

Department of Accounts Payroll Bulletin

Calendar Year 2003

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FBMC Updates

Updates to Provider Network for FBMC

Effective January 1, 2003, several changes have been made to the FBMC provider network as follows:

- Four providers have been rendered inactive but maintain their existing participation (e.g., current accounts may continue to be payroll deducted but no new accounts can be established).
 - American Financial (vendor code NEBCO).
 - Investors Consolidated Ins. (vendor code IC)
 - Nvest Funds (vendor code 174)
 - Northern Life (vendor code 100)
- Mass Mutual has been reactivated as a network member and will have an active post-tax slot. (vendor codes 120 for pre-tax /MM for post-tax)
- Towers Administrative Services, currently an active post tax product provider, has been approved for a pre-tax payroll deduction slot for Tax Sheltered Annuities. (vendor codes TA for post-tax/ 440 for pre-tax)

For more details, visit FBMC's website at

<http://www.fbmc-benefits.com/VaProviderNetwork/index.asp>.

OGL Premium Updates

Optional Group Life Premium Update

The Optional Group Life premium updates originally scheduled for January will occur in February. Reports documenting the coverage and premium amounts were distributed January 22. The file to change the deduction 35 amounts will be loaded in on February 3. Be sure to review the U024, OPTIONAL GROUP LIFE PREMIUM LISTING, and U025, OPTIONAL GROUP LIFE ERROR REPORT, in sufficient time to identify and make any necessary adjustments prior to certification.

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The Payroll Bulletin is published periodically to provide CIPPS agencies guidance regarding Commonwealth payroll operations. If you have any questions about the bulletin, please call Lora L. George at (804) 225-2245 or Email at lora.george@doa.virginia.gov

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Misuse of Special Pay 32, Temporary Pay

Misuse of Special Pay 32, Temporary Pay

It has been brought to our attention that a number of payments authorized using PMIS data entry screen PSE065 are being paid using Special Pay 32, Temporary Pay. Any authorized payment made with PSE065 is a *one-time lump authorization* and should be paid with another special pay such as Special Pay 25, Bonus Pay.

Special Pay 32, Temporary Pay, should be used for "short-term pay an employee receives on an *interim basis*" such as "acting pay" and is entered into PMIS using PSE216.

Non-compliance with these procedures causes CIPPS/PMIS exceptions to be generated that may ultimately be reported in the Report on Statewide Financial Management and Compliance, or Quarterly Report.

Deferred Compensation from Leave Payouts

Contributions to Deferred Compensation from Leave Payouts

In a Broadcast Message distributed by the Virginia Retirement System, it was announced that effective November 21, 2002, contributions to Deferred Compensation may be made from payments for unused sick and annual leave. Subsequent communications with VRS have identified eligibility for deferral from payouts of any of the following leave types.

- annual
 - sick
 - overtime
 - on-call
 - disability credits
 - compensatory
 - recognition
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Clarification on Documentation for Automated Healthcare Recon

Evidence of Termination of Coverage

Payroll bulletin 2002-17 documented the need for PSE305 - Participant Data screen prints to accompany requests for health care refunds during the automated reconciliation process. It has since come to our attention that evidence of employee termination of coverage is found on the PSE309. Therefore, please supply the appropriate BES screen print required to document the refund request.

Adjusted Procedure to Support Refund Requests

When a refund is requested due to an overwithholding in CIPPS (e.g., BES has employee only coverage and CIPPS has family but should have been employee only), a BES screen print is not necessary. As the file supplied by DHRM for the purpose of the automated reconciliation is the official record of coverage, no additional documentation is required.

However, any time a refund is requested stating that BES was not updated timely, the appropriate BES screen print displaying the subsequent adjustment to BES MUST accompany the reconciliation and IAT.

Other Reminders

There continues to be some confusion as to what is meant when the Report U107 (HEALTH CARE EXCEPTION REPORT) shows a value of blank in the Group Number field. A blank beside the Group Number indicates that there is no corresponding record for that employee within the **agency and provider** being reported. The employee may be found on the Report U107 for a different provider however.

Manual updates to HMCU1 for health care changes continue to occur. Be sure to allow the automated process for health care changes to update CIPPS. If you manually update the provider or plan code, you may be altering the employee's profile to be inconsistent with the coverage provided as defined by BES. BES is the official record of health care coverage. All health care providers obtain their coverage information directly from BES. Circumvention of the automated update procedure may prevent administrative errors in BES from going undetected resulting in loss of coverage or denial of services to an employee.

VSDP Automated Conversion - Retirement Service Election

Required Maintenance Transactions

On January 14, 2003, the automated conversion for those employees who did not opt out was completed. During this conversion, any sick balance was converted to disability credits. If you have an employee who elected to receive retirement service credits in lieu of disability credits, maintenance must be performed to remove the disability credits. This is essential as the Leave Liability amounts derived at fiscal year end include the value of the disability credits.

The maintenance transaction to be performed is an 'ND' with a sign of 'N' for the total amount of hours residing in the Disability Credits field.

Change to U. S. Savings Bond Minimum Holding Period

Holding Period Now 12 Months

Effective February 2003, the minimum holding period is being increased from 6 months to 12 months for newly issued Series EE and I U.S. Savings Bonds. This means that bonds issued with February 2003 issue dates or later cannot be redeemed until they are at least 12 months old. Visit www.savingsbond.gov for up-to-date information about savings bonds.
