Employers occasionally make payments to employees for work performed in a prior fiscal year. Additionally, unforeseen events often occur that require an adjustment be made to a member’s account through payroll reporting. These payments or adjustments can happen for a variety of reasons including: a late time card; a performance or state report card bonus earned in one school year, but paid in the next; return of contributions remitted for earnings that do not qualify as STRS Ohio compensation; or earnings not reported for past years.

Since benefits are based on earned compensation reported in the annual report, this information must be accurate. Reporting prior fiscal year payments and adjustments in a timely manner allows STRS Ohio to amend your annual report for the fiscal year affected and provide accurate benefit payments to members. Anytime payments or adjustments are made to a member’s account for work performed in a prior fiscal year, employers must notify STRS Ohio if the amount was not included in the prior fiscal year's annual report. This adjustment is called a backposting.

Correcting payroll reports or making adjustments to a member’s account can be done in a few simple steps. When making a correction for a past fiscal year, you must remember to pay and report contributions at the contribution rate in effect at the time the money was earned. Use the chart below to ensure you have completed all necessary steps when making corrections.

**Account Corrections Flow Chart**

1. **Is the correction the result of a settlement agreement or grievance?**
   - **Yes**: Send a copy of the settlement agreement or grievance to STRS Ohio at report@strsoh.org for review and determination of next steps.
   - **No**: Submit a payroll adjustment (either in your own system or ESS) using the current date and be sure to withhold and report at the contribution rate in effect at the time the money was earned.

2. **Is the correction for the current fiscal year?**
   - **Yes**: Submit a backposting using the same pay date that the payroll adjustment was created. (See ESS Instructions or the tutorial for step-by-step assistance.)
   - **No**: Remit payment to STRS Ohio for the correction amount. Also submit an online cash remittance (unless paying through direct debit).

3. **Does the correction create a credit?**
   - **Yes**: Notify your payroll representative if you prefer to receive a refund check (if greater than $25) or wish to apply the credit toward your next payroll payment.
   - **No**: Notify your payroll representative if you prefer to receive a refund check (if greater than $25) or wish to apply the credit toward your next payroll payment.
Frequently Asked Questions

Do I need to notify STRS Ohio if I adjust a payroll that does not affect a prior fiscal year?

No. Adjustments that do not affect a prior fiscal year can be reported in the payroll report for the pay period in which the adjustment is made.

How do I enter a backposting on ESS?

Please see the ESS Instructions on the employer website under the ESS login box for step-by-step instructions. An online tutorial video for creating a backposting is also available in the Education & Training section of the employer website.

If I report an adjustment using the employer website, what type of documentation do I need to provide?

Generally, the explanation you provide in the “Notes” field of the online payroll adjustment and backposting report is sufficient. However, STRS Ohio will contact you if additional information is needed.

After entering my backposting information on ESS, I noticed that the work report total on the employer reports page shows $0.00. Is that correct?

Yes. Keep in mind the purpose of a backposting is to move money paid in a current fiscal year to the fiscal year in which it was earned. The work report total on the employer reports page shows payment amounts. Since the backposting is not an additional payment, the work report total will show as $0.00.

We pay a report card bonus to our staff based on obtaining excellent ratings for state standards. However, we don’t normally get those results until September or October of the following fiscal year, which means the bonus payment is not made to our employees until late October. Am I required to backpost the report card bonus payment?

Yes. Even though results are not known and payment isn’t made until fall of the next fiscal year, the bonus was actually earned for the previous school year. Therefore, a backposting is required.

I need to create a backposting for a bonus payment granted to my entire staff that is considered compensation for STRS Ohio purposes. Do I have to hand-key this information into ESS?

When completing backpostings for a large number of members, please contact your payroll representative at STRS Ohio. We may be able to create the backposting file for you if a separate payroll file for the bonus payment is sent.

Will our school have to pay penalties or interest on a backposting?

If the backposting is for missed payments in a previous fiscal year, interest may be assessed. To see if your backposting may result in an interest charge, use the Interest on Backpostings calculator in the Calculators section of the employer website.

We sent contributions to the wrong retirement system. Contributions were mistakenly sent to STRS Ohio instead of SERS. How do we correct this error?

If contributions were sent to STRS Ohio in error during the current fiscal year, report the negative contribution amount in your next payroll report and short your next payment by the same amount. You will also need to send an email to your payroll account representative so that we can cancel the member account.

For More Information

Log on to the employer website at www.strsoh.org/employer
Call the Employer Reporting Department toll-free at 888-535-4050
Send an email to report@strsoh.org