

# Employer *Outreach*

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**A new section for employers to quickly review specific requests for action**

Included in this edition is an insert detailing what employers need to know about the Medicare Connector for eligible retirees.

## **GASB standards: OPERS continues to partner with employers for success**

We know that 71 percent of employers (from sample data) are completing implementation of the GASB-required standards in-house rather than turning the project over, in its entirety, to external auditors. OPERS recognizes our responsibility to work with employers to ensure the information

necessary for compliance is available—even though the implementation responsibility is a shared responsibility.

However, we reiterate that OPERS did not create these standards and worked hard to positively influence the standards as much as possible during GASB's finalization period.

### **We've listened to you**

Good partners listen to each other. To that end, please know we're working to provide employers with the implementation and background information requested via bounce-back cards, online question/request submissions and other resources, including informal interaction with Employer Services' staff members.

### **What have employers requested?**

The good news is more than 75 percent of employers indicated an awareness of OPERS' educational offerings. Even better, 88 percent of those aware of the offerings have attended, or accessed, some form of OPERS' GASB-specific educational offerings.

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***If employers work with us, we'll be in the position of providing just the right information in just the right format.***

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However, we recognize that improvement is always an option. To that end, we asked what you needed to effectively implement GASB's new standards. Here's what you told us:

- More practical examples, including timelines and calculations
- Amortization schedules
- Sample footnotes
- Sample disclosures
- A guide for non-accountants, with glossary

### **What we're providing**

As you know, in 2013, OPERS conducted a test implementation and worked to keep GASB informed about our findings. From there, we developed initial seminars with two tracks available: Executive Track and Operations Track.

*(continued on page 2)*



## GASB standards *(continued)*

More is coming and will be available soon. In addition to fact sheets featuring answers to frequently asked questions, OPERS is continuing to develop materials including webinars and videos to bring necessary information to all employers.

In addition to the webinar series currently available online, OPERS is producing a series of 12 video shorts to provide answers to the bulleted information employers have requested.

### Coming soon to a computer on *your* desk

Slated to begin this summer with the target of all videos being completed by the end of third quarter, the OPERS video series topics include:

- **GASB Overview**—Concepts
- **Pension System Basics**
- **Measurement Dates**—Employer fiscal year-end
- **Pension Overview**—OPERS' plan structure, defining the defined benefit plan (to include contribution-reconciliation process and review of employer-specific financing situations)
- **Concepts**—Total pension liability, plan fiduciary net position, net pension liability
- **Proportionate Shares**—OPERS' approach and rationale
- **Concepts**—Pension expense, deferred inflow/outflow of resources
- **Employer Pension Transactions**
- **Employer Accounting Transactions**—Sample journal entries
- **Beginning Balance Adjustments**—and subsequent-year reporting

- **What OPERS Provides to Employers**—and how to get the information
- **Employer Reporting**—tools and timing
- **Audit Issues**—Whose auditors audit what?
- **Change in Proportionate Share**—Concepts and calculation examples
- **GFOA Checklist**—with discussion

Any employer representative who is responsible for any aspect of the implementation is invited to visit the OPERS website frequently to determine what videos have been completed and are online for your immediate access.

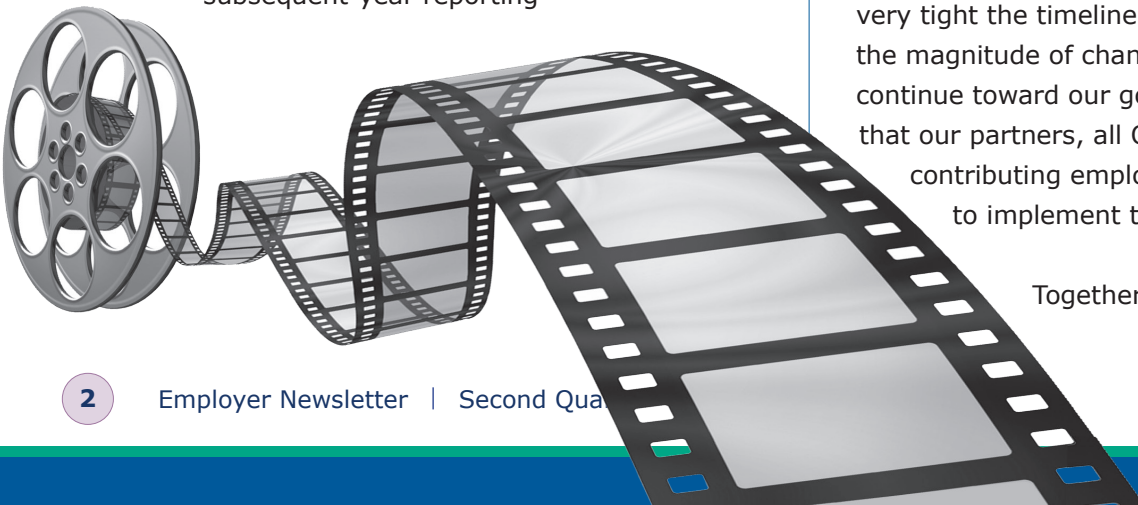
### Other resources also available

OPERS has accepted the responsibility of working with OPERS-reporting employers because we view this implementation as a partnership with you, and we're certain we can provide you with the targeted information you've requested. However, GASB has also made a toolkit available. Like OPERS, GASB's information is deployed using a variety of methods, including videos, fact sheets, printed articles, and podcasts on eight different topics. GASB's website can be accessed through your search engine or simply by accessing the OPERS website, clicking on the Finance section, and then selecting the GASB toolkit.

### One additional request

Let us know how we're doing—and what you need. If employers work with us, we'll be in the position of providing just the right information in just the right format. We understand how very tight the timeline is—especially considering the magnitude of changes. Please know that we continue toward our goal of helping to ensure that our partners, all OPERS-reporting and contributing employers, are well-positioned to implement these standards.

Together, we can get this done. 



# Employers: Encourage all employees to understand health care changes

## Employers: Encourage all employees to understand health care changes

Due to changes in eligibility requirements, OPERS members (your employees) who are eligible to retire with an effective date of Dec. 1, 2014, or prior need to understand that health care eligibility requirements change beginning January 2015. Employees need to know the facts and apply information to their particular situation.

### Simply put...

Beginning Jan. 1, 2015, members will be required to have at least 20 years of qualifying service and be at least 60 years old or have 30 years of qualifying service at any age.

This means eligible members have until November to decide whether or not to retire under the current health care eligibility rule of 10 years of qualifying service. Those who determine the current eligibility rules are the best for their situation must:

- Have received the full picture of pension and health care changes to make sure the decision is the right one for their particular situation;

- Terminate public employment and be off the payroll no later than Nov. 30, 2014;
- Apply for retirement; and
- Have a benefit-effective date on or before Dec. 1, 2014.

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***Employers and employees must understand the clock is ticking...affected employees must make decisions by the deadline—only a few months away.***

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### New allowance calculation

Beginning in 2015, new calculations will be used to determine the allowance amount provided for monthly premiums. The calculations will be based on a participant's age at first enrollment in the OPERS plan and years of qualifying service at retirement. Again, those contemplating retirement need to understand that, because of the change, health care costs could be impacted.

### Where to get exact facts


We're asking employers to make sure retiring employees know how to get all the facts—before making a retirement decision. Employees are encouraged to:

- Access the online Retirement Planner ([www.opers.org](http://www.opers.org));
- Sign in to online account to generate health care cost estimates;
- Review all information at the ***Your Path to Retirement - Learn, Plan, Act*** site (via [www.opers.org](http://www.opers.org)) to help identify the most ideal time frame for retirement and make an informed decision on retiree health care coverage;
- If deciding to retire, file early and use the electronic retirement application.

### Special note to large employers

If you have a large population of employees who may be affected by this change, please consider hosting an on-site retirement seminar. Contact Employer Services to get the ball rolling at 888-400-0965.

### Clock is ticking

Employers and employees must understand the clock is ticking...affected employees must make decisions by the deadline—only a few months away. 

# Employer Resources

## Earnable salary implementation—use of updated forms critical

As the earnable salary (meaning salary that is pensionable) rules implementation begins, employers are encouraged to remember to begin using updated versions of both the *Personal History Record* (form A) and *Employer Request for Return of Unauthorized Contributions* (form F-103). Both forms have been updated for the changes to the definitions of earnable salary.

**NOTE:** Employers with questions on whether compensation is earnable salary must request an official determination from OPERS. That request should be submitted prior to sending contributions on the compensation in question.

Complete information is available on an *Employer Notice* issued June 16, 2014, archived on the OPERS website at [www.opers.org](http://www.opers.org).

## Learn, Plan, Act Poster still available

We know the business of pensions can be complex—and we know that each of your employees may not be a financial expert—but OPERS remains committed to ensuring each and every member knows exactly what steps must be taken to make sure all retirement benefits and programs earned and available are known to each of your employees.



Many employees do not have access to computers during their working day—that's why we created this poster: to provide a visible reminder of what's necessary to do to get ready for retirement.

The poster is free of charge and still available to employers—especially important for employers with multiple sites, break rooms, or human resources departments.

Email Employer Services at [employeroutreach@opers.org](mailto:employeroutreach@opers.org) to request additional or replacement posters—the best way to reach many of your employees.

## Best sellers? Well...maybe...CAFR and PAFR now available

Must-reads for OPERS-reporting employers and employees, *OPERS' Comprehensive Annual Financial Report* (CAFR) and *Summary Annual Financial Report* (PAFR) are now available. With the theme, *Navigating the Future*, both documents provide insights about how OPERS analyzes information to help position the System—and our members—for the future.

The CAFR has complete financial data for the years 2012 and 2013, reviews the organizational activities for 2013, discusses investment results and strategies, and provides detailed statistics for the past 10 years. Employers are encouraged to access a CAFR to fully understand OPERS and the ongoing business of pensions.



For those who want to learn just a little more about OPERS, a *Summary* (or popular) *Annual Financial Report* (PAFR) is also available.

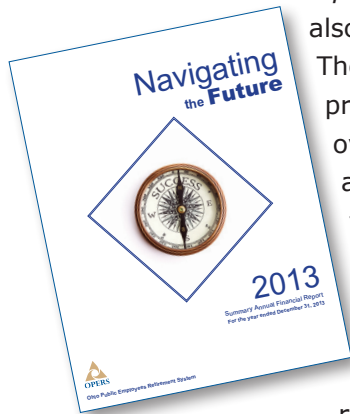
The PAFR provides an overview of activities and financial results for 2013 and is designed to give readers

factual, but not overly detailed, information.

Both documents have won recognition for completeness and audience comprehension in the past and the 2013 editions have been submitted for review as well. Both are available upon request via hard copy by contacting the director of finance, 277 East Town Street, Columbus, Ohio 43215 or online via the OPERS website at [www.opers.org](http://www.opers.org).

**No Board meeting in July: Employers to process certification of final payroll for disability benefit applicants as usual**

Although the OPERS Board of Trustees will not be meeting in July, employers should continue to process requests



for certification of final payroll for disability benefit applicants as usual. For July, the Board has delegated authority to the executive director to commence benefit payments. At the August Board meeting, the Board will review and ratify decisions made to comply with the law. Employers, please remember:


- Your certification responsibilities continue as usual, and
- A slight modification to reflect the change will be in the recipients' letters from OPERS.

**Membership Determination deadline Aug. 7, 2014**

Individuals who performed services for public employers prior to Jan. 7, 2013, and who want to request an OPERS membership determination for that work, must do so by Aug. 7, 2014.

Although employers are not responsible for submitting the request (the individual is), employers may be contacted for verification.

Employers who are contacted for information are encouraged to handle the request quickly due to the approaching deadline. It is important to note the request must be received by Aug. 7, 2014, supporting documentation and required forms may be received after that date as long as the request was received on or before Aug. 7.

Going forward: Employers are encouraged to invest just a few minutes in OPERS' established prior-determination process. Employers wondering whether or not an individual should be extended membership are encouraged to contact Employer Services to trigger a determination ruling *prior to employment*. 

# National Save for Retirement Week

## *(It's closer than you think: October 19-24)*

National Save for Retirement Week (NS4RW) is designed to educate employees—even public employees with a secure retirement—about the importance of personal planning for retirement while still in the workforce. OPERS encourages all public employers to support and communicate the goals of NS4RW.

The goals are to help make employees more aware of:

- The importance of personal actions to take during their working career, including reducing debt and adopting healthy lifestyles.
- The importance of personal savings to help support the retirement lifestyle they desire.
- The benefits of compounding by saving for retirement early in a career.

### Supporting National Save for Retirement Week

The sponsors for the 2014 national event, as approved by Congress, have chosen the theme: *It's Closer than You Think*—a theme that works for both employees contemplating retirement and employers contemplating support for the program. Sponsors for the program have a step-by-step action plan for week-long events—with planning starting in July or August.


Resources available online through the sponsor include event timeline with ideas for your event, NS4RW Web banner, draft key messages, and collateral materials such as brochures and general posters.

Although not all the items offered will be geared toward public employees, many items are ideal because they promote the concept of personal responsibility in addition to employer offerings.

Looking for ideas? Try these:

- Distribute pads of paper with the theme, *It's Closer than You Think*.
- Show a lunchtime movie, with bags of popcorn displaying a save for retirement message.
- Invite public officials or retirement experts to speak.

### October is just around the corner

Just like saving for retirement needs to start early, employers need to start now to make National Save for Retirement Week a significant learning event for employees. To get started, simply plug National Save for Retirement Week into your online search engine to view the local and national resources available to you. 





## coming soon

OPERS Board of Trustees has four seats up for election in September. Those elected will serve four-year terms beginning in January 2015 and will serve on both the OPERS Board as well as the Deferred Compensation Board of Trustees.

### About the Board

The OPERS Board is comprised of 11 members. Seven individuals are elected by the specific group each represents, and of these, five individuals represent employee groups and two represent retirees. Three individuals with investment expertise are appointed by Ohio's governor, treasurer and jointly by the Ohio Legislature. The director of the Ohio Department of Administrative Services also serves on the Board of Trustees by virtue of office.

### Four representatives up for election

The four seats up for election in 2014 include one representative for each of the following groups:

- **State employees**—Representing those working for the state of Ohio, approximately 49,300 employees.
- **State colleges and universities**—Representing approximately 48,800 non-teaching employees at state colleges and universities.
- **Municipal employees**—Representing approximately 61,100 employees working for almost 2,000 municipalities.
- **Retirees**—One of two seats representing approximately 166,400 age-and-service and disability retirees.

Here are the important dates to remember for 2014:

- Petition materials were mailed to employers on June 13.
- The deadline for OPERS to receive petitions, forms and biographical statements is Aug. 4 by 4:30 PM.
- All votes must be received by Oct. 3, at midnight.
- Votes will be tabulated at the OPERS building under the direction of Ohio's secretary of state on Oct. 6.
- OPERS Board certifies election results on Oct. 15.

Under Ohio law, those who want to run representing an employee group are required to:

- Obtain a minimum of 500 signatures from active members within their employee group.
- Signatures must represent at least 10 different counties with a minimum of 20 signatures each.


### Board commitment

On average, a Board member can expect to spend a minimum of 40 working days each year involved in Board business, education or planning.

Although Board members receive no compensation, reimbursement is made for necessary expenses while serving the System.

### Employers are important to the process

We ask you to encourage qualified employees to consider running for these important positions. All affected employers were mailed nominating petition packets Friday, June 13, for distribution to interested candidates. These packets contain official nominating petitions and all other necessary forms to be completed by the candidate. Packets are also available at OPERS, 277 East Town St., Columbus, Ohio 43215 and on the OPERS website at [www.opers.org](http://www.opers.org).

Petitions must be received at the OPERS office no later than 4:30 p.m., Monday, Aug. 4, 2014. Petitions postmarked on this date, but received later, are invalid. 

# What Employers Can Do

## Employer help requested:

This is a new section for employers—providing you with a quick overview of actions OPERS is requesting:

- **Hosting on-site educational seminars** is strongly encouraged if your organization has a significant number, or percentage, of employees considering retirement within the next few years—especially this year as the decision to retire may affect future access to health care.

**NOTE:** When considering an OPERS-sponsored seminar, we respectfully request OPERS is the sole contributor. Some employers have asked insurance representatives to also present at retirement seminars. While the intent to maximize the content of the seminar is excellent, the result is that many future retirees assume OPERS has endorsed the insurance representatives' product offerings.

Email us at [membereducation@opers.org](mailto:membereducation@opers.org) or call 614-225-9852 to learn how to schedule a seminar.

- **Encourage employees to access all information** available when first contemplating retirement.

Retirement decisions are complex and require your employees to consider multiple facets of their lives—future plans, finances, general health, and the importance of access to health care.

Make sure your employees know about, and review, all available information. Consider especially:

- Newsletters will have information about OPERS' Connector for Medicare-eligible retirees (when available)
  - Retirement Calculator is available online
  - Member Services Center and counselors are just a phone call away
- **Consider promoting *Early and Electronic*** for all retirement applications to promote error-free processing. When OPERS receives paper applications—some paper retirement applications are not the most current. This is important because time is wasted as the correct application is located and your employee has to resubmit. How can employers help? Take a look:
    - Eliminate all paper retirement applications;
    - Remind employees they can file for retirement up to six months in advance of their effective date (meaning June or July if Dec. 1, 2014, is their target effective date);
    - Electronic filing is streamlined and steers employees to provide complete information;
    - Electronic filing ensures more timely processing and a more timely payment of benefits to the member.