



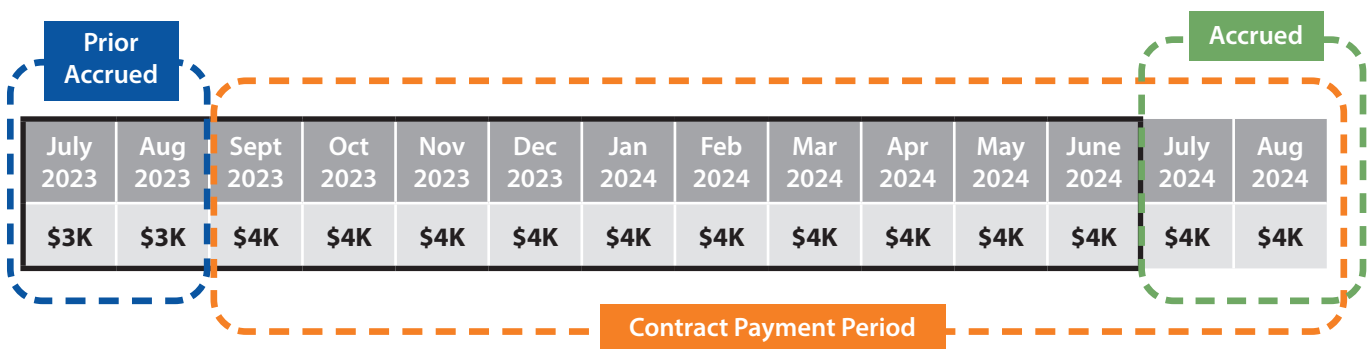
EMPLOYER FACT SHEET SERIES

Accrued Contributions

Accrued contributions are contributions on compensation earned by June 30 but not paid until July and August. The STRS Ohio fiscal year is July 1–June 30. Employees who have nine-month contracts but are paid over 12 months receive compensation in July and August for work performed on or before June 30.

By marking contributions as accrued in payroll reports, STRS Ohio will allocate these contributions to the fiscal year in which they were earned. The Ohio Revised Code states that all retirement benefits must be paid based on when compensation is earned, not when it is paid, so it is important to ensure all contributions are reported in the correct fiscal year.

The chart below is a helpful tool to explain accrued contributions. The black rectangle indicates the STRS Ohio fiscal year, July 1 to June 30. Highlighted in orange is the payment period for most individuals working nine-month contracts and being paid over 12 months. These two time periods do not overlap in the months of July and August. The accrued contributions are highlighted in blue and green.



Calculating Contributions on the Annual Report

Use this formula to calculate contributions:

$$(\text{Total Payroll} - \text{Prior Accrued Contributions}) + \text{Current Accrued Contributions} = \text{Annual Report Total}$$

Be sure to add or subtract backpostings from the current fiscal year when calculating annual report totals.

Accrued Verification Reports

After annual reports and summer payrolls are processed, employers may be asked to verify accrued contributions for certain members if amounts reported do not match. If verification is required, you will be notified via email that an accrued verification report is available to complete in Employer Self Service (ESS). A short instructional video about completing this report is available on the STRS Ohio Employer Website at www.strsoh.org/employer. Click on “Education & Training” and scroll down to the Tutorials section to find the video.

Frequently Asked Questions

Where do I input accrued contributions on the annual report?

On the annual report, accrued contributions are included in the Total Contributions column as well as the Accrued Contributions column. Indicate the total being paid after July 1 (typically contributions from July and August) that belongs in the previous fiscal year in the Accrued Contributions column. The Total Contributions column should list all contributions paid for the fiscal year (which will include the accrued contributions).

How do I report accrued contributions on payroll reports?

When teachers with nine-month contracts are paid in July and August for work done in the previous year, flag those contributions as accrued by marking the accrued indicator field with a "Y." This flag alerts STRS Ohio that the contributions should be reported in the previous fiscal year.

Do accrued contributions only occur in July and August?

Typically, accrued contributions are paid in July and August only. Depending on the year and your payroll reporting frequency, they may occasionally be reported in the first week of September. From Sept. 15 through June 30, contributions may not be reported as accrued on any payroll report.

Can employees with 12-month contracts have accrued contributions?

It is possible but unlikely. If an employee has a contract that crosses fiscal years and he or she works in July, you should not report accrued contributions for this person. In some situations, such as a July 1 pay date, you may need to report accrued contributions for all employees.

On the accrued verification report, how do I confirm which of the amounts (Accrued Payroll or Accrued Annual Report) is correct?

Review your internal reporting files as well as your STRS Ohio reporting files. First, use these reports to verify what was submitted to STRS Ohio as accrued contributions from both the annual report and payroll reports.

If you do not find the discrepancy in those reports, generate a payroll report summary in ESS. (You can find step-by-step instructions on how to generate this report in the ESS Instructions available on the employer website.) Compare the total payroll STRS Ohio has marked as accrued to the total reported on your annual report.

Once you have found the error, complete the accrued verification report in ESS to let STRS Ohio know which amount is correct. Watch the accrued verification report tutorial on the employer website for help completing this report.

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** or send an email to report@strsoh.org