OPERS EMPLOYER Notice

May 9, 2012

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

Note:

Changes to the large earning process were created to minimize impact to employers but still provide a meaningful evaluation of earnable salary by the retirement system.

Seasonal employees and large earnings inquiries

Who should read this notice
Finance directors, human resources and payroll professionals

Situation overview
Many employers have started to hire seasonal workers for the summer months and are wondering if reporting these employees will increase the number of large earnings inquiries received.

The new large earnings calculation contains certain thresholds that must be met prior to a large earning evaluation being created:

- The daily wage rate of the current report period must be at least $120
- The employee must be reported for three months under the same employer code

Once these initial thresholds are met, there is a tolerance level based on the average daily wage that is evaluated. The tolerance level selected was large enough to bar against scenarios such as typical merit increases from triggering a large earning inquiry.

Other considerations placed into the evaluation were to minimize the impact of a pay raise or switch from part-time to full-time employment. A large earning inquiry may generate for the first report period containing the increased earnings. However, a second month of consistent earnings at the higher rate of pay will not create an additional large earning inquiry.

Changes to the large earning process were created to minimize impact to employers but still provide a meaningful evaluation of earnable salary by the retirement system.

What employers need to do
Employers should continue to report seasonal/intermittent employees with pay period begin and end codes of “S” and answer large earnings inquiries in a timely manner. Support is available in the following formats:

- Web seminars are available on the OPERS website. These seminars provide a good overview of changes made and how to respond to large earnings inquiries that are generated.
- Employers with specific questions should contact their dedicated employer account representative through the employer call center, 888-400-0965.
- Keep informed of current and upcoming changes to reporting processes by reading employer notices and newsletters

Why this is important
OPERS is committed to ensuring that future retirees receive the benefit to which they are entitled. Changes to the process are already showing positive results. Over time, large earnings inquiries should decrease due to changes in reporting practices and education of what constitutes *earnable salary*.

More information on back

OPERS
1-888-400-0965
www.opers.org

Changes to the *Employer Manual*
No revisions to the *Employer Manual* have been made as a result of this *Employer Notice*.

Whom to contact for more information
After reviewing this *Employer Notice*, contact Employer Outreach with questions at 888-400-0965, or by e-mail at employeroutreach@opers.org.

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