



Contracted Services Membership Determination and the Employer's Obligation

The State Teachers Retirement Board is authorized by Chapter 3307 of the Ohio Revised Code to make membership determinations. Hiring an individual to fill an STRS Ohio-covered position as an independent or third-party contractor does not necessarily relieve a public school, community school, public university or institution ("School") for whom the individual performs services from the obligation to make contributions to STRS Ohio.

The chief test in determining whether an individual is an employee or an independent contractor is the right to control the means and manner of performing the work. In determining who has control over the means and manner of performing the work, several factors are considered, including, but not limited to, who controls the details and quality of the work; who controls the hours worked; who selects the materials, tools and personnel used; who selects how the work is performed; how is the individual paid; and are there any pertinent agreements, contracts or other documents pertaining to the work.

If the School controls the means and manner of the work performed by an individual who was hired under an independent or third-party contract, STRS Ohio membership and contributions on the payments to the individual are required, regardless of what the parties call the relationship.

STRS Ohio recognizes some membership determinations may be difficult. To assist Schools with the determination of STRS Ohio membership for contracted services, STRS Ohio has developed the following process. To request a determination from STRS Ohio, please complete the steps below:

1. Locate a copy of the *Determination of STRS Ohio Membership for Contracted Services* form under "Forms," then "Other" on the employer website at www.strsoh.org/employer.
2. The School should complete Section 1 of the form and attach a current copy of the contract between the School and the contracted service provider.
3. The contracted service provider/company should complete Section 2 of the form and attach a list of all workers performing services for the School under the contract. The list of workers should include first name, last name, position, email address and last four digits of Social Security number.
4. The School should submit the form and all attachments to STRS Ohio. The preferred method of submission is to scan and email all information to report@strsoh.org. The information may also be sent by fax to 614-227-7893 or by mail to STRS Ohio.

After STRS Ohio has received the complete information from all parties, STRS Ohio will process the request for STRS Ohio membership determination as follows:

1. STRS Ohio may contact individual workers about their working relationship.
2. STRS Ohio will review all information and determine whether the workers are STRS Ohio members for which STRS Ohio contributions are required.
3. STRS Ohio will notify the School and the contracted service provider/company of the membership determination.
4. If STRS Ohio determines that STRS Ohio membership is not required, STRS Ohio contributions should not be remitted beginning from the date of the determination forward and any STRS Ohio contributions already made on earnings during the current fiscal year will be returned to the party that remitted the payment of contributions (either the School or the contracted service provider/company).
5. In the event an STRS Ohio member is no longer in any STRS Ohio-covered position and otherwise qualifies, the member may apply to withdraw his or her STRS Ohio account. For more information on account withdrawal, members may contact the STRS Ohio Member Services Center toll-free at 888-227-7877.

If you have questions about the STRS Ohio membership determination process, please contact STRS Ohio Employer Reporting toll-free at 888-535-4050.

(continued)



Frequently Asked Questions

How do we report contracted service contributions to STRS Ohio?

Follow these steps to ensure correct reporting:

1. Submit a new hire notification to STRS Ohio via ESS or secure file upload.
2. Submit a payroll adjustment each pay period via ESS if these individuals are not paid through regular payroll. Step-by-step instructions for submitting payroll can be found in the ESS Instructions on the employer website. A brief online tutorial is also available in the Education & Training section of our website.
3. Remit the member contribution payment with the online cash remittance. Direct pay employers should also remit the 14% employer contribution at this time. For schools participating in the state foundation program, the 14% employer contribution will be included as part of the annual reconciliation process.
4. Track days worked to calculate service credit. It may be helpful to create a spreadsheet listing the days worked.
5. Include contracted individuals in the annual report. If you use an ITC for annual reporting, it is capable of merging a separate file that you create for your contracted individuals with your main file prior to submission. Contact your ITC representative for specific instructions.

Approximately how long will it take before we receive a determination?

Generally, the review process takes about one month from the time all information is received.

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