

Hello and welcome to *Employer Basics 101: Compensation and Payroll Reporting*. If you are new to this series, thanks for joining us today.

During today's webinar:

- All participants' cameras are off and you are automatically muted.
- You can press the ALT key on your keyboard to open or close your control panel.
- You can ask questions in the Q&A pane on the Zoom control panel.

Next slide: Today's agenda

## Agenda



- Compensation
- Payroll Reports
- Accrued Contributions
- Remitting Payments
- Additional Requirements



### Today's agenda:

- Compensation — what is considered compensation and what are some exceptions
- Payroll Reports — how to send them to STRS Ohio and what they include
- Accrued Contributions — understanding accrued contributions and reporting
- Remitting Payments — how to send payments to STRS Ohio
- Additional Requirements — account corrections, remitting employer contributions and the monthly *Statement of Open Transactions*

## Compensation

**Compensation:** Salary, wages and other earnings paid to a member, including amounts paid for supplemental contracts



Compensation as defined by Ohio Revised Code is salary, wages and other earnings paid to a member, including amounts paid for supplemental contracts.

Beyond this, the R.C. lists things excluded from compensation. It does not discuss what compensation is, mostly what it is not.

Employer responsibilities for compensation:

- Determine what is and what isn't compensation
- Contribute to STRS Ohio for qualifying members
- Remit at the correct rate

Next slide: Current contribution rates on compensation

## Compensation

Current Contribution Rate	
<b>14%</b> <i>Employer</i>	<b>14%</b> <i>Member</i>

Contribution Rates		
Effective	Member	Employer
July 1, 2013	11%	14%
July 1, 2014	12%	14%
July 1, 2015	13%	14%
July 1, 2016	14%	14%

Correct rates for member and employer contributions are listed here and on Page 1 of your handout.

If you are making corrections for previous years, check the rate in effect at that time.

Next slide: Common examples of what is and isn't compensation

## Compensation

What is compensation?	What isn't compensation?
<ul style="list-style-type: none"><li>• Longevity</li><li>• Performance-related bonus</li><li>• Signing bonus</li></ul>	<ul style="list-style-type: none"><li>• Unused time</li><li>• In lieu of insurance</li><li>• Job-related expenses</li></ul>



Here are a few common examples. Take a look at Page 2 of your handout for more examples of what is not compensation.

Payments resulting from a grievance or legal settlement may not qualify as compensation. Send a copy of the grievance or settlement to [report@strsoh.org](mailto:report@strsoh.org) for review.

Next slide: Payroll reporting



Now that you know what is and is not compensation, let's talk about payroll reports and remitting payments.

Page 3 of your handout has information about payroll reports.

- What: electronic list of member contributions (no paper reports)
- When: must be within five business days of the pay date (up to \$2,000 penalty for late reports)
- Why: place contributions in the correct member account
- How: two options
  - Electronic file
    - Large schools often use this method
    - Use the record layout to format
    - Your IT department can help you
    - Only include one period in file name for the file extension (.txt)
  - Via Employer Self Service
    - Common at small schools
    - Entered by hand keying
- State software users

Next slide: Information included on payroll report

## Payroll Reports

STATE TEACHERS RETIREMENT SYSTEM OF OHIO		Date : 07/15/2023	Time : 13:01	
Payroll Work Report		Page : 4 of 4		
Employer Name: OHIO LOCAL SCHOOLS	Employer Number: 9599	Report ID: 15110446	Type of Report: Regular	
Report Start Date: 07/01/2023	Report End Date: 07/15/2023			
SSN	Name	Pre- Tax	After- Tax	Accrued Indicator
XXX-XX-1298	Abbott, Bud	228.08	0.00	Y
XXX-XX-6366	Laurel, Stan	437.78	0.00	Y
XXX-XX-9807	Hardy, Oliver	170.06	0.00	
XXX-XX-4779	Chaplin, Charlie	266.28	0.00	Y
XXX-XX-4779	Chaplin, Charlie	150.00	0.00	
		25,487.09	0.00	

Look at the top of Page 4 to see what is included in the payroll report.

- Employer number
- Pay date
- Social Security number
- Member name
- Pretax contributions
- After-tax contributions
- Accrued indicator

Not included — earnings, days worked, employer contributions

Next slide: Understanding accrued contributions

## Accrued Contributions

### Understanding accrued contributions

- Earned by June 30 of the fiscal year but not paid until July and August of the next fiscal year



Accrued Contributions — reference Page 4 in the handout or *Accrued Contributions Fact Sheet*

Example: Nine-month teacher paid over 12 months

Next slide: Pay date breakdown for accrued contributions



## Accrued Contributions

Pay Date	Contributions	Accrued Indicator
8/31/2023	\$200.04	Y
8/15/2023	\$200.04	Y
7/31/2023	\$200.04	Y
7/15/2023	\$200.04	Y
6/30/2023	\$200.04	
6/15/2023	\$200.04	
5/31/2023	\$200.04	
5/15/2023	\$200.04	
4/28/2023	\$200.04	
4/14/2023	\$200.04	
3/31/2023	\$200.04	
3/15/2023	\$200.04	
2/28/2023	\$200.04	
2/15/2023	\$200.04	

Paid after 6/30.  
Move back to  
2022–2023 fiscal  
year.



Pay Date	Contributions	Accrued Indicator
1/31/2023	\$200.04	
1/13/2023	\$200.04	
12/30/2022	\$200.04	
12/15/2022	\$200.04	
11/30/2022	\$200.04	
11/15/2022	\$200.04	
10/31/2022	\$200.04	
10/14/2022	\$200.04	
9/30/2022	\$200.04	
9/15/2022	\$200.04	
8/30/2022	\$179.15	Y
8/15/2022	\$179.15	Y
7/29/2022	\$179.15	Y
7/15/2022	\$179.15	Y

Paid in 2022–2023  
fiscal year.  
Move back to  
2021–2022 fiscal  
year.



Why are some contributions reported as accrued? Retirement benefits are based upon when compensation is earned, not when it is paid.

Contributions are only accrued if paid in July and August.

Think about it:

- Would a payment in October be considered an accrued contribution?
- What do you need to do in that case?
- Account correction and backposting

Next slide: Payment options

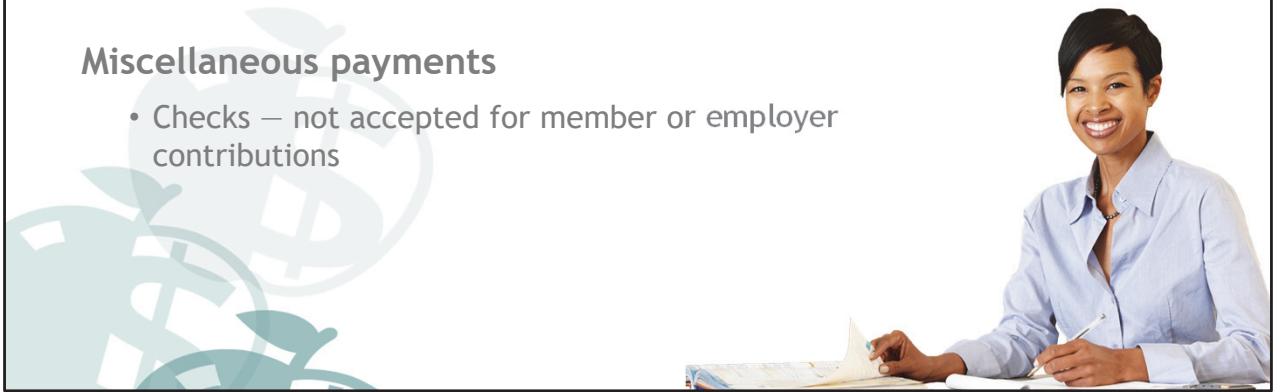
## Remitting Payments

### Two easy ways to make payments

- Direct debit
- ACH credit or wire transfer

### Miscellaneous payments

- Checks – not accepted for member or employer contributions



Look at Pages 4 and 5 of the handout for information about remitting payments.

Payments must be submitted within five business days of the pay date. Interest may be charged for past due payments.

Direct debit (preferred method) — Page 4

- No payment remittance form
- Set up future payments
- Only the treasurer is able to set up “Make a payment” in ESS
- STRS Ohio can assist with direct debit payments since they are handled in ESS

ACH credit or wire transfer (new remittance form) — Page 5

- Contact your bank
- Provide our routing number and information from Page 5
- Send remittance form
- Include XX and four-digit employer number on the description line of transaction

Check (only for special payments)

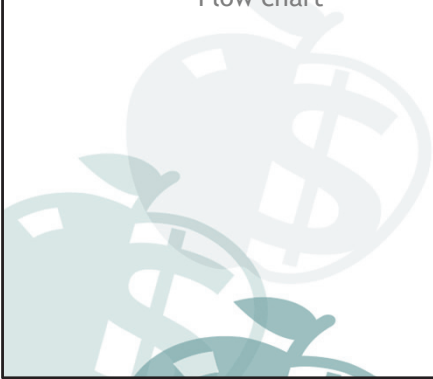
- Include four-digit employer number on check
- Lock box address is on Page 5
- Send remittance form
- Allow time for delivery

Next slide: Corrections

## Additional Requirements

### Account corrections

- Backposting Adjustment and Payroll Adjustment tutorial videos
- *Backposting and Account Adjustments* fact sheet
  - Flow chart

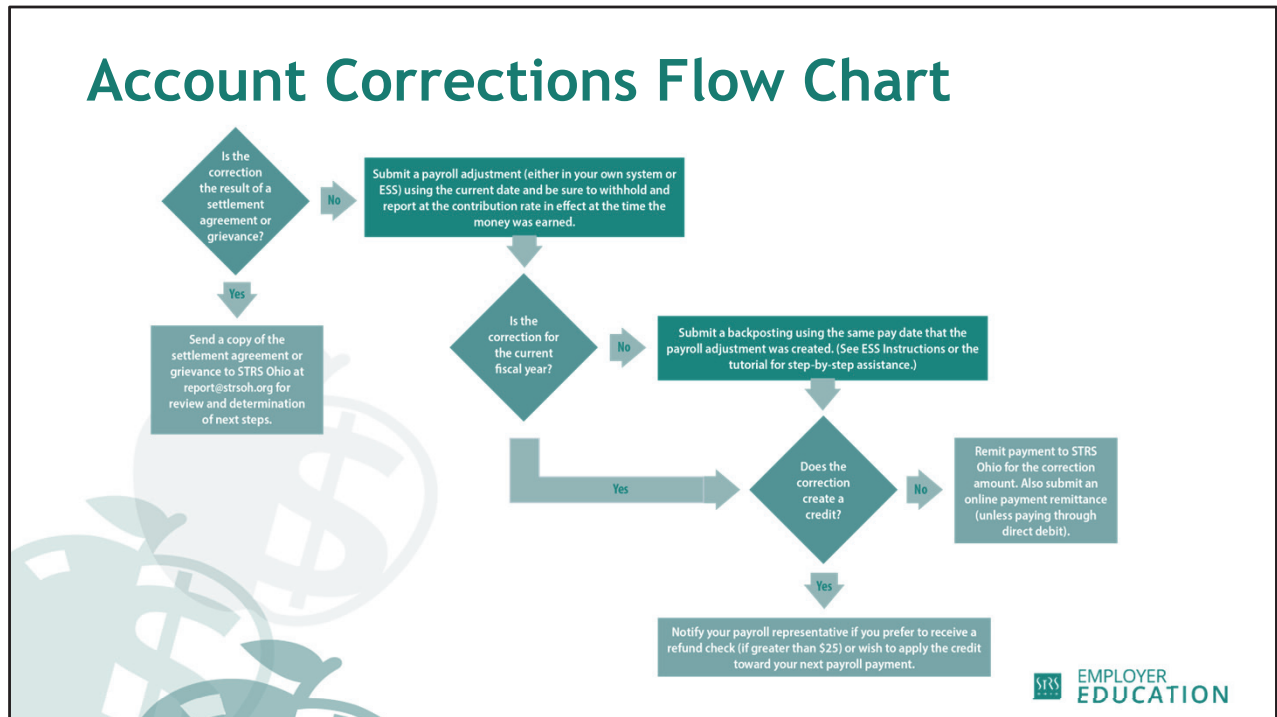


Now we will discuss some additional requirements.

- Unexpected things can happen, and you may need to make a correction
- Do you need to complete a backposting, a payroll adjustment or both?
- Tutorials available to assist — Backposting Adjustment and Payroll Adjustment

The first thing to determine is what kind of correction we need to make.

Next slide: Flow chart



- *Backpostings & Account Adjustments* fact sheet
- We will have a full webinar on this process Oct. 18; watch your email for registration
- Today I am going to give brief notes on this process

Next slide: Employer contributions

## Additional Requirements

### Employer contributions

- State foundation program
- Direct pay



Remember, employer contributions are not listed on payroll reports. So, how do you pay them? See Page 6 for the two ways to pay.

#### State foundation program

- City, local, exempted village and community schools
- Each April you will send an estimated payroll report
- Ohio Department of Education (ODE) sends payments each month
- If your payments aren't covered, you will receive a monthly shortage invoice
- Yearly shortage or overage (there is no settle up, it is a rolling number)

#### Direct pay

- ESC, JVS, local county boards of developmental disabilities
- Remitted with regular member contributions

Next slide: Current Obligations

## Current Obligations

- Now available on the ESS home page
- May include payroll contributions due, any penalties and interest, payments received that are not yet applied and more
- Shown in real time

### Current Obligations

Due Date	Description	Amount
03/01/2023	Interest on late contribution payment	\$69.43
03/01/2023	Penalty for late payroll reporting	\$750.00
03/17/2023	Payroll-reported contributions due	\$26,334.81
04/05/2023	STRS Ohio event fee	\$25.00
	Payroll-reported contributions due	-\$862.49
	Payment received - not yet applied	-\$2,729.82



- Current Obligations are shown in real time
- Gives employers a quick glance of open transactions in a timely manner

Next slide: Monthly transactions will still be sent to employers

## Additional Requirements

### *Statement of Open Transactions*

- Review
- Allow for lag time
- If new item, wait
- If old item, call or pay

**Monthly Statement of Open Transactions**

Please review the monthly Statement of Open Transactions shown below. These statements are sent to employers with outstanding payments, and/or credits on account with STRS Ohio as of the date they are generated.

This statement is not an invoice. Instead, it is intended to provide information about contributions and interest due, as well as expected payments. If you recently received payment for any transactions listed, please disregard this item.

For more information about each part of your statement see the [Understanding Your Statement of Open Transactions](#) page. Contact the STRS Ohio Employer Reporting Department toll free at 800-825-4550 with questions.

9999 OHIO LOCAL SCHOOLS 10/3/2023

Statement of Open Transactions as of 10/3/2023

Transaction Date	Reference No.	Transaction Description	Due Date	Amount
10/03/2023	999999999	Monthly reported contributions due	10/03/2023	\$5,366.39
Total Due:				\$5,366.39

STRS OHIO  
EMPLOYER  
EDUCATION

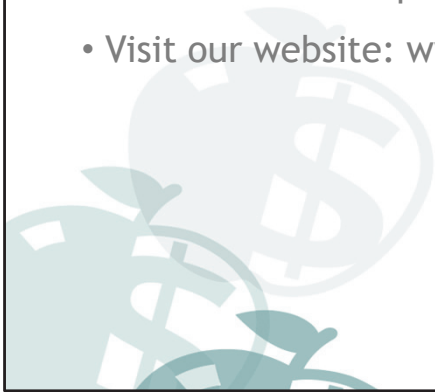
- See an example of the *Statement of Open Transactions* on Page 7
- Sent monthly via email
- Contains payments with missing reports and reports with missing payments
- Look at the new versus old transactions
- Not an invoice
- Line-by-line breakdown on Page 8

Next slide: Closing

## Questions?

We're here to assist you

- Call toll-free: 888-535-4050
- Send an email: [report@strsoh.org](mailto:report@strsoh.org)
- Visit our website: [www.strsoh.org/employer](http://www.strsoh.org/employer)





## Thank You!

- This webinar will be available in the Education & Training section of the employer website
- Certificates of completion will be emailed within two weeks
- Please complete the evaluation as you exit the webinar

