

**SAMPLE RETURN LETTER**

**PLEASE TYPE ON YOUR LETTERHEAD**

Ohio Deferred Compensation  
Attn: Matt Gill  
257 East Town Street, Suite 457  
Columbus, Ohio 43215-4626

Reference: Implementation of the Ohio Deferred Compensation Program

Dear Mr. Gill:

Enclosed please find the following with regard to the       (Name of Employer)       implementing the Program.

- Original signed or certified copy of the Resolution adopting the Plan under the Program
- Original signed copy of the Adoption Agreement between (Name of Employer) and the Program Board
- Exhibit A and a completed Organizational Chart (Exhibit A-1)
- Exhibit B, a completed Payroll Information Form (Exhibit B-1), and a completed Current Schedule of Pay Dates (Exhibit B-2)

Please be advised that we are now ready to begin payroll withholding procedures for employees who wish to participate in the Plan. We are also prepared to work with our assigned representative to schedule group presentations so that all of our employees may be offered the opportunity to participate in this valuable fringe benefit.

Sincerely,

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Employer Representative

## PROCEDURAL STEPS FOR ADOPTING

### THE OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN

1. A Resolution must be enacted by the governing body of the Employer (City Council, County Commission, etc.) whereby they formally adopt the Ohio Public Employees Deferred Compensation Plan (the Program). A sample Resolution is enclosed.

Please note that the sample Resolution may be used by simply completing the blank spaces with the name of the Eligible Employer/Responsible Official's title or it may be presented in a similar format used by the Employer. The Resolution must be signed and witnessed.

2. The Employer shall submit the following documents to the Program:
  - a. A letter addressed to the Program (sample return letter enclosed)
  - b. Original signed or certified copy of the Resolution adopting the Plan under the Program
  - c. Original signed copy of the Adoption Agreement between the Employer and the Program Board. The Adoption Agreement must be signed by the person authorized in the Resolution to sign such documents.
  - d. Completed Organizational Chart (Exhibit A-1 enclosed)
  - e. Completed Payroll Information Form (Exhibit B-1 enclosed)
  - f. Completed Current Schedule of Pay Dates (Exhibit B-2 enclosed).
3. Upon receipt of the Adoption information described in #2 above, the Program Administrator will review, process, and countersign the materials. If there is any discrepancy in the materials received, the Program will communicate that to the Employer on a timely basis.
4. The Program will forward on a timely basis to the Employer a completed and countersigned Adoption Agreement with accompanying materials.

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM  
Resolution

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***ORIGINAL COPY OF THIS PAGE REQUIRED***

**RESOLUTION**

\_\_\_\_\_  
Eligible Employer

\_\_\_\_\_  
Governing Body

\_\_\_\_\_  
Resolution Number and/or Date

\_\_\_\_\_  
Responsible Official (printed name)

\_\_\_\_\_  
Responsible Official (signature)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Today's Date

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION BOARD

\_\_\_\_\_  
Accepted for the Program

\_\_\_\_\_  
Date

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM  
**Resolution**

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**RESOLUTION**

**Adoption of a Plan under the Program by Eligible Employer**

This Resolution has been approved as to form by the Ohio Attorney General

A RESOLUTION adopting a Plan under the Ohio Public Employees Deferred Compensation Program administered by the Ohio Public Employees Deferred Compensation Board for participation by "eligible employees" of the \_\_\_\_\_.

WHEREAS, Ohio Revised Code Section 148 (the "Enabling Statute") creates the Ohio Public Employees Deferred Compensation Board (the "Board") and establishes the Ohio Public Employees Deferred Compensation Program (the "Program") (A copy of the uniform Plan Document for the Program has been provided to the appropriate officer(s) of the \_\_\_\_\_); and

WHEREAS, the \_\_\_\_\_ is an employer of "Eligible Employee(s)" (as defined by Ohio Revised Code Section 148.01(A)(1)), and thereby may adopt a Plan under the Program; and

WHEREAS, the \_\_\_\_\_ desires to or is required to adopt a Plan under the Program for participation by "eligible employees."

NOW THEREFORE, the Governing Body of the \_\_\_\_\_ hereby resolves as follows:

The \_\_\_\_\_ hereby adopts a Plan under the Program, and shall properly contract with any Eligible Employee who desires to participate in the Plan. The \_\_\_\_\_'s Plan shall be the uniform Plan as promulgated by and as amended from time to time by the Board.

The Board is hereby authorized to administer the Plan under the Program, and to do all things necessary or proper for the administration of the Plan, consistent with the Enabling Statutes and all the Rules and Regulations promulgated by the Board, whether by the Ohio Administrative Code or otherwise, and consistent with the Adoption Agreement executed by the \_\_\_\_\_.

The \_\_\_\_\_ (title of individual who will be the Responsible Official for the plan) is hereby appointed the Responsible Official and is authorized and directed by the Governing Body to execute the Adoption Agreement.

Consistent with the Adoption Agreement and the Rules and Regulations promulgated by the Board, the proper officials, officers, employees, and agents of the \_\_\_\_\_ are authorized to provide the Board with any information it may properly require for the administration of the Plan under the Program.

ADOPTED at a meeting of the Governing Body on the date written below, and duly executed.

\_\_\_\_\_  
Date of Resolution

\_\_\_\_\_  
Member of Governing Body Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title or Position

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date



# OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

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## ADOPTION AGREEMENT

### Adoption of a Plan under the Program by Eligible Employer

This agreement has been approved as to form by the Ohio Attorney General

This Agreement is made by and between the Ohio Public Employees Deferred Compensation Board, an entity created by Ohio Revised Code Section 148.02 (the "Board") and the Eligible Employer named below, an employer of "Eligible Employee(s)" (as defined by Ohio Revised Code Section 148.01(A)(3)), and an agency or political subdivision of the State of Ohio created pursuant to applicable State law (the "Eligible Employer").

WHEREAS, the Board has developed, as required by Ohio Revised Code Section 148.04 (the "Enabling Statute"), a uniform "eligible deferred compensation plan", known as the Ohio Public Employees Deferred Compensation Program (the "Program") for use by agencies and political subdivisions of the State of Ohio that are employers of Eligible Employees; and

WHEREAS, the Eligible Employer, by a Resolution of its Governing Body, has adopted a Plan under the Program; and

WHEREAS, the Board is authorized to administer any and all Plans adopted under the Program; and

WHEREAS, the Eligible Employer, by a Resolution of its Governing Body, has directed its responsible official to enter into the Adoption Agreement, so as to provide for the Board to administer the Plan under the Program.

NOW THEREFORE, in consideration of the premises recited above, and in consideration of the provisions set forth by this Adoption Agreement, the parties agree as follows:

The Eligible Employer's Plan shall be the uniform Plan as promulgated by and as amended from time to time by the Board.

The Eligible Employer delegates to the Board any and all responsibility for the administration of the Plan, to the extent not otherwise expressly provided by this Adoption Agreement or by applicable Rules and Regulations, and authorizes the Board to do all things necessary or proper for the lawful administration of the Plan.

These responsibilities may include but shall not be limited to the following:

- to execute the Plan on behalf of the Eligible Employer;
- to execute a Participation Agreement with any Eligible Employee of the Eligible Employer;
- to invest contributions under the Plan in accordance with any proper investment designations made under the Program;
- to make or decline to make any payments under the Plan;
- to assess service charges against Plan accounts, as provided by the Plan or by applicable Rules and Regulations;
- to amend or terminate the Plan, as provided by the terms of the Plan, consistent with any applicable laws and Rules and Regulations.

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM  
**Adoption Agreement**

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The Board represents and warrants to the Eligible Employer that it shall comply with all applicable laws affecting the Program.

The Board represents to the Eligible Employer that it shall provide sufficient services to administer the Plan as described above, and to appropriately respond to inquiries by Eligible Employees.

The Eligible Employer shall permit the Board's representative to conduct group and individual meetings for the purpose of explaining the Plan or enrolling Eligible Employees on the Eligible Employer's premises during normal working hours, subject to such reasonable restrictions that the Eligible Employer communicates in writing to the Board and which are accepted by the Board.

The Eligible Employer shall be responsible for remitting contributions under the Plan to the Ohio Public Employees Deferred Compensation Program in accordance with the Rules and Regulations or any Procedures promulgated by the Board. The Eligible Employer shall be responsible for the correct and timely reporting and withholding of employees' wages under United States and Ohio income tax laws. See Exhibits A and B attached.

The Eligible Employer shall complete an Organization Chart (Exhibit A-1), a Payroll Information Form (Exhibit B-1), and Current Schedule of Pay Dates (Exhibit B-2), on the forms designated by the Board or its Administrator.

The Eligible Employer acknowledges and agrees that all amounts deferred under the Plan and all investments purchased with such amounts shall be held by the Board in Trust on behalf of the Eligible Employer for the exclusive benefit of eligible employees and their beneficiaries. All assets, whenever contributed to the Plan, are assigned to the Trust established by the Board.

The Board is not responsible for losses of interest (or possible investment gain), including those losses caused by the delay of the Eligible Employer in remitting deferrals.

This Adoption Agreement shall become effective on the date that it is accepted by the Board.

The terms of this Adoption Agreement shall be for a period beginning on the date of its acceptance by the Board and ending on the date that is three years from the date that there are no remaining Participants or Beneficiaries or "Continuing Members" under the Plan.

The Eligible Employer shall have no right to terminate this Adoption Agreement until three years from the date that there are no remaining Participants or Beneficiaries under the Plan. At that time, the Eligible Employer may effect a termination by providing the Board a certified copy of its action that effects a termination of the Plan, and the termination shall become effective on the date that it is accepted by the Board.

The Board has the power to terminate this Adoption Agreement at any time. This Adoption Agreement shall automatically terminate if at any time the Program ceases to exist.

Following the termination of this Adoption Agreement, the Board shall have no continuing obligation with respect to any undertaking made in this Adoption Agreement.

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM  
**Adoption Agreement**

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This Adoption Agreement (including exhibits A and B and any applicable laws or Rules and Regulations or Procedures incorporated in this Adoption Agreement by reference) sets forth the entire agreement and understanding of the parties relating to the subject matter of this Adoption Agreement, and supersedes all prior or contemporaneous agreements and understandings, proposals, representations, and warranties, written or oral, relating to the subject matter of this Adoption Agreement.

This Adoption Agreement may be amended from time to time by the Board, without the consent of the Eligible Employer, consistent with any requirements of the Enabling Statute and any of its Rules and Regulations. The Eligible Employer shall have no right to amend this Adoption Agreement.

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM  
**Adoption Agreement**

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***ORIGINAL COPY OF THIS PAGE REQUIRED***

IN WITNESS, the duly authorized responsible official has (in accordance with the Eligible Employer's Resolution) executed this Adoption Agreement for the Eligible Employer, and the Board (by its representative) has accepted this Adoption Agreement as of the date so noted below.

\_\_\_\_\_  
Eligible Employer

\_\_\_\_\_  
Responsible Official (printed name)

\_\_\_\_\_  
Responsible Official (signature)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Today's Date

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION BOARD

\_\_\_\_\_  
Accepted for the Program

\_\_\_\_\_  
Date

## **EXHIBIT A**

### **OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM**

#### **ENROLLMENT PROCEDURES**

The Ohio Deferred Compensation Program can be a very valuable part of the sponsoring Employer's fringe benefit program. However, the success and acceptance of this benefit by the employees is dependent upon the active support and cooperation of the Employer in communicating the availability of this fringe benefit to all eligible employees so that those desiring to participate will be fully aware of the Program's features and be able to make an informed decision.

Per the Adoption Agreement, which the Employer has executed with the Board, arrangements will be made for Program Account Executives to hold informational group workshops for all eligible employees at appropriate locations on the Employer's premises during regular working hours. The Organizational Chart (Exhibit A-1) will have been completed by the Employer Representative and Program Account Executives will then make arrangements for these group workshops directly with each appropriate supervisor/department head. These meetings are intended for groups of 5 or more employees and will be at times and locations so as to limit interruptions of the Employer's work schedule. It will be important for participants and non-participants as well, to attend these workshops on an annual or semi-annual basis.

Following the group workshops, employees will have the opportunity to enroll in the Program in a number of ways. Employees may sign up on site, call an Account Executive at 1-877-644-6457, or visit our participant website at [www.Ohio457.org](http://www.Ohio457.org).

Experience has shown that each employee's finances are a personal matter and they should be allowed to make a decision regarding their interest in the Program after attending the group meeting. Without the benefit of the group informational meeting, most employees will not be sufficiently informed to decide whether or not deferred compensation is of interest to them. Care should also be taken so that supervisors do not make statements about certain entire groups of employees not being interested in the Program, since such statements could be considered discriminatory.

Once the initial workshops are given, Account Executives will call to schedule workshops at least annually to update existing participants of changes in the Program and generate interest with those employees not currently participating in the Program.

# ORGANIZATION CHART

Responsible Official/  
Meeting Coordinator \_\_\_\_\_

Page \_\_\_\_ of \_\_\_\_

Phone \_\_\_\_\_  
Email \_\_\_\_\_

Employer Name \_\_\_\_\_

Building/Dept/ Division Name	Location Address	Manager/Supervisor/ Principle Name, Title, Email	Phone #	No. of Employees at this Location
		Name: Title: Email:		
		Name: Title: Email:		
		Name: Title: Email:		
		Name: Title: Email:		
		Name: Title: Email:		
			<b>Total No. of Employees</b>	

**EXHIBIT B**  
**OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM**  
**PAYROLL/ADMINISTRATIVE PROCEDURES**

1. The Employer will provide the PAYROLL INFORMATION (Exhibit B-1) and CURRENT SCHEDULE of PAY DATES (Exhibit B-2), and return the same to the Program.
2. The Employer will program its payroll system so that Federal and State income taxes for each Participating Employee is calculated after excluding the amount being deferred under the Plan. Please note that deferrals are not excluded from Local income tax calculations.
3. The Program will forward to the Employer's payroll department a Payroll Reduction Change Report showing all employees who are initiating deferrals or changing the amount of their deferrals. This report will be mailed to the Employer at least ten (10) days before the effective date of the reduction. Employers may obtain this information from the Ohio Deferred Compensation section of the Ohio Business Gateway website ([www.obg.ohio.gov](http://www.obg.ohio.gov)), instead of receiving the information in the U.S. mail.

It should be noted that participants may change the amounts of their deferrals from time to time, but the Employer may not make any such contractual changes until the effective date specified on the Payroll Reduction Change Report, except to prevent deferrals from exceeding the maximum annual deferral limits.

4. The Employer may utilize one of the following methods for reporting deferred amounts.
  - A. A pre-billing invoice. The Program will invoice the Employer prior to each period listing the name, last four digits of the employee's social security number, and dollar amount of the deferral expected from each employee. The employer will note any changes on the invoice. The employer may obtain this information from the Ohio Business Gateway website or the employer may elect to have this invoice mailed to them.
  - B. A computer file. The format for a computer file is enclosed as Exhibit B-3. Please note that the use of computer files is recommended for all Employers who will have more than 100 participants in the Plan. This confidential data file shall be uploaded to the Ohio Business Gateway website and shall not be sent in the U.S. mail or via email.

- C. An acceptable Employer generated listing. The Employer may generate their own listing which will identify the name, last four digits of the employee's social security number, and dollar amount of the individual deferrals. The format must be (by pay frequency) in ascending alphabetic or social security number order with totals for each frequency and contain Employer name, Employer number, and pay date. Do not list reductions by department.
- 5. The Employer will note on each invoice, file, or listing the date of separation, last four digits of the social security number, and name of any Participating Employees who have separated from service.
  - 6. For each pay date the Employer will forward a check (payable to Ohio Deferred Compensation) or Automated Clearing House (ACH) payment for the gross amount of deferrals with supporting deferral documentation. The Employer may use one of the following methods for remitting deferrals:
    - A. ACH debit: Use the Ohio Business Gateway, [www.obg.ohio.gov](http://www.obg.ohio.gov).
    - B. ACH credit: The Program will provide banking information to Employers using this method.
    - C. Check mailed to:  
Ohio Deferred Compensation  
257 East Town Street, Suite 400  
Columbus, Ohio 43215-4623

**The ACH debit, ACH credit, or check amount must be exactly equal to the total amount of deferrals on the detailed report.**

- 7. If deferrals are erroneously made on behalf of a participant and the money must be returned to that participant, the Employer may not use amounts to be refunded to the participant as an off-set or credit against the gross amount of deferrals for the next pay period. The Employer must notify the Program in writing of such erroneous deferrals and the Board will return the money to the Employer. The Employer must then refund the money to the Participating Employee after withholding all appropriate taxes, etc. since the refund will not have been previously included as taxable income to that Participating Employee.

8. Consistent with IRS regulations, the Employer is responsible for ensuring that the participant's annual deferrals do not exceed the lesser of (i) \$16,500 for the year 2010 or the annual limit as thereafter allowed by law or (ii) 100% of includible compensation. Participating Employees age 50 and older and Participating Employees in their three years prior to Normal Retirement Age may be eligible for higher annual deferral limits. The Program will annually provide notice to the Employer regarding such limits. The Program will be careful to enroll the participant for deferral amounts that will not exceed the IRS's maximum limits. If events occur (requested changes to deferral amounts are not made timely, a year with 27 bi-weekly pay periods, etc.) whereby those limits could be exceeded, the Program will work with the Participating Employee and Employer to adjust deferral amounts accordingly.
9. If the Employer offers deferred compensation programs in addition to the Program as permitted under Section 148.06 of the Ohio Revised Code, then the Employer is responsible for assuring that participants do not exceed the maximum deferral limits under IRC Section 457(b).
10. The Employer will be responsible for issuing a correct Form W-2 at year-end, which will identify the gross amount of wages subject to Federal and State taxes and the gross amount of wages subject to Local taxes. The Employer will list on the participant's W-2 the amount of deferred compensation deferrals for the year, as required by the IRS.
11. The Program will be responsible for overseeing the disbursement of all withdrawals from the Program to the Participating Employee or the Participating Employee's beneficiaries and to discharge on behalf of the Employer all reporting and withholding responsibilities required by Federal and State Regulatory Authorities.
12. The Program will provide the Employer with a quarterly statement that will include the total amount deferred by their Participating Employees during the quarter and the total value of deferred amounts held on behalf of the Participating Employees.  
  
Note: Amounts may not always coincide or agree with the Employer's deferral records due to timing of deposits and transfers into and out of individual accounts.
13. The Employer shall maintain the confidentiality of individual Participating Employee deferrals and related account information.



**EXHIBIT B-2**  
**CURRENT SCHEDULE OF PAY DATES**

(Please type the pay schedule information on your letterhead.)

Following is an example:

**Pay Schedule 1**  
**Monthly**

1 01/01/2010  
2 02/05/2010  
3 03/05/2010  
4 04/02/2010  
5 05/07/2010  
6 06/04/2010  
7 07/02/2010  
8 08/06/2010  
9 09/03/2010  
10 10/01/2010  
11 11/05/2010  
12 12/03/2010

**Pay Schedule 2**  
**Bi-weekly**

1 01/08/2010  
2 01/22/2010  
3 02/05/2010  
4 02/19/2010  
5 03/05/2010  
6 03/19/2010  
7 04/02/2010  
8 04/16/2010  
9 04/30/2010  
10 05/14/2010  
11 05/28/2010  
12 06/11/2010  
13 06/25/2010  
14 07/09/2010  
15 07/23/2010  
16 08/06/2010  
17 08/20/2010  
18 09/03/2010  
19 09/17/2010  
20 10/01/2010  
21 10/15/2010  
22 10/29/2010  
23 11/12/2010  
24 11/26/2010  
25 12/10/2010  
26 12/24/2010

### EXHIBIT B-3

#### PAYROLL DEFERRAL RECORD LAYOUT

The deferral file may be sent via encrypted email, or saved to diskette and mailed. Detailed instructions, including email address and encryption protocol, will be provided to Employers choosing electronic transmission of deferral data.

<u>Field Name</u>	<u>Data Type</u>	<u>Start/End Pos.</u>		<u>Contents</u>
Transaction Type	X(3)	1	3	'114'
Employer ID	X(6)	4	9	Ohio DC will assign this number
Pay Date*	9(8)	10	17	Your payroll date
Social Security5	9(5)	18	22	First 5 digits of social security number
Social Security4	9(4)	23	26	Last 4 digits of social security number
Termination Code	X(2)	27	28	Does participant still work for you? Yes = SPACES No = 'TT'
Filler	X(8)	29	36	Spaces
Termination Date*	9(8)	37	44	Date employee was terminated or zeros for current employees
Transaction Amount**	9(7)	45	51	Deferral amount 9999999
Name	X(25)	52	76	Participant name
Filler	X(4)	77	80	Spaces

\* All dates must use CCYYMMDD format (20081015)

\*\* The transaction amount must not include the decimal point. For example, a \$125.00 deferral amount would be sent as 0012500.

Fields are **NOT** packed.

The file must be named **defcomp.txt**.



**All data files must be transmitted using the secure express upload feature of the Ohio Business Gateway.**

Files sent via the OBG must be in the standard format (above). For more information, please go to [www.obg.ohio.gov](http://www.obg.ohio.gov) and click on the link for the Ohio Business Gateway.

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If you need further information on this, please contact Doug Lepper at [dlepper@opedc.net](mailto:dlepper@opedc.net) or (614) 466-7245.



# OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

## **Ohio Business Gateway Website for Sending Data and Funds**

Would you like to:

- ▶ **eliminate postage,**
- ▶ **improve data security,**
- ▶ **reduce manual reporting and,**
- ▶ **decrease the lag time when an employee's withholding amount is withheld and then invested?**

If so, take advantage of the new, secure, easy-to-use, electronic filing website!

The **Ohio Deferred Compensation Program** has an option for remitting deferral payments and information via the Internet. Many employers already use the **Ohio Business Gateway** ([www.obg.ohio.gov](http://www.obg.ohio.gov)) to report and/or pay other payroll-related withholdings. You can easily use this same website for your Ohio Deferred Compensation transactions.

The Ohio Business Gateway is a safe and secure method for transmitting information or funds, and is quick, convenient, and easy-to-use.

Ohio Business Gateway is a nationally-recognized, collaborative initiative of State and local government agencies and an important part of Ohio's digital government strategy. The Electronic Filing Service offers Ohio businesses and governmental agencies a time-saving and money-saving online filing and payment system that simplifies business relationships with government agencies.

For any questions regarding the Ohio Business Gateway and the Ohio Deferred Compensation Program payroll remittance process, please contact the Ohio Deferred Compensation administrative office at 614-466-7245.

257 EAST TOWN STREET, SUITE 457, COLUMBUS, OHIO 43215-4626

1-877-644-6457 [www.Ohio457.org](http://www.Ohio457.org)

SECURITIES OFFERED THROUGH NATIONWIDE INVESTMENT SERVICES CORPORATION, MEMBER FINRA