

# EMPLOYER *DIGEST*

*The quarterly newsletter for employers of Ohio Police & Fire Pension Fund members*

*Volume 17 – Number 4 – Fall 2016*

## **2015 GASB 68 UPDATES AVAILABLE AT OP-F.ORG**

OP&F has updated the GASB 68 information at [op-f.org](http://op-f.org). As explained in previous editions of the Employer Digest and other resources, GASB 68 is a pronouncement by the Governmental Accounting Standards Board that requires employers who participate in a public retirement plans to disclose their proportionate liability and other pension-related expenses on their accounting and financial statements each plan year.

GASB 68 is a reporting and accounting requirement only, not a funding requirement. OP&F employers are responsible for paying the employer share consistent with the Ohio Revised Code. The police employer share is 19.5 percent of member gross wages; the fire employer share is 24 percent of member gross wages. Any changes to these rates can only be implemented through legislative action.

GASB 68 information can be accessed by going to [op-f.org/ Employers/GASB](http://op-f.org/ Employers/GASB) and is broken down by individual employers under the schedule of employer allocations and pension amounts per employer. The allocation schedules show each employer's employer contributions and then these contributions as a percentage of all employer contributions, paid in plan year 2015. Updated 2016 Information, which is data through 12/31/2015, includes:

- GASB 68 disclosure information
- OP&F Comprehensive Annual Financial Report
- GASB Statement 67 and 68 report prepared by Buck Consultants
- GASB Summary Data

The breakdowns are listed by OP&F employer code. For purposes of this report, the code is a five character identifier. The first four characters are the unique numeric employer identifier, and the final character represents the employer division; P or F for police or fire. If the employer code is not known, or for any GASB 68 questions, please contact OP&F at 1-888-864-8363.

## **EMPLOYER SELF-SERVICE WEB IMPROVEMENTS**

Each month OP&F receives more than nine-hundred reports of retirement deductions from employers. Two-hundred of these reports are submitted on paper, rather than through electronic media. OP&F would like all employers to report electronically and are working diligently to make these options more attractive and easier to use.

Enhancements being considered include providing employers helpful tips and updates in the News and Alerts sections on the home page of the web program, providing links to helpful

documents and definitions, and cleaning up some redundant or unclear text that web users encounter on the screens when processing payroll reports.

OP&F encourages the sharing of ideas from employers on how we can deliver an improved Employer Web Self-Service online reporting and payment program. We welcome your ideas on these, or other topics that impact your interaction with OP&F. Please contact OP&F through our website, [op-f.org/Information/ContactUs](http://op-f.org/Information/ContactUs).

## THE IMPORTANCE OF PAYMENT REMITTANCE INFORMATION

The process of making online Automated Clearing House (ACH) payments to OP&F involves two distinct steps: completing and submitting the Summary of Payment Remittance Information (Recap) Form as well as posting the payment to be made. This article is intended to aid employers in navigating this process quickly and efficiently.

Employers that have taken the initial step in setting up bank account information through completion and submission of the Authorization Agreement for ACH Debits are now able to make any and all payments online. These employers will log on to the OP&F Employer Self Service Web application when ready to begin the payment process.

Once logged in, employers will click on the Summary of Payment Remittance Information Form link under the menu on the self-service home page.

It is important for employers to fill out the online recap properly. This means entering the correct earning periods for the Report of Retirement Deductions, the check number (if paying by check), and being sure to enter gross pensionable wages, member contributions, and employer contributions in the appropriate boxes on the form.

Consider the following tips concerning the online payment process:

- The recap should be sent with all incoming payments, whether the payment is for employee and employer contributions, a prior service payroll deduction, or a penalty.

- Payments should be sent to the lockbox address, not the mailing address of OP&F. The OP&F Huntington lockbox address is: The Ohio Police and Fire Pension Fund, L-2521, Columbus, OH, 43260-2521.
- Sending an electronic recap does not automatically generate an online payment – there is a separate step required. Users must go to online payment requests to actually schedule your payment. Users must click on the online payment requests link in order to set up and post the payment. This step is part of the employer Web Self-Service process for those employers signed up for electronic payments.
- The posting date listed on the recap for electronic payments should be the same date as the date selected in the online payment request option of the Self-Serve site (per cut-off times below).
- The posting date for the payment cannot be the same day, non-business days, a weekend day, or a federally-observed holiday.
- Payments must be entered by 4:30 p.m. on a business day in order to select the next business day for posting. Payments scheduled after 4:30 p.m. will only allow selection of the second business day out or later.

The recap form and a *Helpful Tips* information sheet can be accessed on the OP&F website [op-f.org/Employers/Forms](http://op-f.org/Employers/Forms).

## EARNINGS PERIOD CALENDAR NOW ONLINE

OP&F employers can now produce earning period calendars at [op-f.org](http://op-f.org). The OP&F Report of Retirement Deductions is based on earning dates rather than pay dates.

To access the earning period information, go to [op-f.org/Employers/Employer Payroll/Earnings Period Calendar](http://op-f.org/Employers/Employer Payroll/Earnings Period Calendar). Once there, simply input the pay frequency, bi-weekly, weekly, semi-monthly, monthly, choose the correct pay period begin date, and then select submit. Employers can then view the printable version of the calendar which is a convenient visual reminder of begin and end dates for each month of the calendar year, as well as the due dates for each report.

If there are any questions about the OP&F earnings calendar, please contact OP&F at 1-888-864-8363.

## OP&F OUTREACH EFFORTS CONTINUE

On Sept. 22, OP&F Deputy Executive Director Scott Miller and Employer Education Manager John Davis presented during the session called *Pension Hot Topics*, which was part of the statewide fall conference sponsored by the Government Finance Officers Association (GFOA) in Columbus.

Also presenting at this session were representatives from the State Teachers Retirement System and the Ohio Public Employees Retirement System. Topics covered were the funding levels of the different public retirement systems, legislative developments, and updates on payment and reporting programs. There were more than 75 employer representatives attending the session. If employers would be interested in learning more about outreach efforts or have topics to be addressed, please contact John Davis, Employer Education Manager, at 1-888-864-8363 extension 8255 for information on how to do so.

## SECURITY MEASURES – ENCRYPTION

*The following article is from the Ouch! security awareness newsletter produced by the SANS Institute for October 2016. OP&F is sharing this article with employers as a courtesy as part of our ongoing efforts to keep member information secure. The information provided is for informational purposes only and is not intended to serve as advice on security measures.*

You may hear people use the term *encryption* and how you should use it to protect yourself and your information. However, encryption can be confusing and you should understand its limitations. This article explains in simple terms what encryption is, how it protects you, and how to implement it properly.

You have a tremendous amount of sensitive information on your devices, such as personal documents, pictures, and emails. If you were to have one of your devices lost or stolen, all of your sensitive information could be accessed by whoever possesses it. In addition, you may conduct sensitive transactions online, such as banking or shopping. If anyone were to monitor these activities, they could steal your information, such as your financial account or credit card numbers. Encryption protects you in these situations by helping ensure unauthorized people cannot access or modify your information.

Encryption has been around for thousands of years. Today, encryption is far more sophisticated, but it serves the same purpose- to pass a secret message from one place to another by ensuring only those authorized to read the message can access it. When information is not encrypted, it is called plain-text. This means anyone can easily read or access it. Encryption converts this information into a non-readable format called cipher-text. Today's encryption works by using complex mathematical operations and a unique key to convert your information into cipher-text. The key is what locks or unlocks your information. In most cases, your key is a password or passcode.

### **What Can You Encrypt?**

In general, there are two types of data to encrypt: data at rest (such as the data stored on your mobile device) and data in motion (such as retrieving email or messaging a friend).

Encrypting data at rest is vital to protect information in case your computer or mobile device is lost or stolen. Today's devices are extremely powerful and hold a tremendous amount of information, but are also very easy to lose. In addition, other types of mobile media can hold sensitive information, such as USB flash drives or external hard drives. Full Disk Encryption (FDE) is a widely used encryption technique that encrypts the entire drive in your system. This means that everything on the system is automatically encrypted for you; you do not have to decide what or what not to encrypt. Today, most computers come with FDE, but you may have to manually turn it on or enable it. It is called FileVault on Mac computers, while on Windows computers, depending on the version you have, you can use Bitlocker or

Device Encryption. Most mobile devices also support FDE. iOS on iPhones and iPads automatically enable FDE once a passcode has been set. Starting with Android 6.0 (Marshmallow), Google is requiring FDE be enabled by default, provided the hardware meets certain minimum standards.

Information is also vulnerable when it is in transit. If the data is not encrypted, it can be monitored, modified, and captured online. This is why you want to ensure that any sensitive online transactions and communications are encrypted. A common type of online encryption is HTTPS. This means all traffic between your browser and a website is encrypted. Look for https:// in the URL, a lock icon on your browser, or your URL bar turning green. Another example is when you send or receive email. Most email clients provide encrypted capabilities, which you may have to enable. A third example of encrypting data in transit is between two users chatting with each other, such as with iMessage, Wickr, Signal, WhatsApp, or Telegram. Apps like these use end-to-end encryption, which prevents third parties from accessing data while it's transferred from one end system or device to another. This means only you and the person you're communicating with can read what is sent.

### **Getting It Right**

To be sure you are protected when using encryption, it is paramount that you use it correctly.

Your encryption is only as strong as your key. If someone guesses or gets access to your key, they will have access to your data. Protect your key. If you are using a passcode or password for your key, make sure it is a strong, unique password. The longer your password, the harder it is for an attacker to guess or brute force it. Do not forget your password; without your key, you can no longer decrypt your information. If you can't remember all of your passwords, we recommend a password manager.

Your encryption is only as strong as the security of your devices. If your device has been compromised or is infected by malware, cyber attackers can bypass your encryption. This is why it is so important you take other steps to secure your device, including using anti-virus, strong passwords, and keeping it updated.

Many mobile apps and computer applications now offer strong encryption to protect your data and communications. If the app or application you are considering does not support encryption, consider an alternative.



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**IMPORTANT DATES AND DEADLINES**

*Important dates and deadlines are also posted on OP&F's website under the Employers menu in the Calendar of Billing Deadlines and Events section.*

**NOVEMBER**

15 2nd Semi-Annual Accrued Liability Bills.  
  
30 OP&F Payroll deductions, member and employer contributions and payroll reports for October 2016.

**DECEMBER**

31 OP&F Payroll deductions, member and employer contributions and payroll reports for November 2016.



OP&F provides the Employer Digest as a general reference material in order to assist employers in properly reporting required contributions to OP&F, as well as submitting the required forms and materials that are necessary to provide benefits for our members. As a general reference material, the Employer Digest may not sufficiently represent all of the details applicable to the subjects discussed. Nothing contained in this newsletter is meant to interpret, extend or change, in any way, OP&F's governing statutes, administrative rules or policies. If you have any questions or need information on any subjects referenced in the Employer Digest, please contact OP&F.