A. All employees of Sandusky County are required by law to participate in the Ohio Public Employees Retirement System (P.E.R.S.), except for certain student employees. This program is mandatory and entirely independent of the Federal Social Security System.

1. Both the employee and the Appointing Authority are required to contribute to P.E.R.S. The amount of each party's contribution is established by state law. The employee's contribution is deducted from the employee's check each pay period.

2. An employee's benefit allowance upon retirement will be based on:

   a. The employee's final average compensation-based on the highest three (3) years;

   b. The employee's length of public service during which contributions were made to the retirement system; and

   c. The employee's age on the last birthday before the effective date of retirement.

3. If an employee is age sixty (60) and has five (5) years of service, the employee is eligible to retire. An employee can retire on a lesser benefit level as early as age fifty-five (55) if they have twenty-five (25) years of service credit. With thirty (30) years of service credit there is no age requirement or age benefit reduction. Participants with at least ten (10) years of active service will be eligible for medical insurance coverage under P.E.R.S.

4. If at some time in the past an employee has made a withdrawal from deposits in the P.E.R.S., the service credit lost may be repurchased. Other benefits are also available under the P.E.R.S. (e.g., disability retirement, optional payment plans, etc.).

5. Employees who have questions regarding this program should call or write the Public Employees Retirement System at the address below, and include their social security number:

   Public Employees Retirement System
   277 East Town Street
   Columbus, Ohio 43215
   (614) 466-2085

B. P.E.R.S. Pick-Up:

1. Current Internal Revenue Code provisions allow an employer to avoid taxing employee contributions to PERS though a salary reduction method which allows employee contributions to be picked up by the Employer and appear as Employer contributions. Federal law currently states that employer contributions to a qualified pension plan are non-taxable to the employee until such time as the contributions are received as a refund or as retirement benefits.

2. When the designated employer picked-up contributions paid by the employer are received by P.E.R.S., they are credited to the individual member's account in the same manner as if the funds had been withheld from the member directly. In the event of service termination, these contributions are available in the usual manner for withdrawal by the employee. The amount of the withdrawal payable to the member is the total amount credited to the individual's account. The member who withdraws such funds will receive a form indicating the amount of money that was refunded to the member that had been designated as employer picked-up contributions. This amount is taxable in the year in which the member receives the refund. A copy of the form will also be sent to the Internal Revenue Service.

3. A SCAA may elect to implement a P.E.R.S. pick-up plan under the "FRINGE BENEFIT" method by designating that an increase in compensation be applied to reduce employees PERS retirement contributions. In such case, the SCAA uses a scheduled pay increase to pay a percentage of the employee's mandated retirement contribution. This method does not change the employee's gross pay but does increase employees’ take-home pay.

C. Employees are reminded that changes in the federal tax laws may change the provisions of P.E.R.S. pick-up programs.