



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

Volume 16, Number 3, Summer 2015

## **GASB 68 information available online for OP&F Employers**

In June of 2012, the Government Accounting Standards Board (GASB) issued Statement 68, requiring governments that provide defined benefit pensions to recognize their long-term obligations for pension benefits as a liability on financial statements. GASB 68 became effective for fiscal years that begin after June 15, 2014.

OP&F has always reported its unfunded liabilities and public employers have always reported their employer share of pension contributions. What is new is that the accounting board is now requiring that the financial statements issued by a local government (including OP&F employers) must begin reporting their proportionate share of the retirement system's net pension liability. It is important to note that the new standards are accounting standards, not funding standards. They do not affect the actual liability or required contributions that OP&F employers must pay.

More detailed GASB 68 information, such as employer liability, is now available for OP&F employers at [op-f.org](http://op-f.org). This information can be found in the Employers section under the heading GASB. Employers can also email OP&F their GASB-specific questions at [GASB@op-f.org](mailto:GASB@op-f.org).

On July 27, OP&F Deputy Executive Director Scott Miller and Employer Education Manager John Davis participated in the Government Finance Officers Association (GFOA) Seminar in Worthington, Ohio. The seminar was attended by finance personnel from Ohio municipalities, villages, and townships from around the state.

OPERS and OP&F shared the stage to present an update on the two pension systems. Jennifer Starr, the OPERS Finance

*Continued on Page 4*

### **OP&F member rate increases**

*Reports could blend with different rates*

Effective with the first earning period after July 2, 2015 the OP&F member contribution rate increased from 11.5 percent of gross earnings to 12.25% of gross earnings. This is the last of three scheduled member contribution increases required by Ohio Revised Code Section 742.31.

As was the case in the first two member contribution rate increases, OP&F sent customized correspondence to all employers, including the exact date the rate would increase for a particular employer, based on their earning periods.

In most cases, the member contribution rate increases will result in a "blending" of rates for the July report of retirement deductions – the overall rate for this report will be between the former and current deduction rate.

### **Employer Self-Service Web reporting**

*Minor change in upload option*

Recently, OP&F implemented a minor change to the employer self-service Web payroll reporting program. This change impacts only those employers that utilize the self-service import/upload option; not the Web manual reporting option.

Once an employer is ready to upload a particular file, they will note that the import description window contains the text, "Self Service Employer Work Report Import."

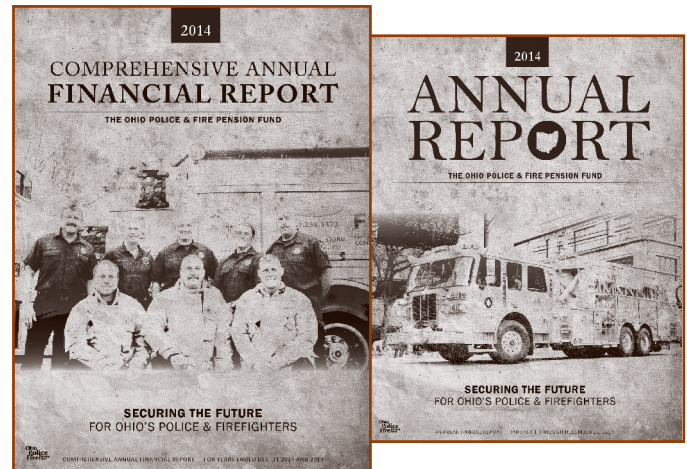
It is strongly recommended that the employer leave the setting option at this default. The alternative is to use the drop down box to change the file option in the import description window to "Self Service Employer Work Report File Upload." Although this import method is a valid option, it is less efficient than the default option.

## Financial reports for 2014 are now available

Both the Comprehensive Annual Financial Report (CAFR) and the Popular Annual Report for OP&F's 2014 fiscal year are available online at [op-f.org/reports](http://op-f.org/reports).

The Comprehensive Annual Financial Report offers a detailed look at OP&F's financial and investment statements as well as member demographics. The Popular Annual Report is an overview of OP&F's financial statements and a review of pension fund activities from the past year.

In addition to the 2014 reports, those for past years are also available.



## Employer contributions calculator can assist with reporting

The OP&F website includes information and multiple features to assist with payroll reporting. One example is the employer contributions calculator. The calculator is available on the OP&F website to assist with calculating employer contributions.

To calculate the employer contributions due, simply enter the gross pensionable wages in the correct police or fire category then click the calculate button for the amount due. The respective employer contributions due will appear and the total employer amount due will be calculated as well.

Pension reform legislation passed in 2012 requires employers to submit employer contributions monthly along with member contributions, which eliminated the need for quarterly billing. The legislation did not change employer contribution rates.

Employer contribution rates at OP&F are 19.5 percent of reportable payrolls of police officers and 24.0 percent for firefighters. This is in addition to the member's contribution, which is a percentage of the gross pensionable wages for full time police officers and firefighters.

Currently, active members contribute 12.25 percent.

To use or view the calculator, visit the OP&F website under the Employers Section/Employer Payroll/Contributions Calculator.

## Hours base and hours paid clarified

### *Differences explained*

The Ohio Revised Code and Administrative Code govern OP&F payroll reporting. The rules require that earning periods, hours base, hours paid, gross wages and contributions be reported precisely so that OP&F members receive proper service credit each month and their accounts are both current and accurate.

The relationship between the hours base (scheduled hours) and the hours paid (paid hours within scheduled hours) is the foundation for applying service credit for each OP&F member. For example:

- The hours base represents all hours for which a member is scheduled to work for the reporting period.
- The hours base does not include overtime or any unscheduled but worked time. Paid hours will equal base hours unless a member is below scheduled hours due to a suspension, or any type of leave without pay.
- Paid hours will also be lower than base hours if a member is new, retired, or terminates within the earning dates of a payroll.
- Whenever the hours paid are either lower or higher than the base hours, an employer will be contacted for an explanation. However, by providing this information on a report before submission an employer will avoid a call from OP&F.

## Purchase packets available for prior service credit

### *What is the employer's role?*

Under Ohio law, OP&F members may purchase eligible full-time prior civilian or military service credit, as well as layoff, medical, childbirth or adoption leave service.

The OP&F Member Services Department works with members in the acquisition of prior service credit for members. To expedite this process, service credit packets which contain the required documents that both the member and employer must complete are available on the OP&F website. This consolidation of forms expedites the process so that the member can receive a cost statement for prior service credit as soon as possible.

Generally, a service credit purchase packet includes certification forms for both the eligible member and the employer to complete. The employer certification contains a request for basic data such as dates worked as well as annual earnings information. Confirmation of a member's initial date of full-time service may also be needed.

Prior to the implementation of the packets to gather prior service documentation, the member and employer certification processes were separate. This sometimes resulted in time lags and inefficiencies which could have delayed a member receiving a timely service purchase cost. This process puts the necessary paperwork and responsibility in the member's hands.

Each packet also includes an explanatory cover letter which contains an overview of the process, the steps required of the member and the employer, and detailed contact information, should the member, or employer, have any questions or concerns.

For member and employer forms, as well as detailed, updated instructions, visit the OP&F website under the tab Members / Member Forms.

## Locked out of OP&F Web-Self-Service?

OP&F employers that use the Employer Self-Service program know they can create and submit reports of retirement deductions, complete and submit summaries of payment remittance information forms, and post payments through the Automated Clearing House (ACH) debit application.

On occasion, however, employers may find themselves locked out of the program. This can occur because of an incorrect user name or password entered, or by inadvertently leaving the caps lock on (passwords are case-sensitive).

Since the submission of reports or payments can be time sensitive, it is important to find out the reason why there is a problem and the steps needed to correct it.

Once an employer has entered an incorrect user name or password three times, they are locked out of the program and will see an onscreen message that reads "This User has been Suspended or Deactivated." When employers find themselves locked out of the self-service program, please call OP&F toll free number 1-888-864-8363. OP&F's Customer Service Representatives can unlock the user and reset a temporary password.

## Mark Jordan named OP&F Controller

Mark Jordan, former Internal Auditor and Ethics Officer, is now the Controller in OP&F's Finance Department. Jordan has replaced former Controller Arleen Rhodes, who retired in July.

As Controller, Jordan will oversee the accounting staff including the duties of budgeting, insurance, actuarial, general ledger, accounts receivable, accounts payable, audit, collections, billing, member and employer related accounting and tax/401(a) compliance.



*Mark Jordan,  
OP&F Controller*

"I look forward to working with employers to accomplish the mission of OP&F; a secure retirement for Ohio's public safety officers," said Jordan.

Jordan brings a wealth of knowledge and experience to the Finance Department. Prior to becoming the Internal Auditor and Ethics Officer, Jordan was the Financial Systems Manager and Accounting Supervisor in the Finance Department. at OP&F.





140 East Town Street  
Columbus, OH 43215

[www.op-f.org](http://www.op-f.org)

Toll-free: 1-888-864-8363  
Local: (614) 228-2975  
Fax: (614) 628-1777  
TTY: (614) 221-3846  
E-mail: [questions@op-f.org](mailto:questions@op-f.org)  
Business Hours: Monday-Friday, 8 a.m.-4:30 p.m. EST

**Executive Director**  
John J. Gallagher, Jr.

**Employer Education Manager**  
John Davis  
Direct: (614) 628-8255  
Toll-free: 1-888-864-8363, extension 8255  
E-mail: [jdavis@op-f.org](mailto:jdavis@op-f.org)

**OP&F Board of Trustees**  
Daniel J. Desmond, Chair, Toledo Fire  
William Deighton, Retired, Cleveland Fire  
Ed Montgomery, Chair, Columbus Police  
Jeffrey Moore, West Chester Fire  
Timothy Patton, Cleveland Police  
John Wainscott, Retired, Cincinnati Police  
J. David Heller, Investment Member  
Scott D. Roulston, Investment Member  
Karin Maloney Stifler, Investment Member

COPYRIGHT © 2015 by Ohio Police & Fire Pension Fund, All Rights Reserved.

**Prudence · Integrity · Empathy**

*Securing the future for Ohio's police and firefighters.*

## GASB updates

*Continued from Page 1*

Director spoke about the pension reporting and accounting changes mandated under GASB 67 and 68.

Miller spoke about GASB 68 as it applies to OP&F employers. Davis provided an update on OP&F member rate changes and the impacts to employers and members of the pension reform bill passed in September, 2012, and answered questions from the attendees. OP&F's representation at the seminar was part of a continued outreach effort to assist employers with payroll reporting and payment issues, such as the most recent GASB news, and to keep them informed on laws and rules that may affect them.

## 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.

### September

Sept. 30 3rd Penalty bill (Late employer contributions, late payroll reporting and late Pre-Employment Physical)  
Sept. 30 OP&F Payroll deductions, member and employer contributions and payroll reports for August 2015

### October

Oct. 31 OP&F Payroll deductions, member and employer contributions and payroll reports for September 2015

### November

Nov. 30 OP&F Payroll deductions, member and employer contributions and payroll reports for October 2015

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.

PRSR STD  
US POSTAGE PAID  
COLUMBUS, OH  
PERMIT No. 675  
ZIP CODE 43215

RETURN SERVICE REQUESTED