Ohio Police & Fire Pension Fund

Local Government Officials Conference
2010

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Agenda

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- Payroll Reporting Options
- Exception Reports
- Payroll Reporting Information
- Payroll Reporting Facts
- Changing Reporting Methods
- Payment Options
- Summary of Payment Remittance
- Questions and Answers

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Furlough Days

- Due to the economy, some employers have reduced their budgets by mandating furlough days and reducing scheduled hours.
- If the reduction or furlough day is mandatory the hours base should be reduced by that amount because the member was not scheduled to work.
- If the furlough day is voluntary the hours base should not be reduced because the member is required to work his complete schedule to receive full service credit with OP&F.
- Service credit is calculated by using both the hours base and the hours paid.

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Payroll Reporting Options

- There are three methods available for payroll reporting.
  1. File Transfer Prodigal (FTP)
  2. Web Base Reporting
  3. Paper Reporting (manual)
- These options are vehicles in which to submit your payroll reports to OP&F. Although we encourage you to use an automated process, however, reporting manually is still an option.

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File Transfer Prodigal (FTP)

This electronic method has been available and used for several years. Your payroll information is converted by your software into a flat file that it submitted electronically to OP&F.

This file can now submitted electronically, as it has been in the past, or it can be uploaded and submitted through our web base.

If submitted electronically, the flat file is loaded into our system and converted into an easier to read, user friendly format. If uploaded via our web the file goes directly into our payroll system and produces the same user friendly format as all other submissions. By uploading the file via web you will have the opportunity to receive and exception report to review for possible changes in your information.

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Web Base Reporting

Web Base reporting has been available since the first quarter in 2009. This method allows an employer to log into our website and enter their payroll information.

Once the information is entered the employer can view an exception report and make changes to their information prior to submitting to OP&F.

When the employer has completed the process the information is received directly into our payroll system.

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Manual Paper Reporting

Employers who submit their monthly payroll information on paper is using the manual method of payroll reporting. Manual reports must be in the proper format and can be submitted on the PR79 form or a computer generated reproduction of that form/format.

Once this information is received and reviewed it is manually posted into our payroll system by your OP&F payroll representative.

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Payroll Reporting Information

It is not mandatory to submit your payroll information to OP&F electronically, but we do encourage you to take advantage of an automated process. By using one of the automated processes you can eliminate postage costs and penalties due to mail delay. With web base submission you will receive an exception report and have the opportunity to review your report and edit your detail prior to submission. This may help reduce the amount of calls and cure letters you receive.

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Reporting Facts

OP&F receives approximately 936 payroll reports, recaps and cash deposits per month

- 63% of the payroll reports received by OP&F are submitted by an automated method
- 37% of the payroll reports received by OP&F are submitted manually on paper

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Reporting Facts

- OP&F has approximately 28, 300 active members that have contributions deposited to their accounts monthly
- 86% of our members are submitted by an electronic method
- 14% of our members are submitted manually on paper

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Changing Report Methods

- Regardless of which method you choose to submit your payroll information please communicate with your OP&F payroll representative if you want to change your reporting method. By doing this your representative can work with you and monitor the change to assure that your report is received and processed accordingly. Depending on which method you may change to, your payroll representative can direct you through the proper channels to make the transition as smooth as possible.

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Exception Reports

- When using our self service web base reporting method you will receive an "Exception Report".
- The information supplied on this report may or may not be an error. The report provides some false/positives that once identified may be accurate information. Examples to follow.
- The report will identify certain actual errors and allow you to make corrections prior to submission.

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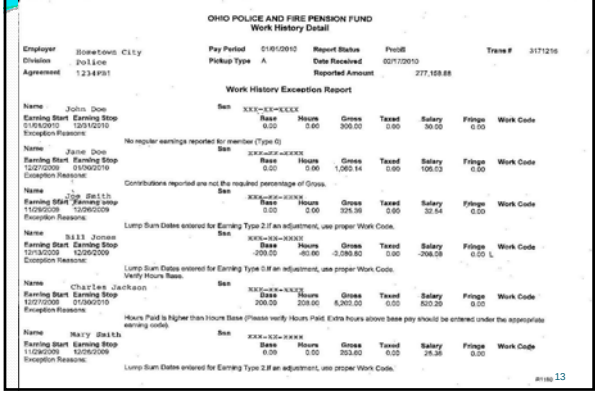
Exception Report



OHIO POLICE AND FIRE PENSION FUND
Work History Detail

Employer Hometown City | Pay Period 01/01/2010 | Report Status Prelll | Trans # 3171216
Division Police | Pickup Type A | Date Received 02/17/2010
Agreement 1234PSI | Reported Amount 277,159.88

Work History Exception Report

Name John Doe | Ssn XXX-XX-XXXX
Earning Start 01/03/2010 | Earning Stop 12/31/2010

Base	Hours	Gross	Taxed	Salary	Fringe	Work Code
0.00	0.00	300.00	0.00	30.00	0.00	

Exception Reason: No regular earnings reported for member (Type O)

Name Jane Doe | Ssn XXX-XX-XXXX
Earning Start 12/27/2009 | Earning Stop 01/09/2010

Base	Hours	Gross	Taxed	Salary	Fringe	Work Code
0.00	0.00	1,060.14	0.00	106.03	0.00	

Exception Reason: Contributions reported are not the required percentage of Gross.

Name Joe Smith | Ssn XXX-XX-XXXX
Earning Start 11/09/2009 | Earning Stop 12/26/2009

Base	Hours	Gross	Taxed	Salary	Fringe	Work Code
0.00	0.00	325.38	0.00	32.54	0.00	

Exception Reason: Lump Sum Dates entered for Earning Type 2.If an adjustment, use proper Work Code.

Name Bill Jones | Ssn XXX-XX-XXXX
Earning Start 12/13/2009 | Earning Stop 12/26/2009

Base	Hours	Gross	Taxed	Salary	Fringe	Work Code
-209.50	-80.60	-2,095.80	0.00	-209.58	0.00 L	

Exception Reason: Lump Sum Dates entered for Earning Type 0.If an adjustment, use proper Work Code. Verify Hours Base.

Name Charles Jackson | Ssn XXX-XX-XXXX
Earning Start 12/27/2009 | Earning Stop 01/09/2010

Base	Hours	Gross	Taxed	Salary	Fringe	Work Code
200.00	208.00	5,202.00	0.00	520.20	0.00	

Exception Reason: Hours Paid is higher than Hours Base (Please verify Hours Paid. Extra hours above base pay should be entered under the appropriate earning code).

Name Mary Smith | Ssn XXX-XX-XXXX
Earning Start 11/09/2009 | Earning Stop 12/26/2009

Base	Hours	Gross	Taxed	Salary	Fringe	Work Code
0.00	0.00	353.60	0.00	35.36	0.00	

Exception Reason: Lump Sum Dates entered for Earning Type 2.If an adjustment, use proper Work Code.

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Exception Report

- If you do not understand what the exception report message means, please contact your payroll representative for help.
- Examples of false positive messages:
  - John Doe's Message: "No regular earnings reported for member (Type O)"

    This message means that you have entered wages for this member but did not report anything under earning type O. It is possible that this member did not have any regular earnings due to military, unpaid leave, etc. However, it could also be an error where the Earning Type O was missed when the information was posted.

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Exception Report

- Jane Doe's Message: "Contributions reported are not the required percentage of Gross"
  - This message means that the contributions are not 10% of the reported wages. In this case the wages are 1,060.14 and the contributions are 106.03 (.02 higher than 10%). This is not an error because we understand that there are rounding factors, however we receive multiple reports where contributions are significantly higher or lower than the required amount.

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Exception Report

- Examples of Actual Errors
- Joe Smith and Mary Smiths Message: Lump sum dates entered for Earning Type 2. If an adjustment, use proper work code.
- This message means that you have posted dates outside the range of the monthly earning period. The payroll report is for earning period of 12/24/2009 through 01/30/2010 (weekly cycle) and the dates posted for these Type 2's are 11/29/2009 through 12/26/2009. These dates do not line up with the payroll cycle. Earning Type 2 is overtime and overtime must be broken out and reported under the time frame in which it was earned. Overtime is not a prorated earning type.

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Exception Report

- Bill Jones Message: "Lump sum dates entered for Earning Type O. If an adjustment, use proper work code. Verify Hours Base"
- Again notice that the earning dates do not line up with an earning cycle. In this case the employer has posted dates that fall within the earning cycle but only partial dates. Example; The member's earning cycle is 12/27/2009 to 01/30/2010 and the dates supplied are for 12/13/2009 to 12/26/2009. Do not break out wages by bi-weekly, monthly, semi-monthly or weekly earnings. Also you should never have a negative amount for current dates. If you are making an adjustment for current earnings those amounts should roll up so that only a positive amount is reported. Verify Hours Base is simply alerting you that there may be an issue with the hours base as it was posted.

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Exception Report

- Charles Jacksons Message: "Hours paid is higher than hours base (Please verify hours paid. Extra hours above base pay should be entered under the appropriate earning code)"
- This message means that you have entered an hours paid amount that is higher then the amount of hours base. This situation should never occur. This would mean that you have something reported under Earning Type O that should be reported under a different type. If you report hours paid that are lower than the hours base then you must supply a valid work code. This code will define the reason to our system so that you do not receive a phone call or cure letter.

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Methods of Payment

- There are multiple ways in which to submit your member contributions and employer share payments to OP&F.
  - A check can be mailed to our lock-box
  - You can wire the payment
  - You can use the existing ACH process (only if you are currently set up to use this method)
  - You can use our new "Online Payment System" implemented in March of this year.

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Payment By Check

- If you submit your payment through the mail via check please send it to our lockbox address.
  - Ohio Police and Fire Pension Fund
    Dept. L-2521
    Columbus, OH 43260-2521

Your payment will go directly to our financial institution for processing. Remember if you submit your payments by mail please mail them early to avoid penalties due to mail delay.

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Wiring a Payment

- If you choose this payment method please wire your payment to:
  - Huntington National Bank
    ABA# 044000024
    Ohio Police & Fire Pension Fund
    Account# 01892205287

If you wire payments to OP&F please contact L.J. Adkins in advance at 614-628-8332 and fax your recap information and wire confirmation to him at 614-228-3767.

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Existing ACH Method

- This method will still be available to all employers who are currently using it. However, if you are currently using this method we encourage you to use our new "Online Payment System" method.
- Any employer who currently does not use this ACH method will be directed to our new payment method.

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Online Payment System Method

- This method is new and was just implemented in March 2010.
- Our "Online Payment System" provides the convenience of submitting your payment through the easy use of the internet and will eliminate issues such as mail delays, payments lost in the mail system, misdirected payments, and/or simply not allowing enough time for your payment to reach OP&F by the due date. Remember your payment must be received by the last day of the month following the earning period. We encourage all employers to use our new method of submitting your payment.

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Online Payment System Method

- Applying for OP&F's "Online Payment System" can be done in three easy steps:
  1) Obtain an "Authorization Agreement" form on our website at www.op-f.org, under the employers tab, then select ACH information, or by calling 1-888-864-8363 and requesting a form.
  2) Complete and return the "Authorization Agreement" to OP&F
  3) OP&F will set up your banking information which will allow you to make your payments online.

For additional information or questions please contact our customer service department at 1-888-864-8363.

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Summary of Payment Remittance

- Regardless of which payment method you choose a Summary of Payment Remittance form is required. The purpose of this form is to direct OP&F on how you want your money applied.
- For employers who submit their payroll report and payment by mail, this form can be found on our website, printed and sent with your contributions.
- For employers who submit their payroll reports electronically, this form can also be submitted in the same automated manner.

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Questions and Answers

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