

# EMPLOYER Notice

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

**Note:**

*As a reminder, the student must request exemption from retirement contributions on a voluntary basis.*

*Employers are responsible for archiving all Requests for Optional Exemption as a Student forms (form F-3).*

## Student exemption clarifications

### Who should read this notice

All college and university human resources and benefits professionals

### Situation overview

There is some confusion regarding the guidelines for exempting student employees from membership in the retirement system.

- Employers are urged to know that refund applications for retirement contributions withheld are not acceptable without actual termination of employment from the college or university. *The employer's certification on the refund application indicates the student has truly terminated employment.*
- If the student returns to work at the college/university at a later date, a new exemption form must be submitted to the retirement system. Failure to do so may result in significant financial liability by the employer.

### The following information clarifies the correct reporting procedures:

- Student exemptions are voluntary. Students must choose for themselves whether to be exempt from membership in OPERS.
- An exemption remains valid as long as the student continues to be employed by and attends the school that certified the *Request for Optional Exemption as a Student (form F-3)*.
- Changing positions of employment or departments within the school does not void the exemption, as long as student status remains in effect. (Student status is determined by each college/university).
- OPERS will not approve *Request for Optional Exemption as a Student* forms received more than 30 days after the start of employment with the university or college indicated on the exemption form.

### Regarding denied student exemption forms:

- Denied forms will be returned to the employer.
- If an exemption form is denied, the employer is required to collect and remit retirement contributions *retroactive* to the date the employee began earning wages.
- Denied forms can be resubmitted for review, but must be received within the 30 days from the start of employment.
- Alterations, including cross-outs of dates or signatures, on the exemption form will cause the exemption to be denied.

**(More information on back)**



1-888-400-0965

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- Review forms before submission: Forms received with missing information will be denied. This includes the Social Security Number, employee name, name of the college or university, and the employer certification.
- If a *Request for Optional Exemption as a Student* is denied because it was received past the deadline, the employer may be at-risk for a late contribution penalty if the form is received after the regular reporting deadline has passed.
- Exemption forms returned to the employer stamped *Approved* by OPERS must be retained with the employee's permanent records. An imaged copy is acceptable if the *Approved* stamp is clearly visible.

### What you need to do

Review your hiring processes and adjust the timing and flow of your hiring paperwork so that OPERS receives all *Request for Optional Exemption as a Student* forms within 30 days from the employee's start date. Also, please communicate the above guidelines to all staff at your college/university involved with the hiring or termination process of students.

### Revisions to *Employer Manual*

There are no *Employer Manual* changes applicable to this *Employer Notice*.

### Why this is important

It's important from an employer's perspective that student exemptions are handled correctly because of the potential for significant employer financial liability. A delinquent contribution billing will be issued to you if a former student chooses to purchase exempt public service at a later time and the employer cannot produce an approved exemption form. The cost to you, as the employer, is significant. You will be held liable for paying both the employee and employer retirement contributions, with interest.

OPERS encourages all college and university employers to review their processes and ensure the accuracy and archiving of all student exemptions.

### Who to contact for more information

After you review this *Employer Notice*, contact your Employer Outreach representative with questions or comments at 1-888-400-0965 or via the Internet at [employeroutreach@opers.org](mailto: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.*



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