. 31, 2016, we had 915 employer entities reporting to OP&F
• Top five largest employers:
  1. Columbus (3,632 members)
  2. Cleveland (2,375 members)
  3. Cincinnati (1,927 members)
  4. Toledo (1,240 members)
  5. Akron (837 members)
Who are our OP&F Members?

- Must be hired/appointed on full-time basis
- Active members (including DROP) = 27,446
- Retirees (including disability) and beneficiaries = 32,127
- Total members = 59,573 (57% police; 43% fire)
- DROP members comprise 14% of active membership base

OP&F News for 2018

- Change in Retiree Healthcare Announced
  - Change in Employer Refund Policy Implemented
  - Employer Web-Self Service Changes Implemented

End of Self-Insured Health Care Plan for Retirees

- Effective 1/1/2019, OP&F will no longer offer a self-insured health care plan for retirees.
- Instead, a fixed-cost monthly stipend will be provided.
- Aon will assist retirees in choosing the appropriate plan through the health care exchange market
Change in Employer Refund Policy

• OAC Section 742-9-18 deals with overpayment of either employee and/or employer contributions.
• Member contribution overpayments – Only if over $100 may a refund be made. Otherwise a credit will apply.
• Employer contribution overpayments – No refunds-only credits.

Changes to Employer Web-Self Service Program
Reporting to OP&F

What are my responsibilities as an Employer?

Top Five “Tips” for OP&F Employers

• Don’t be afraid to ask questions!
• Report and pay on or before due date!
• Make sure pension reports match cash/online payments submitted.
• Use comments/description field on pension reports.
• Make sure to take responsibility for timely submission of new member documents.
New Full-Time Police Officer or Firefighter? What to Do

• Complete and submit Personal History Record
• Have prospective member submit to pre-employment physical
• Have prospective member read, sign and date SSA-1945 Form (Social Security notice)
• Please remember: 60-day deadline to avoid penalties
• All forms on website (www.op-f.org)
• Can email scan or fax forms

What Payroll-Reporting Options do I Have?

• Web-Self Service Manual (data entry online reporting)
• Web-Self Service Import (3 steps-upload, process, submit)
• Electronic Payroll File Upload (browse and submit)

Which Reporting Option is Best for me?

• Depends on size of payroll, whether you have payroll software and complexity of reporting
• Web manual data entry-requires no payroll software
• Web import does require payroll software but no data entry involved
• Electronic file upload is very quick but does not show “exceptions” as Web Self-Service does
Can I Continue to Report Payroll Data on Paper?

- Yes. OP&F encourages employers to use one of our electronic options. Why?
- Same day receipt of report-eliminate postal delays
- Quicker processing of report and update of member accounts
- Electronic reporting is security protected (encryption)

What member information do I report on my OP&F pension report?

- Members’ scheduled hours and paid hours (determines service credit)
- Earning dates (NOT pay dates)
- Members’ gross pensionable wages per earning code (see handout provided).
- Are all wages pensionable? No....

Under ORC 742.01(L) not all wages are Pensionable

<table>
<thead>
<tr>
<th>Pensionable</th>
<th>Not Pensionable</th>
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<tr>
<td>Regular pay</td>
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<td>Longevity</td>
<td>Vacation, Sick Leave, Personal Day, and Comp.</td>
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<td>Overtime (timely paid)</td>
<td>Time Cash outs</td>
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<td>Holiday pay</td>
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<td>Hazard Pay</td>
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<td>Performance Bonuses</td>
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<td>Educational Allowances</td>
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<td>Attendance Bonuses</td>
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<td>Officer-In-Charge-Pay</td>
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What if I’m not sure whether something is pensionable or not?

- Please call your Employer Services Group (ESG) Rep. (see handout provided) if you have any doubts or questions
- Please keep OP&F updated with copies of your most current collective bargaining agreements, pay ordinances, and/or employee handbooks
- These documents can be emailed, faxed, or mailed to us

Please also use work codes and descriptive comments as needed

- Work codes are indicative of member status; i.e., T=Terminated, S=suspended without pay, L= Leave without pay, N = New, and R = Retired
- On payroll reports, please use description/comments field often! For example, “all overtime current,” “worked holiday,” “Officer in Charge pay.”

What happens when a member retires?

- Member completes retirement application through OP&F
- OP&F then sends employer “Interim Certification”—provides us with member’s last day on payroll
- OP&F also sends employer “Employer Accounting of Member Compensation” (see handout) — provides us with member’s final pay, including pensionable pay outs such as unused holiday and longevity
DROP versus Re-employed Retiree

- DROP (Deferred Retirement Option Plan)- Member must be eligible for retirement. DROP members are considered “active”-no changes in employer payroll-reporting
- Re-employed Retirees – Member retires, then becomes full-time with same or different OP&F employer. No change in employer payroll-reporting.

Making Payments to OP&F

OP&F Payment Options

- Employers can pay by check
- Employers can pay by ACH (Automated Clearing House) Debit
- Employers can pay by wire
- Rates are 12.25% employee (both police and fire), plus;
- Rates are 19.5% employer police, and 24% employer fire
How do I Sign up for Online Payments?
• Complete an ACH Authorization Agreement Form (see handout provided)
• Fax or mail form to OP&F
• You will receive an email, confirming setup

What do I need to know about online payments?
• You can make any payment online-member contributions, employer contributions, prior service buy-backs, accrued liability, penalty payments
• You can establish multiple accounts if you wish to
• You can complete your pension report, summary of payment remittance, and payment, all in the same (web) program

What else should I be aware of concerning payments?
• Online payments are not “same day” payments-can post as early as the next business day in most cases
• Cannot have payments post on weekends or federal holidays (listed on OP&F website)
• Payments must be entered by 4:30 pm on business day; otherwise payments cannot post earlier than 2 business days forward
What else should I be aware of concerning payments?

- Payments and payroll reports must both be received on or before the due date.
- For any payment made, please complete recap (Summary of Payment Remittance Information Form—see handout provided).

Ohio Police & Fire Pension Fund 1-800-864-0363

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<tr>
<th>Payroll Reporting Calendar</th>
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<tr>
<td>(Years)</td>
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<tr>
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*These earning period dates are based on current frequency. The dates may change if frequency or pay cycle is changed.
Please avoid statutory penalties!

• For mailings, OP&F uses receipt date, NOT postmark date
• Online reporting and payments help you avoid mail delays
• All pension payroll reports and payments are due no later than the last business day of following month
• Responses to 30-day letters must be complete and in writing

Please avoid statutory penalties!

• All test results of pre-employment physicals (new hires) must be received by OP&F within 60 days of fulltime hire date
• Penalties are escalated by tiers: 0-15 days late is lowest; 16-61 days is higher still
• Special penalty provisions allow for up to a 75% reduction under specific circumstances

GASB 45 and 68 information

• 45 requires disclosure of post-employment benefits other than pension by all state and local government employers (info on portion of employer contributions used to fund health care)
• 68 requires accounting and financial reporting for pensions
• Information (2016) available on OP&F website (www.op-f.org/employers/GASB)
### Pick-Up Plans

- An employer, by filing a resolution, can arrange to have OP&F member contributions reported as tax-deferred.
- Can be “salary reduction” or “employer paid”
- Prior service credit can also purchased on a tax-deferred basis.
- See [www.op-f.org/employers/documents](http://www.op-f.org/employers/documents) for more information.

### Employer Resources

- Employer Newsletter
- Employer Services Group
- Employer Manual
- Customized, directed mailings (*Constant Comment E-mail Blasts*)
- OP&F website-employer information, member information, forms, and laws/rules
employer Services

• Employer Training-Onsite at employer offices
• Employer Training- Telephonic-GOToMeeting
• Automated monthly courtesy calls
• Earnings calendar
• Forms and documents-on website

Employer Outreach Sources

• Website: www.op-f.org
• Toll-free Number: 1-888-864-8363
• Email Questions to: questions@op-f.org
Questions?