

FACTS At-a-Glance

Ohio Public Employees Retirement System • 277 East Town Street • Columbus, Ohio 43215

Questions or comments?

Contact Employer
Outreach at
1-888-400-0965.

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Paperless payment offers significant advantages

Who should read:

Those responsible for ensuring retirement contribution payments are remitted

Overview on paperless payments

Going paperless for retirement contribution reporting just makes sense, especially in this economy when all organizations are seeking cost-efficiencies. The ECS-based paperless payment option has significant advantages over traditional paper payments—so many, it's hard to understand why more employers don't use this option. Let's take a look...

Paperless payments are:

Cost efficient:

- Paperless, or electronic, payments via ECS allow you to retain interest-accruing funds in your account until the very last moment, and
- The cost of making an electronic payment is pennies per transfer—significantly less than the cost of cutting a paper check (varies by organization but cost, including human processing, sometimes totals as much as \$20/per check).

Fast:

- Fewer concerns about late penalties because you choose the exact day of delivery, which is the day of transfer.

Flexible:

- Errors or changes are quickly accommodated. For example, if an incorrect date is entered for payments, you have the option to cancel and reschedule.

Secure:

- Electronic payments provide notably better security than paper payments.

Controlled:

- Via ECS, paperless payments let you determine the exact amount, the day, and the account your funds are available to OPERS.

Time-saver:

- Paperless payments via ECS actually help you eliminate paper forms. With ECS paperless payments, the *Employer Payment Remittance Advice* is eliminated because the information is captured during the electronic submission process.

Here's the catch: *It's already available*

As an employer already using ECS for retirement reporting, you can easily implement paperless payments because the function is already integrated in ECS.



1-888-400-0965

www.opers.org

Quick Facts

The ECS paperless payment function can provide ECS reporting employers with significant cost savings in a secure environment. Although you may realize the electronic payment option is available, there may be some facts about the paperless option that you didn't know.

Facts about ECS paperless payments:

Paperless payments...	Employer advantage...
<p>ECS paperless payment option gives you complete control</p>	<p>On the timing of your payment—you choose the day of payment. By contrast, if a paper check arrives early, OPERS can deposit the check upon receipt. With electronic payment, the date you specify is the date OPERS will transmit your payment information to the bank. You also maintain control over canceling a payment prior to the scheduled date.</p> <p>Just like traditional check payments, you determine the amount.</p> <p>And, just like paper payments, you determine from which account the amount is transferred (especially important for those employers who pay retirement contributions from multiple funds).</p>
<p>Paperless payments are significantly more secure</p>	<p>When using the ECS paperless payment system, the transfer is an ACH <i>debit</i> transfer, meaning you provide an account number to OPERS but you maintain complete control over the date and amount of debit. Your authorization is for a specific date and amount each month. The date you specify can be the exact due date of the funds—meaning no unscheduled loss of interest.</p> <p>Some employers have expressed concern over supplying an outside entity with their general account number. To address this issue, many employers have created a separate account specifically for retirement payments and transfer interest-accruing funds to that account just in time for the payment due date. Funds are in the account less than 48 hours, protecting the security of any general fund account.</p> <p>Making payments by check via U.S. mail takes time and delivery cannot be guaranteed. Lost mail and inaccurate postage are two of the common reasons that employers receive penalties.</p>
<p>Paperless saves money</p>	<p>The cost of cutting a paper check varies by organization, but the amount is always more than the pennies required to transfer funds electronically. Some organizations realize a savings of \$20 <i>per payment</i>.</p> <p>Paperless payments via electronic transfer allow you to leave funds in your account, accruing interest until the day you transfer the funds out—giving you a reliable way to calculate interest.</p>
<p>Paperless provides service</p>	<p>If necessary, a hard copy confirmation can be easily generated from the ECS system so you can confirm with those who reconcile or review your accounts and expenditures the amount of and day selected for transmission of payment. This transaction history is available for two years for your review.</p>

The ECS paperless payment function is already available to you. After reviewing these facts, you can readily see it gives you control, security and enhances your ability to accrue interest.

Paperless Payment vs. Traditional Paper Payment

Comparison of Advantages

	ECS Paperless Payments	Paper Check	Wire Transfer Payments
Is it cost-efficient?	<p>YES</p> <p>ACH items scheduled through ECS are at no charge to the employer; however, the average cost for an ACH debit item is about \$.06.</p>	<p>No</p> <p>The expense associated with managing a paper check can be in excess of \$20 per check.</p>	<p>No</p> <p>Wire transfer is the most expensive method of moving money electronically. The cost of originating a wire can range from \$15-20 per item.</p>
Can I control when the payment comes out of my account?	<p>YES</p> <p>ECS allows you to determine the:</p> <ul style="list-style-type: none"> • Exact amount, • Debit date, and • Account from which your funds are made available to OPERS. 	<p>Sometimes</p> <p>Debits in transit can present a reconciliation issue as well as limit your available cash.</p>	<p>Sometimes</p> <p>Aside from internal procedures and controls, wire transfers typically do not require additional time for clearing and or settling.</p>
Is my payment secure?	<p>YES</p> <p>Funds are transmitted from account to account via a secure File Transfer Protocol (FTP) encrypted file.</p>	<p>Sometimes</p> <p>Items sent via US Mail are subject to damage, being lost or misplaced and unfortunately fraudulent activity.</p>	<p>Yes</p> <p>Wires may be originated by the user in a secure banking environment augmented by user ID, password and secure key or by submitting a request to your bank.</p>
Will my payment be processed in a timely fashion?	<p>YES</p> <p>Real-time confirmation is automatically provided for each scheduled transfer.</p>	<p>No</p> <p>Processing can be delayed 2-5 days depending on US Mail delivery, internal mail delivery & business hours.</p>	<p>Yes</p> <p>Typically confirmation of the requested wire transfer can be provided by your bank.</p>
Do I have flexibility in submitting my payment?	<p>YES</p> <p>Payments can be entered on the payment due date or scheduled for future dates.</p>	<p>Sometimes</p> <p>Disbursement of paper checks frequently require multiple signatures for approval, or availability can be limited due to authorized signer limitations.</p>	<p>Yes</p> <p>Wires can be scheduled in advance but most are originated on demand.</p>
Is it user-friendly?	<p>YES</p> <p>ECS contains prompts to provide you with important information to be considered prior to completing the payment. You also retain the ability to cancel a submitted payment up until a specific time on the payment date.</p>	<p>No</p> <p>More traditional than friendly. Checks require a physical signature of some sort, are prone to fraud and are costly and difficult to recall in the case of error.</p>	<p>Sometimes</p> <p>Wires are typically originated by contacting your bank and making the request. Or, they may be created via a secure access portal. Pre-approved templates allow for increased usability and pre-approval.</p>

One last thought...

Paperless payments reduce paperwork:

You can eliminate completing the *Employer Payment Remittance Advice form* each month, because this information is a part of the payment process—one less form to fill out.

Action requested

Remember, the ECS paperless payment function is already available to you. We encourage you to explore this time-and-cost saving service. Here's how:

- Fill out and return the enclosed card.
- Employer Outreach will come to your organization for a one-on-one session for you and those responsible in your organization for generating retirement payments (or you may simply require a quick tutorial over the phone). As with all Employer Outreach training, the service is available to you free of charge and can be scheduled at your convenience.

As soon as the next payment cycle, you could be enjoying cost savings, enhanced security and convenience—with absolutely no loss of control over your accounts. Sound good? Why wait?

**We'd like you to switch to paperless payments via ECS today.
Contact your Employer Outreach Customer Service Representative
at 1-888-400-0965.**

This document is written in plain language for use by public employers who are subject to coverage under the Ohio Public Employees Retirement System. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, the Ohio Administrative Code, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code, or Internal Revenue Code. Rules governing the retirement system are subject to change periodically either by statute of the Ohio General Assembly, regulation of the Ohio Public Employees Retirement Board, or regulation of the Internal Revenue Code. If you have questions about this material, please contact our office or seek legal advice from your attorney.



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Paperless Payments: In the bag



Looking for ways to cut costs?

ECS-Reporting employers
already have the paperless
payment function! *It's Free!*

Paperless Payments via ECS are:

- Fast
- Secure
- Cost efficient (save as much as \$20 *per check*)
- Controlled

Ready to find out more? Fill out this form and drop in the mail. And we'll send you this tote bag so that you can go paperless in even more ways...remember, it's in the bag.



Name

Employer organization

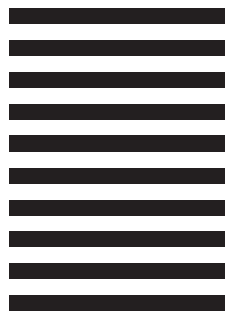
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