Note:

We want to be the best possible partner for you. If you prefer, your payroll vendor or internal IT professional can contact OPERS Employer Outreach directly for the exact specifications of the new release.

Retirement contribution reporting: overview of major changes

Who should read this notice
All payroll and finance professionals

Situation Overview
As previously announced, to improve the accuracy of retirement contribution reports, enforced accuracy standards, new functionality and additional retirement reporting codes will be effective as of November 18, 2005. The information in this *Employer Notice* is designed to give you more detail about the upcoming contribution reporting requirements so that you can:

- Determine your need for additional programming, and

- Begin reviewing your reports for accuracy by comparing them to the enclosed information.

The complete retirement reporting requirement materials (which includes a job aid and the updated Contribution Reporting section of the *OPERS Employer Manual*) will be released in mid-July 2005.

What you need to do
Please review this information carefully. We urge you to take steps immediately to ensure your retirement reports are in compliance with the information enclosed. Inaccurate retirement reports submitted after the November 18, 2005 implementation date will cause delays in posting contributions to your employees' accounts.

Summary of major changes
Here are the biggest changes you'll see:

- **Reporting codes**: The Pay Period Begin (PPB) and Pay Period End (PPE) codes have been expanded for clarity. These are used to indicate a payroll period for an employee that differs from your normal, full, payroll period. Attached, you'll find a complete list of PPB and PPE codes, and information about the codes purpose Please refer to A*ttachment A.*

- **Reporting code combinations**: In addition to the PPB and PPE codes being expanded, only certain combinations of the codes will be accepted. The acceptable combinations are attached, please see A*ttachment B*.

- **Additional Earnings codes**: This is a new category of codes. You'll use the five Additional Earnings Codes to explain larger-than-normal salaries. The new codes will eliminate large earning letters and online requests sent to you requesting salary clarifications. A*ttachment C* details the new codes and their use.

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- **Pay Period Frequency codes**: There are eight valid pay period frequency codes for employee records. Please see A*ttachment D*, Pay Period Frequency Codes, for a complete description of these codes and the pay period dates they represent. Please remember that inconsistent pay period and frequency code combinations reported after November 18 will cause reporting errors and delays.

- **Supplemental reports**: As of November 18, there will be only three acceptable reasons for submitting a supplemental *Report of Retirement Contributions*. (Remember, a supplemental report is used to report additional earnable salary for a pay period on which contributions have already been reported.) The reasons are:
    - o Retroactive payment,
    - o Disability payment, or
    - o Settlement agreement payment.

  If you find yourself in a situation whereby you have *underreported* a previous pay period to OPERS, you will be required to submit an additional regular *Report of Retirement Contributions.* Additional reports for the same reporting period other than for reasons indicated above will be subject to the same due date as the original report.

- **Revised *Report of Retirement Contributions:*** If you report to OPERS using the paper *Report of Retirement Contributions (form 4710),* or if you produce your own version of this form, a new format will be required beginning with your October 2005 report. The revised form is an 8 _" x 11" horizontal layout, without carbon and no continuous feed. The revised form lists the new reporting and additional earnings codes indicated above. *Attachment E* is an example of the blank form.

- **100-character record layouts**: If you report using ECS File Transfer or via diskette, the 100-character record layouts have been modified to reflect the new reporting requirements—one for the employee records and one for the trailer, or summary, record. Please see *Attachment F* for the details of the Employee Record Format and the Employer Summary Record Format.

- **ECS Pay Period Code Management**: For those employers who report retirement contributions to OPERS using the ECS system, a new feature has been added called Pay Period End Code Management. This feature lets employers notify OPERS of employees who are no longer working—without submitting a retirement contribution report. This feature can also be used to correct a previously reported pay period end code.

Accuracy standards

Please remember, the accuracy standards and new codes will apply to electronic (ECS), diskette, and paper-based reporting.

- **If you report using ECS**: After the November 18 implementation, report verification will be achieved via programming edits. Any file not meeting accuracy requirements, or not including the changes listed here, will cause transmission of your file to be blocked at the time of submission—this means your report will be immediately returned to you on ECS with a complete list of reporting errors needing correction.

- **If you report via paper methods or on diskette:** The new codes and accuracy requirements will also apply to those who submit paper-based and diskette reports. These reports will have more of a return delay because they are manually checked; electronic reports will have an automatic return feature. Use of the new reporting codes is required on your October 2005 *Report of Retirement Contributions* if submitted after November 18, 2005.

Special assistance available
To help you understand potential retirement reporting errors, we'll be reviewing all retirement contribution reports received from June through October, and will contact you with any reporting inaccuracies. The responsibility for accurate retirement reports lies with you, the public employer, regardless of whether you use a vendor to compile your report. Therefore, we encourage you to become familiar with the changes and utilize the transition resources OPERS is providing.

In addition, ECS users will want to use the electronic test site to ensure your files are accurate prior to implementation. The test site will be available via a link on the ECS homepage July 15 through July 29, 2005. The site will open again for two weeks in September and October, exact dates to be announced later.

Additional training is available; contact Employer Outreach or review your *Employer Notices* for exact dates and locations of regional training sessions to be offered this summer.

Who to contact for more information
After you review this *Employer Notice*, contact Employer Outreach with questions or comments at 1-888-400-0965 or via the Internet at employeroutreach@opers.org.

This Employer Notice *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.*

PAY PERIOD BEGIN (PPB) and PAY PERIOD END (PPE) CODES

Pay Period Begin (PPB) Codes (position 73 in the file layout)	Intended use	Accepted after a PPE code of:
E - Re-employed retiree	Employee is an OPERS retiree and is returning to work	P
H - Pay schedule/frequency change	Employee is changing pay schedules and/or frequencies under the same employer code	n/a
N - New employee	Employee is new to the employer	Q, S, blank
R - Returned from non-military leave	Employee was laid-off, on an approved, unpaid leave of absense, or on workers compensation and is now returning to work	F, L, W
S - New or returning to seasonal employment	Employee was seasonal and is returning to work under the same employer code	S
T - Returned from military leave	Employee left work for a military leave and is returning under the same employer code	M
X - Returned from student exemption (universities only)	Employee is no longer covered under a student exemption	X

Pay Period End (PPE) Codes (position 74 in the file layout)	Intended use	Must be followed by a PPB code of:
D - Employee is deceased	Employee is deceased	n/a
F - Laid off	Employee has been laid off but is expected to be called back to work	R
H - Pay schedule/frequency change	Employee is changing pay schedules and/or frequencies under the same employer code	n/a
L - Leave of absence	Employee is on an approved, unpaid leave of absense	R
M - Going on military leave	Employee is on military leave	T
P - Employee has retired	Employee has retired	E
Q - Employee has quit	Employee has terminated	N
S - Leaving seasonal employment	Employee was seasonal and is expected to return to the same employer next season	S, N
W - Left on workers compensation	Employee is on workers compensation	R
X - Left on student exemption	Employee is covered under a student exemption	X, N

Pay Period Begin (PPB) and Pay Period End (PPE) Code
Valid Combinations

If PPE code is:	Then PPB code must be:
D	n/a
F	R
L	R
M	T
P	E
Q	N
S	S, N
W	R

Additional Earnings Codes (A)
(position 76 in the file layout)

Additional Earnings Code (A)	Intended use:
O	Additional hours / overtime / part-time to full-time hours change
B	Bonus payment (calculated as a percentage of salary) (1)
L	Longevity payment
S*	Stipend subject to federal taxation
C*	Payment of accrued sick/vacation leave per approved conversion plan

* not applicable to State of Ohio agency employers

(1) Bonus payments calculated by other methods may not be considered earnable salary and may not be
    eligible for retirement deductions. Please contact Employer Outreach (1-888-400-0965) with questions.

PAY PERIOD FREQUENCY CODES

Code	Payroll Period	
		## Definition

1   **Annual**

One payment representing an entire twelve month's earnings. The *Report of Retirement Contributions* submitted indicates the month in which the annual pay period **ends.**

For example, annual earnings for the period of 1/1-12/31 are submitted on a December report.

2   **Semi-annual**

Two equal payroll periods each totaling six calendar months. Semi-annual earnings appear only on the month's *Report of Retirement Contributions* containing the pay period end date, even if paid in an earlier month. Semi-annual earnings are typically paid for either the first or second half of the year, appearing on the June or December monthly reports.

For example, semi-annual earnings for the period 7/1-12/31 are submitted on the December report.

3   **Quarterly**

Four equal payroll periods, each totaling three calendar months. Quarterly earnings appear only on the *Report of Retirement Contributions* for the month the pay period **ends**, even if paid in an earlier month. Quarterly earnings are typically paid for the calendar quarter, appearing on the March, June, September and December monthly reports.

For example, quarterly earnings for the period 7/1 - 9/30 are submitted on a September report.

4   **Monthly**

A payroll period of one calendar month, beginning on the first and ending on the last day of the calendar month. One monthly payroll period appears on each monthly *Report of Retirement Contributions.*

5   **28-day**

A 28-day payroll period. The pay period begin and end days of each period must be consistent throughout the year. If the pay period begins on a Sunday, it must end on a Saturday and do so consistently. Each payroll period must contain **four full weeks**. The *Report of Retirement Contributions* should be submitted for the month in which the payroll period ends. Following the Julian calendar, there will be one month during the year for which your R*eport of Retirement Contributions* will contain two 28-day pay periods because they both end in the same month.

6	**Semi-monthly**	Two payroll periods each and every month, beginning and ending on the same dates each month. There are a total of 24 equal earning periods throughout the year, and each monthly *Report of Retirement Contributions* will represent exactly one calendar month for each employee.
		The most common set of dates for frequency 6 reporting are two periods, the first being the 1st-15th of the month and the second beginning on the 16th and ending on the last day of the month.
7	**Bi-weekly**	A bi-weekly frequency is used for 14-day payroll periods. The beginning and ending days of each pay period must be consistent throughout the year. If pay periods begin on a Sunday, they must end on a Saturday and do so consistently. Each pay period must contain two full weeks (14 days). There are slightly more than 26 bi-weekly periods in each calendar year. Two *Reports of Retirement Contributions* each year will contain three biweekly periods because all three pay periods end within the same calendar month.
8	**Weekly**	A weekly frequency code represents a 7-day payroll period. The beginning and ending days of each period must be consistent throughout the year. If pay periods begin on a Sunday, they must end on a Saturday and do so consistently. Each period must contain one full week (7 days). Following the Julian calendar, four monthly *Reports of Retirement Contributions* each year will contain five weekly pay periods because they all end within the same calendar month.

REPORT OF RETIREMENT CONTRIBUTIONS

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

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MONTH ENDING	PAGE	OF
PAST DUE AFTER	EMPLOYEE RATE	EMPLOYER RATE

Employer Name

Code	Social Security Number	NAME (Last, First, MI)	PPB	PPE	A	F	PAY-PERIOD BEGIN	PAY-PERIOD END	EARNABLE SALARY	RETIREMENT CONTRIBUTION

	TOTAL THIS PAGE	
	CUMULATIVE TOTAL	

Questions on using this form? Contact: 1-888-400-0965

Certification of Payroll Officer

Signature _____ Date _____

For OPERS Use Only

Postmark Date _____ Report ID# _____

Use actual date of event when using begin and end pay period code
PPB - Pay Period Begin Code   PPE - Pay Period End Code

E - RE-EMPLOYED RETIREE
H - PAY SCHEDULE AND/OR FREQUENCY CHANGE
N - NEW
R - RETURNED FROM NON-MILITARY LEAVE
S - SEASONAL
T - RETURNED FROM MILITARY LEAVE
X - STUDENT EXEMPTION- (UNIVERSITY USE ONLY)

D - DECEASED
F - LAID OFF
H - PAY SCHEDULE AND/OR FREQUENCY CHANGE
L - APPROVED, UNPAID LEAVE OF ABSENCE
M - MILITARY LEAVE
P - RETIRED
Q - QUIT
S - SEASONAL
W - WORKERS COMPENSATION TIME
X - STUDENT EXEMPTION- (UNIVERSITY USE ONLY)

A - ADDITIONAL EARNINGS CODES
B - BONUS - % OF WAGES
C - ANNUAL CONVERSION OF SICK/VACATION
L - LONGEVITY PAYMENT
O - ADDITIONAL HOURS/OVERTIME/ PART-TIME TO FULL-TIME
S - STIPEND - SUBJECT TO FEDERAL TAXATION

F - FREQUENCY CODES
1 - ANNUAL   2 - SEMI ANNUAL
3 - QUARTERLY   4 - MONTHLY
5 - 28 DAY PERIOD   6 - SEMI MONTHLY
7 - 14 DAY PERIOD   8 - 7 DAY PERIOD

Sign up for electronic reporting at: https://www.opers.org/PersECS   www.opers.org

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100 - Character Record Layouts

Employee Record Format

From Position	To Position	Data Type	Position Count	Required (R) / Optional (O)	Data Description
01	01	Alpha	1	R	Record Type: "E"
02	07	Num	6	R	OPERS Employer Code: Format = XXXXYY, where: XXXX = four digit OPERS Employer Code YY = two digit OPERS suffix code
08	08	Alpha	1	R	Payroll Type Value: "R" regular payroll "A" ARP payroll - **universities only**
09	17	Num	9	R	Employee Social Security Number: No embedded dashes
18	43	Alpha	26	R	Employee Name: Omit space and apostrophe in last name. Sequence of name will be: last name, first name, middle name or initial. A comma may be inserted between last name and first name. For example, the name John J. Mc Neal Jr. can appear as: MCNEAL JOHN J JR or MCNEAL, JOHN J JR or MCNEAL, JOHN J, JR
44	52	Num	9	R	Earnable salary subject to OPERS deductions for period: Dollars and cents, nine characters with leading zeros and no decimals. Ex: Earnings $1,251.63 would appear as 000125163
53	59	Num	7	R	OPERS contributions for period: Dollars and cents, seven characters with leading zeros and no decimals. Ex: Contributions $106.39 would appear as 0010639
60	60	Num	1	R	Employees' pay period frequency: 1) Annual 5) 28-day period 2) Semi-annual 6) Semi-monthly 3) Quarterly 7) Bi-weekly (4-days) 4) Monthly 8) Weekly (7-days)
61	66	Num	6	R	Pay period begin date or first day of work for new or returning employee: Format = MMDDYY, where: MM = 2 position month DD = 2 position day YY = 2 position year

From Position	To Position	Data Type	Position Count	Required (R) / Optional (O)	Data Description
67	72	Num	6	R	Payroll end date or last day of work if no longer employed: Format = MMDDYY, where: MM = 2 position month DD = 2 position day YY = 2 position year
73	73	Alpha	1	O	Pay period begin (PPB) code: Values are: **E** Reemployed retiree **H** Pay schedule/frequency change **N** New employee **R** Returned from non-military leave **S** New or Returning to seasonal employment **T** Returned from military leave **X** Returned from student exemption – **universities only**
74	74	Alpha	1	O	Pay period end (PPE) code: Values are: **D** Employee is deceased **F** Employee is laid off **H** Pay schedule/frequency change **L** Leave of absence **M** Going on military leave **P** Employee has retired **Q** Employee has quit **S** Leaving seasonal employment **W** Left on workers compensation **X** Left on student exemption – **universities only**
75	75	Alpha	1	R	Blank - OPERS use only
76	76	Alpha	1	O	Additional earnings (A) code: Values are: **O** Additional hours/overtime/part to full-time **B** Bonus - % of wages **L** Longevity payment **S** Stipend – subject to federal taxation **C** Annual conversion of sick/vacation
77	80		4		Unused - Reserved for future expansion
81	100		20		User area - Unused for OPERS processing

Employer Summary Record Format

From Position	To Position	Data Type	Position Count	Required (R) / Optional (O)	Data Description
01	01	Alpha	1	R	Record Type: "T"
02	07	Num	6	R	OPERS Employer Code: Format = XXXXYY, where: XXXX = four Digit OPERS employer code YY = two digit OPERS suffix code
08	13	Num	6	R	Pay period end date for the report: Format = MMDDYY, where: MM = 2 position month DD = 2 position day YY = 2 position year
14	37	Alpha	24	R	Employer name: Abbreviated employer name, left justified
38	43	Num	6	R	Record count: Number of employee records on this payroll with leading zeros. Ex: 127 employees would appear as 000127
44	52	Num	9	R	Total OPERS contributions: Total of the employee contributions for this report in dollars and cents, nine characters with leading zeros and no decimals. Ex: Contributions total $35,622.30 would appear as 003562230
53	53	Alpha	1	R	Blank - OPERS use only
54	54	Num	1	R	Employer reporting frequency code: Values are: **1** One report annually **2** One report every six month **3** One report per quarter **4** One report per month **6** Two (semi-monthly) reports per month **7** Biweekly reports (26 per year)
55	96		42		Unused - Reserved for future expansion
97	100	Alpha	4		SUPP: For supplemental report only, regular reports leave blank ARP: For ARP regular reports, spaces 97-99, **universities only** ARPS: For ARP supplemental reports, **universities only**

OPERS File Format
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