

Employer *Outreach*

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What's coming up in 2015?

As hard as it is to believe, 2015 is here. Employer Services is providing employers with this heads-up to help ensure readiness for upcoming initiatives—for you and for us.

Census data validation program

Effective 2015, GASB and the American Institute of Certified Public Accountants are requiring additional validation on data received from employers. The data to be validated feeds into the actuarial valuation, a vital element in determining the unfunded pension liability.

There are many questions yet to be answered about the validation program before employers need to be actively engaged. We are working with the state of Ohio auditors and external auditors to determine the validation program requirements and responsibilities.

Currently, OPERS has a voluntary employer compliance validation program that was initiated more than three years ago. Employer Services has been interacting with other, similar, pension systems to mine best practices and develop an enhanced census data validation program for our employers. As it turns out, the voluntary compliance validation program closely aligns with best practices. We will be expanding this program to include validation of information sent to us from employers—ultimately assisting employers with preparing for the implementation of the new pension standards.

OPERS will pilot the enhanced program in 2015. We will keep you updated throughout the year.

Re-employed retirees


Throughout 2015, OPERS will work with employers to help ensure you have

necessary information on employment guidelines for OPERS retirees. As an overview, employers need to understand that retirees who are also employees of a public employer cannot participate in the HRA that will be offered by OPERS because the plan must maintain its retiree-only status with regard to the Affordable Care Act (ACA). OPERS is in the process of identifying our options for these retirees and expect to know more by mid-year 2015. We will be communicating the decisions made on this issue as quickly as possible after the decisions are made. As a result, retirees need to check with OPERS before accepting employment—especially if health care is a key aspect of the original retirement decision.

Employers are encouraged to help current employees, potential retirees, and prospective employees who may be OPERS retirees to fully understand all aspects of the retirement and re-employment decisions—especially if the retirement decision is being made with an anticipation of future employment.

For now, employers are urged to help ensure re-employed retirees are aware that OPERS will continue to offer a group plan for re-employed retirees through 2015. However, changes will be made to what is offered in 2016.

Partnership at work

Each year brings challenges and opportunities; 2015 will be no exception. Through Employer Services, OPERS works to partner with each employer organization in the manner that is most needed and best suits you. 



Employer Resources

Employer-specific training available

Employer responsibilities for pension reporting and administration are multiple, and may seem complex. We recognize employers work hard to comply with all pension regulations and we hope you understand that Employer Services is here to help.

One of the most important ways we can help is to provide training for new and current employees. Each year, employer-specific classes are refreshed with updated materials to ensure current employees are knowledgeable about changes to their jobs and to help employers onboard new employees who are assigned the pension processes.

Benefits of training

We're urging you to keep employees trained on pension responsibilities. Clearly, accurate reporting is important for you and your employees and well-trained employees have enhanced accuracy (and more job satisfaction). For employers, providing employee training actually helps you attract and retain the very best talent.

Take a look at what major consultants are saying about the benefits of training:

- *Training improves job satisfaction and retention*—Everyone likes to be an expert and training helps employees to be experts in their job. By strengthening an employee's knowledge, you help that employee attain job security and job satisfaction. Studies indicate that when employees are vested in an organization's success, absenteeism and turnover are reduced.
- *Well-trained employees let you do your job*—It's just common sense. Employers with a well-trained staff spend less time on supervision and have more time for other job demands.
- *Higher accuracy, stronger consistency, increased productivity*—Accurate reports, data and contributions are critical to ensure each employee's retirement account reflects benefits earned at retirement. Errors are likely to occur if employees lack the knowledge and skills required. Help your employees with pension-processing duties attain the highest level of accuracy. Well-trained employees tend to consistently deliver higher quantity and quality of work.

Specifics on OPERS' employer training

All employer-specific training is listed in the

2014 By the numbers

It's been a big year at OPERS. Just how big? Here's a look at some of our big data figures:

The OPERS Member Services Call Center received nearly

500,000 calls

Employer Call Center fielded 15,104 calls



More than 260 interactions with media



Working with stakeholders—real people, real contact

Employer Section of the OPERS website, www.opers.org. As always:

- Classes are free of charge but require registration to ensure port availability.
- Employers are encouraged to have group classes if necessary—all that's needed is a speaker phone and a computer to project the webinar.
- The OPERS webinars provide real-time question and answer sessions to maximize the training potential of each session.

Via the online training option, individuals or groups within your organization can access OPERS' employer training on all the topics available. By delivering pension training directly to your organization, your employees will have no travel downtime. You can also request we come to your site to help with onboarding new employees or provide training for current employees on changes or for adapting to ECS, OPERS' online reporting and payment system.

New in 2015

Throughout 2015, OPERS will provide real-time webinars on multiple topics. However, throughout the year, many seminars will be made available on an on-demand basis—meaning you can have your employees trained at your convenience and at theirs.

All seminar descriptions and registration information is available on the website. Schedules for first and second quarters of 2015 are posted now.

Employer Advisory Council recap

On Nov. 21, the Employer Advisory Council met with 16 members, representing nine employers, on-site at OPERS. The council members were engaged from the beginning and provided significant insights for the upcoming operations-oriented projects affecting employers.

Employer input

The first, and most in-depth project covered, was the known information on the required census data validation initiative. The Employer Advisory Council members had insightful comments on the impact the validation initiative would have on their operations. In general, employers asked about and gave input on timelines, instructions, sample size, prototype formats, and mechanisms for further input.

All employers are encouraged to keep in mind that OPERS is obligated to receive and track the information by GASB requirements—OPERS did not initiate this program. *(continued on page 8)*

Educating stakeholders

More than **40,000** members and retirees attended seminars, webinars and/or accessed training videos



More than

237,480
unique individuals

viewed the OPERS website, viewing more than 22 million pages of training videos

Employer Services sponsored **18** different employer-specific webinars and



Implementation of new accounting pension standard

As a reminder, OPERS will be implementing GASB Statement 67 this year as we prepare the *2014 Comprehensive Annual Financial Report (CAFR)* for the year ended December 31, 2014. We will be including the more recent actuarial valuation data in this report (prior reports' actuarial data was one year in arrears) and will be incorporating the other required changes in our report.

Following the issuance of our CAFR in June, we will issue the employer allocation schedules that will provide employers with the information you need to determine your portion of the unfunded liability and related financial statement disclosures. Many employers will use this information as your beginning balance as you implement GASB Statement 68. Others may want to use the information for planning and budgeting proposals.

OPERS will be updating our education material on our web site with several new educational videos. Additionally, we will be providing material to assist employers with explaining the new information to your constituencies. We'll keep you updated on

our progress through this newsletter and our employer web site.

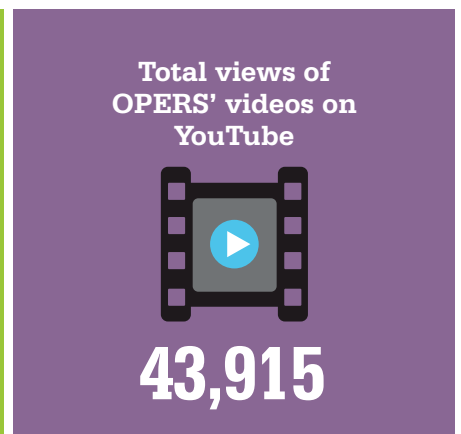
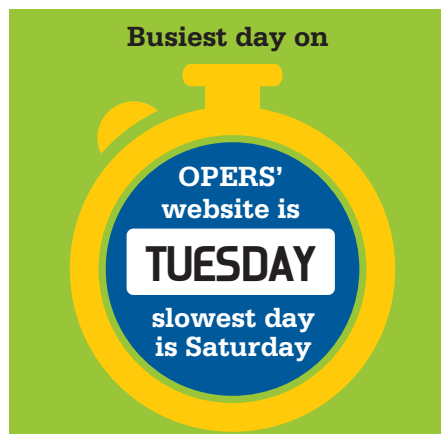
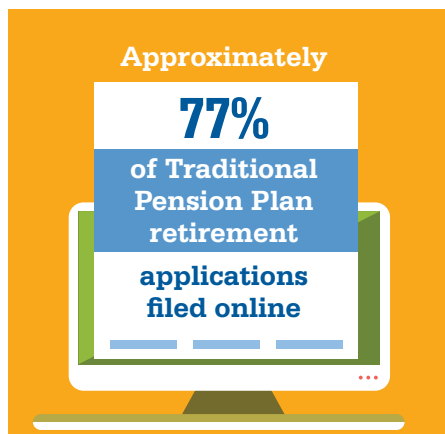
OPERS will continue to partner with our employers and provide whatever assistance we can as, together, we implement these new standards.

Working with bond rating agencies

OPERS has recognized the potential impact on employers' bond ratings. Thus, beginning last year, we have initiated a dialogue with the three major bond rating agencies, Fitch Ratings Ltd., Standard & Poor's and Moody's. The purpose of the discussion was to provide these bond rating agencies with an understanding of OPERS' operations and the liability and future projections for managing the liability and to better understand how each of these agencies use the information in developing ratings.

The discussion with all three agencies was good. OPERS explained to one agency (Moody's) how its methodology was overstating the liability but, to date, Moody's has not changed its approach. OPERS has scheduled quarterly calls with each of these rating agencies to keep them updated. This should provide each with accurate

Leveraging technology to serve members



pension information, which should assist our employers if they seek to issue bonds.

As the implementation for the revised standards for pension benefits unfolds, OPERS will continue to work with employers to help ensure the smoothest possible implementation. To that end, employers seeking information or data are encouraged to visit the OPERS website at www.opers.org to keep up with updates. You'll see we've designated an entire section in the Finance tab to GASB's requirements and implementation procedures.

GASB's proposed requirements for other post-employment benefits (OPEB)

Even as employers are working to implement the new GASB standards for reporting pension liabilities, GASB has announced its intention to require similar reporting standards for other post-employment benefits, such as health care (also referred to as OPEB).

OPEB standards – where we are now

As written currently, the proposed standards, released this past summer as exposure drafts, would require employers to record a


proportionate share of the health care unfunded liability on their financial statements.

OPERS does not endorse these standards as proposed. We know OPEB are not the employers' responsibility. In Ohio, the pension contributions for employers and employees are set in statute. Health care is neither mandated nor guaranteed. Unlike other states, where the legislature can require higher contributions to fund the retiree health care liability, the OPERS Board of Trustees has the sole responsibility to make modifications to the health care plan and set the funding policy.

What's being done

OPERS is working with GASB—our intent and hope is to get the proposed standards changed. To date, we have submitted a comment letter, testified at GASB's open hearing and participated in a limited field test with GASB on these proposed standards.

As more information is available

OPERS will continue to reach out to all stakeholders to keep all informed of our efforts and of any changes GASB makes to the proposed standards for OPEB. As always, we will partner with OPERS-reporting employers to ensure employers are informed of their responsibilities. 

Partnering with employers

Generated almost

5,000
individual cost
statements



Handled more than

500
membership
determinations



Processed more than

4,000
refunds



for unauthorized
contributions

Info to go

Year-end reminders...

OPERS-reporting employers are extremely professional—but very busy. Many year-end actions may be overlooked—causing problems for you and your employees' pension accounts. Here are a few success tips to ensure an accurate start to the New Year, sorted by action dates:

December 2014

Dec. 31 payroll

If you're required to finalize the year-end payroll by Dec. 31, even when that's not the actual pay period end (PPE) date for your pay schedule, take note:

Here's how you can ensure your retirement contribution reporting is accurate and not rejected due to a pay frequency code/date mismatch:

- On the last report of December, make sure you code each employee with a pay period begin (PPB) code of H showing OPERS a pay schedule or frequency change.
- Then, on the first report of 2015, again code each employee with PPB code of H.

Forms updated through 2014

It's been a busy year—and 2015 looks to be just as active. Employer Services encourages all employers to take a look around and sweep away the old to make room for the new. Specifically, take a moment to destroy stockpiled forms that may be out of date—you'll be doing yourself and your employees a huge favor. Remember:

- Filing an obsolete form can create significant delays in processing;
- The most recent iteration of all OPERS forms can be found on the OPERS website at www.opers.org; and
- Electronic signatures are NOT valid for OPERS forms that cannot be completed by the employee through their OPERS online account.

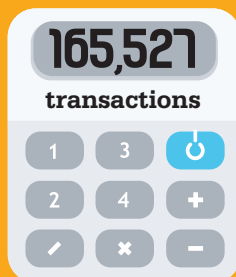
'Tis the season...process seasonal employees accurately

Note these transition details

- Report final contributions with a Pay Period End (PPE) code of Q (for quit) for those who are not anticipated to return to employment with you within the year.
- If an employee is terminating for the season, but expects to return next year, or works on an intermittent basis, you need to report those employees with a PPE code of S for seasonal (same as the PPB code when they return).

Responsible stewards of member contributions

Investment accounting processed a total of



(through October)

Funds invested in



OPERS voted approximately

170,000

corporate proxy votes,



- Keeping a seasonal employee? No action is necessary for those employees moving to a permanent position—unless the employee is changing to a different employer code within your employer family, or to a different pay schedule.
- As always, re-employed retirees have specific requirements. If you have re-employed retirees in seasonal or intermittent positions, contact Employer Services for specialized instructions or view information via the online OPERS Employer Manual.

January 2015

Annual non-contributing list: On or before Jan. 31, 2015, data for calendar year 2014 will be due. Note that all ECS-reporting employers must submit their non-reporting list electronically, via ECS. For more information, contact your Employer Services Account Representative.

Online Accounts

Actively encourage your employees to register for an OPERS online account. Those who register prior to February 2015 and select electronic correspondence will have access to their annual statement information earlier than those who must wait for the U.S. Postal Service to deliver. And, speaking of annual statements...

Annual statements coming

- Employers MUST resolve all error codes for Social Security numbers for employees to receive annual statements.
- Statements will begin to be processed in February.
- Each year, some employees are concerned because their OPERS Annual Statement is different from their tax forms. Please explain the OPERS statement tracks when income is earned, not necessarily received. Tax forms track only received income.


First Quarter 2015

Pick-up plans

By law, township elected officials cannot have fringe benefit pick-up plans. If your organization offers fringe benefit pick-up plans, now is a good time to ensure you are in compliance.

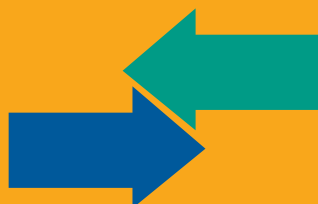
For all employers, if changes are planned for current, previously approved pick-up plans, be sure to submit to OPERS for review and approval prior to enacting any changes.

Conversion plans

OPERS-specific approval is an annual event. Although March 31 of any year is the official deadline for approval, conversion plans must be approved prior to payout. 

Working to keep health care programs viable and meaningful

Processed
44,092
health care
change requests



Fielded
7,869
inbound calls



Taking office January 2015

Charles Latsa joins the OPERS Board of Trustees representing non-teaching college and university employees. Mr. Latsa is an applications manager at Cleveland State University, where he has been employed for more than 14 years. He has been an OPERS member for 27 years.

A resident of Lake County, Latsa graduated from The Ohio State University and has garnered extensive professional experience and strong educational qualifications that will make him a valuable asset to the OPERS Board.

Latsa earned the Certified Public Accountant designation and is also a Certified Financial Planner with strong expertise in pensions, retirement plans, investments and insurance products. His experience in investments is equally impressive; he has passed the Series 7 licensing exam and he has served for seven years as chairman of the board investment committee for an Ohio credit union.

Christopher Allan Mabe has been elected to the OPERS Board of Trustees representing state employees. A resident of Lorain County, Mr. Mabe is currently a corrections sergeant at Lorain Correctional Institution.

Mabe has served as president of the Ohio Civil Service Employees Association (OCSEA) since 2011. Additionally, he is a vice president of the American Federation of State, County & Municipal Employees (AFSCME) International, an executive board member of the Ohio AFL-CIO and president of We Are Ohio. A Gulf War veteran, Mabe also serves on the Ohio Department of Veterans' Services Committee.

A graduate of Harvard University's Trade Union Program, he is an advocate for both working people and a healthy and strong pension system.

Steve Toth has been elected as one of two Board members representing retirees. A resident of


Fairfield County, Mr. Toth retired with 30 years of service for the state of Ohio.

While employed at the state of Ohio, Toth was a human resources professional, deeply involved with personnel programs and collective bargaining agreements. He has twice served as an elected school board member.

Toth earned his B.A. at Capital University in Columbus and an M.A. at The Ohio State University.

Unopposed for the OPERS Board seat representing municipal employees, **Ken Thomas** has had a significant career in public service. A member of the OPERS Board since 1993, Mr. Thomas has been an active member of the Board for two decades. Thomas' proven leadership skills were instrumental in steering the organization through the recent economic downturn and assisting in the passage of the landmark pension reform in 2012.

Thomas has served in leadership roles in virtually every committee of the Board, has helped select three executive directors, and has served as Board chairman.

The new members will be sworn in at the January 2015 OPERS Board of Trustees meeting. 

Employer Resources

(continued from page 3)

As always, our thanks to employers

We recognize the business of pensions is multifaceted. We do not seek to make the data required more complex and, most importantly, it is not OPERS' goal to create an onerous oversight situation for employers. As your partners and with input from the dedicated members of the Employer Advisory Council, we'll work to make all required, specialty and ongoing operations as non-intrusive as possible. 