VRS-MODERNIZATION

WORKING EXAMPLES

Example A – 100% VSDP:

A 12 month employee with a Semi-Monthly Salary of $1500.00 and a SP 99 CONTBASE of $1500.00 is approved for VSDP. This is a 10 day pay period with 3 days of 100% VSDP, 5 days of leave used, and 2 days worked.

1. Calculate the VSDP Benefits due the employee (no change in method):
   a. $1500 divided by 10 working days in pay period = $150 per day
      3 days multiplied by $150 per day = $450
2. Use Special Pay 061 (VSDP BEN) to pay the employee $450 on HUC01
3. Calculate the Regular Pay due the employee (no change in method):
   a. $150 per day
      7 days multiplied by $150 per day = $1050
   b. Key $1050 on HUA03 to pay the employee the Regular Pay due.
4. Retirement Overrides are not necessary because retirement deductions process on the amount of SP 99 CONTBASE regardless of the amount of pay received.

Example B - <100% VSDP:

A 12 month employee with a Semi-Monthly Salary of $1500.00 and a SP 99 CONTBASE of $1500.00 is approved for VSDP. This is a 10 day pay period and the entire 10 days are covered at 80% VSDP. The employee chose not to supplement the remaining 20% with leave.

1. Calculate the VSDP Benefits due the employee (no change in method).
   a. $1500 multiplied by 80% = $1200
   b. Use Special Pay 061 (VSDP BEN) to pay the employee $1200 on HUC01. (If you use HUE01 the indicators should be "5"-"0"-"0" and you will need to key a penny of Regular pay on HUA03 because the employee is non-auto and there is no regular pay transaction to process SP 99 on H10AS.)
2. There is no Regular Pay due the employee because they did not supplement with leave.
3. Retirement Overrides are not necessary because retirement deductions will process on the amount of SP 99 CONTBASE ($1500.00).

Example C – Partial VSDP, Partial Pay Dock

A 12 month employee with a Semi-Monthly Salary of $1500.00 and a SP 99 CONTBASE of $1500.00 is approved for VSDP.   10 day pay period: 9 days at 80% Income Replacement, the employee supplemented 9 days with leave, but was LWOP for 1 day.

1. Calculate the VSDP Benefits due the employee (no change in method).
   a. $1500 divided by 10 working days in pay period = $150 per day; 9 days multiplied by $150 per day = $1350 multiplied by 80% = $1080
2. Use Special Pay 061 (VSDP BEN) to pay the employee $1080 on HUC01.
3. Calculate the Regular Pay due for the Leave Supplement.
   a. $150 per day multiplied by 9 = $1350 multiplied by 20% = $270
   b. Key $270 on HUA03 to pay the employee Regular Pay.
4. Retirement Overrides are not necessary because retirement deductions will process on the amount of SP 99 CONTBASE ($1500.00).

Example D – Mid Month Increase with VSDP

Employee receives a pay increase effective 12/6/2012 during a 10 day pay period: 10 days at 100% VSDP. Employee should receive 2 days at the new rate ($1575) and 8 days at the previous rate ($1500).

1. If you are a PMIS Agency – let the PMIS to CIPPS interface update the Semi-Monthly Salary amount on H0BID ($1575 effective 12/6/12).   The PMIS to CIPPS interface will update the SP 99 CONTBASE amount on 1/1/2013. This is because the effective date is after the first working day of December (which was 12/3/2012); therefore the new salary is not included in the CONTBASE until the first of the following month.
2. If you are not a PMIS Agency – update the Semi-Monthly Salary on H0BID to $1575 effective 12/6/12. SP 99 CONTBASE will update automatically on H10AS to the new rate of $1575, but because the salary increase is effective after the first working day of the month (which was 12/3), you will need to key HUE01 overrides in the amount of $1500 (the old salary) to the SP 99 CONTBASE amount for the 11/25-12/9/12 pay period and the 12/10-24/12 pay period.
3. Calculate the VSDP Benefits due the employee (no change in method).
   a. 1500 divided by 10 working days in pay period = $150 per day
      $1575 divided by 10 working days in pay period = $157.50 per day

      8 days multiplied by $150 per day = $1200.00

      2 days multiplied by $157.50 per day = $315.00

      $1200.00 plus $315.00 = $1515.00

   a. Use Special Pay 061 (VSDP BEN) to pay the employee $1515.00 on HUC01. (If you use HUE01 the indicators should be "5"-"0"-"0" and you will need to key a penny of Regular pay on HUA03.)
4. Individual retirement overrides on HUD01 are not necessary because retirement deductions will process correctly on the amount of SP 99 CONTBASE ($1500.00) regardless of the amount of pay received. SP 99 CONTBASE should not include the new Semi-Monthly Salary until the first pay period in January (12/25-1/9/13).

Example E – LTD Status

According to the Daily Action Report, the employee will go on LTD status on 12/4/2012, Semi-Monthly Salary is $1500, SP 99 CONTBASE is $1500; 10 day pay period: 6 days at 60% Income Replacement, employee chose not to supplement with leave or disability credits.

1. Calculate the VSDP Benefits due the employee (no change in method).
   a. $1500 divided by 10 working days in pay period = $150 per day
   b. 6 days multiplied by $150 per day = $900
      $900 multiplied by 60% = $540
   b. Use Special Pay 061 (VSDP BEN) to pay the employee $540 on HUC01. (If you use HUE01 the indicators should be "5"-"0"-"0" and you will need to key a penny of Regular pay on HUA03 because the employee is non-auto and there is no regular pay transaction to process SP 99 on H10AS.)

3. **Under the new VRS Modernization rules, the TPA will not pick up the employee for retirement until the following month (January).** (Because the employee was employed by the agency on 12/3 – the first working day of the month). The retirement contributions should be collected from the employee and the employer for the entire month of December during the 11/25-12/9/2012 payroll **UNLESS** you are **SURE** that the employee will have enough pay (including leave payouts) in the second half to collect retirement.
   a. To double collect all of the retirement deductions, use screen HUE01 to key $3000 (double the amount of SP 99 CONTBASE on H10AS) to SP 99 CONTBASE – use zeros for the check, tax and deduction indicators. (Note, you may also key the amount of $1500 with a "+" adjustment indicator. This will add $1500 to the existing $1500 on the H10AS screen.)

Example F – VSDP/WC < 100%

Semi-Monthly Salary is $1500, SP 99 CONTBASE is $1500, Worker's Comp Daily Indemnity Rate is $100; 10 day pay period: 9 days at 80% Income Replacement, employee chose to supplement 9 days with leave, but was LWOP for 1 day.

1. Calculate the amount of Worker's Comp Benefits due the employee.
   a. $100 multiplied by 9 = $900
   b. Use Special Pay 002 (WRK COMP) to pay $900 on HUE01.
2. Calculate the VSDP Benefits due the employee (no change in method).
   a. $1500 divided by 10 working days in pay period = $150 per day
      9 days multiplied by $150 per day = $1350 multiplied by 80% = $1080
      $1080 - $900 (Worker's Comp) = $180 VSDP/WC Benefits Due
   b. Use Special Pay 062 (WCSDPBEN) to pay $180 on HUE01.
3. Calculate the Regular Pay Due for the Leave Supplement.
   a. $150 per day multiplied by 9 = $1350 multiplied by 20% = $270
   b. Key $270 on HUA03 to pay the employee Regular Pay.
4. Retirement Overrides are not necessary because retirement deductions will process on the amount of SP 99 CONTBASE ($1500.00) regardless of what the employee is being paid.

Example G – Non Auto Pay

Employee went on FMLA LWOP effective 12/6/2012 and the expected return date is 1/25/2013. The retirement contributions for the entire month of December were collected during the first half of the month (pay period 11/25-12/9/2012). The succeeding pay periods of LWOP should be processed as follows:

1. 12/10-24/2012
   a. The PMIS to CIPPS interface should turn this employee to Non-Auto if keyed correctly in PMIS.
   b. Leave the employee in a non-auto status and do not key any extra transactions. Retirement Deductions should not process this period because they were collected in full during the first half of the month.
2. 12/25-1/9/2013
   a. The employee is not eligible for service during the month of January. This is because they have been in LWOP for more than 14 calendar days and they did not return before the first working day of January(1/2/2013). Group Life premiums and Imputed Life needs to be processed for January.
   b. On screen HMCU1, change the Group Life indicator to "G"
   c. The employee should still be on Non-Auto Status on H0BID.
   d. Using screen HUE01, rekey the same amount shown on H10AS to SP 99 CONTBASE. Use zeros for the check, tax and deduction indicators. (Note: The automatic special pay on H10AS will not calculate when an employee is in Non-Auto status unless you key the SP 99 CONTBASE amount manually.)
3. 1/10-24/2013
   a. Only group insurance premiums for the second half of the month need to be processed this period.
   b. The employee should still be on Non-Auto Status on H0BID
   c. Using screen HUE01, rekey the same amount shown on H10AS to SP 99 CONTBASE. Use zeros for the check, tax and deduction indicators. (Note: The automatic special pay on H10AS will not calculate when an employee is in Non-Auto status unless you key the SP 99 CONTBASE amount manually.)
4. 1/25-2/9/2013
   a. Employee has returned as expected on 1/25/2013 – full check.
   b. On screen HMCU1, remove the "G" to resume full retirement deductions.
   c. Put employee back in "Automatic" status on H0BID

NOTE: If this was an ORP Plan employee, the process described is the same. However, the ORP Plan Retirement deductions (Deductions 9, 11, 14, 109, 111, 114) are due for any partial payments and will correctly process when retirement eligible earnings (such as regular pay) are paid. It is necessary to perform the steps above so that Retiree Credit and Group Life deductions (Deductions 115 and 120) process correctly for ORP Employees.

Example H – Pay Docking

Semi-Monthly Salary is $1500; SP 99 CONTBASE is $1500; 10 Day Pay Period 11/25-12/9/2012: 1 Day of LWOP on 12/3/2012

Even though the employee was on LWOP on the first working day of December (12/3), the employee is still eligible for service for the month of December because they have not been out for 14 consecutive calendar days. Employees must be on LWOP for 14 calendar days **AND** be on LWOP the first calendar day of the month in order to lose service eligibility for that month.

1. Calculate the amount of LWOP to dock.
   a. $1500 divided by 10 work days = $150 per day
2. Dock the employees Semi-Monthly pay by $150 using **ONE** of the following methods:
   a. Compute the total amount due the employee for the period ($1500 minus $150 = $1350 due). Key this amount on HUA03 to override the total amount of Regular Pay.
   b. Use Special Pay 076 (PAYDOCK) on HUE01 to dock Regular Pay $150. All indicators should be zeros. Do not use the adjustment indicator. The employee must remain in Automatic status on H0BID for this option.
   c. Key the amount of the dock ($150) on screen HUA03 using "-" as the adjustment indicator. The employee must remain in Automatic status on H0BID for this option. (Do not use this method if employee is receiving shift pay. Use A or B above.)
3. Retirement Overrides are not necessary because retirement deductions will process correctly on the amount of SP 99 CONTBASE ($1500.00) regardless of the amount of pay received. **NOTE: For ORP Plan employees, Deductions 9, 11, 14, 109, 111, and 114 will correctly process on the reduced amount of earnings received without overrides.**

Example I1 – Pay Docking NSF for 5% Member Contribution – 1st half of month

Semi-Monthly Salary is $1500; SP 99 CONTBASE $1500 10 Day Pay Period: Employee is LWOP 2/25-3/9/2013 and has only 3 hours of leave to use for 2/25.   Even though the employee was LWOP on the first working day of the month (3/1), they have not been out for 14 consecutive calendar days so they are eligible for service during the month of February. Employees must be on LWOP for 14 calendar days **AND** be on LWOP the first calendar day of the month in order to lose service eligibility for the month.

1. Calculate the amount of Regular Pay due the employee.
   a. $1500 divided by 80 hours = $18.75 per hour
   b. $18.75 multiplied by 3 hours leave = $56.25 Regular Pay.
   c. Key $56.25 on HUA03 as a Regular Pay override
2. The system will attempt to calculate 5% of the SP 99 CONTBASE amount of $1500, but since there are not enough funds, nothing will be collected (not even a partial payment). (NOTE: Because the employee is eligible for the service, the agency has 2 months after the NSF payment to attempt to collect this from future funds.) Allow the employer retirement contributions to calculate for this pay period**.**
3. If the employee returns in the second half of the month, collect the member portion of retirement by keying a deduction override on HUD01 for Deduction 012 (assuming this is a VRS plan member). The employer portions were already collected for the first half – only the member portion needs to be collected. Key the amount due on HUD01 with a "+" sign to collect this in addition to the payment for the second half of the month.
4. If the employee does not return in the second half of the month and you **do not** expect them to return within the 2 month period:
   a. The employee's status should be Non-Auto on H0BID
   b. On screen HMCU1 – change the group insurance indicator to a "G" to collect group insurance only.
   c. Key a penny of regular pay on HUA03 (Because H10AS and the Manual Payset in Step D below will not process automatically for a Non-Auto employee).
   d. Refund all of the employer portions paid in the first half of the month except for Group Insurance using HTODA.
   e. Once myVRSNavigator is launched the agency should remove the employee's service for the month of February to prevent the agency from being billed. Only Group Insurance is due for February.
5. If the employee does not return inthe second half of the month and you expect they **will** return within the 2 month period:
   a. On screen HUE01 rekey the amount of SP 99 CONTBASE as shown on H10AS using zeros as the check, tax and deduction indicators. (Because H10AS will not process automatically for a Non-Auto employee)
   b. Allow the employer portions to come through, the member portion will not because there is no pay.
   c. When the employee returns, override Ded 012 on HUD01 to collect the member portion due.

NOTE: ORP Plan Employees should not have NSF issues because their member portion will always be 5% of the amount of pay received.

Example I2 – Pay Docking NSF for 5% Member Contribution – 2nd Half of Month

Semi-Monthly Salary is $1500; SP 99 CONTBASE $1500 10 Day Pay Period: Employee is LWOP 11/12-23/2012 and has only 3 hours of leave to use for 11/13. (The employee was LWOP on 11/13, so they will lose the holiday of 11/12.) The employee worked the full pay period of 10/25-11/9/2012 and retirement deductions were taken for the first half of November.

1. Calculate the amount of Regular Pay due the employee.
   a. $1500 divided by 80 hours = $18.75 per hour
   b. $18.75 multiplied by 3 hours leave = $56.25 Regular Pay.
2. Key $56.25 on HUA03 as a Regular Pay override
3. The system will attempt to calculate 5% of the SP 99 CONTBASE amount of $1500, but since there are not enough funds, nothing will be collected (not even a partial payment). (NOTE: Because the employee is eligible for the service in November, the agency has 2 months after the NSF payment to attempt to collect this from future funds.) Allow the employer retirement contributions to calculate for this pay period**.**
4. When the VRS Automated Recon processes for November, it will show the shortage for the employee's share of retirement. The agency will be billed for this shortage via an automated IAT.
5. If the employee returns in the following pay period, collect the member portion of retirement by keying a deduction override on HUD01 for Deduction 012 (assuming this is a VRS plan member). The employer portions were already collected for the second half – only the member portion needs to be collected. Key the amount due on HUD01 with a "+" sign to collect this in addition to the payment for the first half of December. When the Automated VRS Recon processes for the month of December, the agency will have a credit for December for the employee's portion of retirement. An automated IAT will be generated to pay back the agency for the credit.
6. If the employee remains on LWOP but does not return in the next pay period and you **do not** expect them to return within the 2 month period:
   a. The employee's status should be Non-Auto on H0BID
   b. On screen HMCU1 – change the group insurance indicator to a "G" to collect group insurance only.
   c. Key a penny of regular pay on HUA03 (Because H10AS and the Manual Payset in Step D below will not process automatically for a Non-Auto employee).
   d. Refund all of the employee and employer portions paid during the month of November except for Group Insurance using HTODA. You will have to use "P" and "M" indicators on HTODA to refund the employee's portion that was paid in the first half of November.
   e. Once myVRSNavigator is launched the agency should remove the employee's service for the month of November. Once this is keyed in myVRSNavigator, the agency will receive a credit for the month of November (everything except Group Insurance) on the next month's VRS Recon.
7. If the employee **will not** return before the first working day of December (12/3) but you expect they **will** return within the 2 month period:
   a. The employee's status should be Non-Auto on H0BID
   b. On screen HUE01 rekey the amount of SP 99 CONTBASE as shown on H10AS using zeros as the check, tax and deduction indicators. (Because H10AS will not process automatically for a Non-Auto employee)
   c. Allow the employer portions to come through, the member portion will not process because there is no pay.
   d. The agency will be billed for the employee's portion that was not paid in the second half of November via the November VRS automated Recon. An automated IAT will be generated for the shortage.
   e. During the 11/25-12/9/2012 pay period, change the group insurance indicator to a "G" to collect group insurance only during the month of December.
   f. When the employee returns, override Ded 012 on HUD01 to collect the member portion due. Remove the "G" during the first pay period of the month in which the employee was not on LWOP the first working day.
   g. When the override is processed in Step F above for Ded 012, the agency will receive a credit in that month during the automated VRS Recon. An automated IAT will be generated crediting the agency with the overage.
8. If you know the employee **will not** ever return and will eventually be terminated:
   a. The employee's status should be Non-Auto on H0BID
   b. Key a penny of regular pay on HUA03 (The Manual Payset in Step C below will not process automatically for a Non-Auto employee).
   c. Refund all of the employee and employer portions paid during the month of November except for Group Insurance using HTODA. You will have to use "P" and "M" indicators on HTODA to refund the employee's portion that was paid in the first half of November.
   d. Once myVRSNavigator is launched the agency should remove the employee's service for the month of November. The agency will receive a credit for November (everything except Group Insurance) on the next available VRS Recon.

NOTE: ORP Plan Employees should not have NSF issues because their member portion will always be 5% of the amount of pay received.

Example I3 –Repayments for Pay Docking NSF for 5% Member Contribution

Employee in Example I2 returns to work on 1/25/2013. As noted in the example, they did not have sufficient funds to pay the member portion of retirement deductions due for the month of December, but they have returned within the 2 month grace period.

1. Calculate the amount due for the employee's portion – this should be available on the VRS Automated Recon for November. The amount should be 5% of the SP 99 CONTBASE. The first pay period in November was collected, but the second pay period is due.
2. Key an HUD01 override for Deduction 012 for the amount calculated in Step 1 above. Use a "+" as the adjustment indicator so this amount will be taken in addition to the amount for the 1/25-2/9/2013 pay period.
3. When the VRS Automated Recon is processed for the month of February, the agency will receive a credit via an Automated IAT for the extra amount collected in Step 2. This should repay the amount that the agency was charged during the November Automated Recon.

Example J1 – New Hire After the First Working Day of the Current Month

Employee is hired 12/4/2012.   This is after the first working day of December which was 12/3/2012 so the employee is not eligible for service until the following month (January). Semi-Monthly Salary is $1500, SP 99 CONTBASE is $1500, Employee worked 4 days of the 10 day period.

1. On screen HMCU1, enter the employee's retirement plan code and also enter the start date as 12/25/2012. (Enter this date for ORP employees also). This will prevent the retirement deductions from processing until the 12/25-1/9/2013 pay period. SP 99 CONTBASE will be automatically set up on H10AS when the Retirement Plan Code is entered on HMCU1.
2. Calculate the amount of Regular Pay to be paid.
   a. $1500 divided by 10 working days = $150 per day
      $150 multiplied by 4 days = $600 due
   b. Using HUA03, override the regular pay for $600
3. If this is a VRS Plan employee, no retirement should process this period.   The Start Date entered prevents the deductions from processing. If this is an ORP Plan employee, the ORP Retirement deductions (9, 11, 14, 109, 111, and 114) begin immediately and are taken as a percentage of the earnings. However, the Group Life and Retiree Credit deductions for ORP Plan employees do not begin until the first of the following month and the Start Date entered prevents deductions 115 and 120 from processing too soon.
4. Imputed Life should come out immediately. Even though Group Insurance Premiums are not deducted yet, the employee is covered and Imputed Life represents the Group Insurance amount "covered".

Example J2 – New Hire on the First Working Day of the Current Month

Employee is hired 12/3/2012 which is the first working day of December. Semi-Monthly Salary is $1500, SP 99 CONTBASE is $1500, Employee worked 5 days of the 10 day period.

1. On screen HMCU1, enter the employee's retirement plan code as normal. You do not need a start date. All Retirement Deductions should begin immediately for both VRS and ORP Plan employees. SP 99 CONTBASE will be automatically set up on H10AS when the Retirement Plan Code is entered on HMCU1.
2. Calculate the amount of Regular Pay to be paid.
   a. $1500 divided by 10 working days = $150 per day
      $150 multiplied by 5 days = $750 due
   b. Using HUA03, override the regular pay for $750

Example J3 – New Hire Before the First Working Day of the Current Month

Employee is hired 11/25/2012 which is before the first working day of December (12/3). Semi-Monthly Salary is $1500, SP 99 CONTBASE is $1500

1. On screen HMCU1, enter the employee's retirement plan code as normal. You do not need a start date. Retirement Deductions should begin immediately for VRS Plan employees as well as ORP Plan employees. SP 99 CONTBASE will be automatically set up on H10AS when the Retirement Plan Code is entered on HMCU1.
2. Employee will receive a full check for the pay period of $1500 – no HUA03 overrides are necessary.

Example K1 – Termination or Transfer After the First Working Day of the Current Processing Month

Employee is terminated effective 12/10/2012 (Last day of work was 12/9/2012). Retirement Deductions are due for the entire month of December. Semi-Monthly Salary is $1500, SP 99 CONTBASE is $1500, Employee will receive a full paycheck for the 11/25-12/9/2012 period.

1. Override the SP 99 CONTBASE amount by **ONE** of the options below to automatically double the retirement deductions:
   a. Using HUE01 key the amount shown for SP 99 CONTBASE on screen H10AS with a "+" as the adjustment indicator
   b. Using HUE01 key double the amount shown for SP CONTBASE on screen H10AS with no adjustment indicator

NOTE: For ORP Plan employees – the process is the same, but only the Group Insurance and Retiree Credit will double. The ORP Retirement Plan deductions (9, 11, 14, 109, 111, and 114) are not doubled because those deductions process on the amount of earnings received ($1500)

Example K2 – Termination or Transfer Before the First Working Day of the Current Processing Month

Employee is terminated effective 12/3/2012 (Last Day of Work was 11/30/2012). Because the employee was not employed on the first working day of December (12/3), no retirement contributions are due for the month of December. Semi-Monthly Salary is $1500, SP 99 CONTBASE is $1500. Employee is due 5 days of a 10 day pay period.

1. **If VRS Plan Employee**: On screen HMCU1, change the retirement code to "LT", "JT", "VT", or "ST" based on their current retirement plan code. Retirement Deductions should not be taken for the 11/25-12/9/2012 period because this is the first pay period in December.
2. **If ORP Plan employee**: DO NOT CHANGE THE RETIREMENT PLAN CODE on HMCU1 – ORP Retirement Deductions (9, 11, 14, 109, 111, 114) should process on the amount of pay received regardless of the dates. SP 99 CONTBASE should have frequency "00" on H10AS. Imputed Life should have frequency "00".
3. Calculate the amount of Regular Pay to be paid.
   a. $1500 divided by 10 working days = $150 per day
      $150 multiplied by 5 days = $750 due
   b. Using HUA03, override the regular pay for $750

Example L – Retirement or Termination or Transfer – effective dates 25th through the end of a month

Employee worked 11/25-11/30/2012 (end of the month), retired effective 12/1/2012. Semi-Monthly Salary is $1500; SP 99 CONTBASE is $1500.00 10 day pay period: 5 Days worked

1. **If VRS Plan Employee**: On screen HMCU1, change the retirement code to "LT", "JT", "VT", or "ST" based on their current retirement plan code. Retirement Deductions should not be taken for the 11/25-12/9/2012 period because this is the first pay period in December.
2. **If ORP Plan employee**: DO NOT CHANGE THE RETIREMENT PLAN CODE on HMCU1 – ORP Retirement Deductions (9, 11, 14, 109, 111, 114) should process on the amount of pay received regardless of the dates. SP 99 CONTBASE should have frequency "00" on H10AS. Imputed Life should have frequency "00".
3. Calculate the amount of Regular Pay due the employee during 11/25-12/9/2012 period.
   a. $1500 divided by 10 working days in pay period = $150 per day
   5 days multiplied by $150 per day = $750
   Enter $750 on HUA03 to override Regular Pay

Example M – Non-VSDP Worker's Comp – First 92 days

Semi-Monthly Salary is $1500, SP 99 CONTBASE is $1500, Workers Comp Daily Indemnity Rate is $100, Timecard Status on H0BID is "Non-Auto"; 10 day pay period. Employee on Non-VSDP Sick Leave Plan has a Worker's Compensation Claim. The claim is within the first 92 days of injury so the agency supplements the Worker's Comp payment to equal the Semi-Monthly Salary.

1. Calculate the amount of the Worker's Comp payment.
   a. $100 multiplied by 10 days = $1000
   b. Use Special Pay 002 (WRK COMP) to pay $1000 on HUE01.
   c. All indicators should be zeros, adjustment indicator is blank.
2. Calculate the amount of the Non VSDP Worker's Comp Supplement.
   a. $1500 - $1000 = $500
   b. Use Special Pay 063 (WC SUPP) to pay $500 on HUE01.
3. Retirement Overrides are not necessary because retirement deductions process on the amount of SP 99 CONTBASE regardless of the amount of pay received. ORP Plan Retirement Deductions (9, 11, 14, 109, 111, and 114) will correctly process on the amount of earnings received for SP 002 and SP 063.

Example N – Rescinded Docking

Semi-Monthly Salary is $1500. SP 99 CONTBASE is $1500. Employee was docked for 1 day in the previous pay period ($150), but retirement contributions were taken in full the previous pay period. The LWOP was rescinded in the following pay period. The employee should be repaid for the amount of dock, but no retirement benefits are due on the amount.

1. Add the $150 due to the current regular pay due by **ONE** of the following methods:
   a. Key the $150 on HUA03 with a "+" sign as the adjustment indicator
                          -OR-
   b. Add $150 to the current regular pay due $1500 and key $1650 on HUA03 as an override to regular pay.
2. Retirement Overrides are not necessary for VRS Plan Employees because retirement deductions process on the amount of SP 99 CONTBASE regardless of the amount of pay received. All Retirement Contributions were taken in the previous pay period. Retirement Overrides are not necessary for ORP Plan Retirement Deductions (9, 11, 14, 109, 111 and 114) because those deductions will automatically be taken as a percentage of the increased earnings received.

Example O – Late VSDP Approval

Semi-Monthly Salary is $1500; SP 99 CONTBASE is $1500; **Prior Pay Period of 10 Days**: Waiting for VSDP approval, worked 5 days and no leave balances to cover the 5 day waiting period, full retirement deductions collected. **Current Pay Period:** VSDP is approved retroactive to prior period. Employee is due 5 of 10 days at 100% VSDP benefits for the previous period and full 100% VSDP for the current period.

1. Calculate the additional VSDP money due the employee from the prior period ($750).
2. Add that to the VSDP due the employee for the current period ($1500).
3. Enter the combined total ($2250) on HUC01 as Special Pay 061 (VSDP BEN). (If you use HUE01 the indicators should be "5"-"0"-"0" and you will need to key a penny of Regular pay on HUA03.)
4. Individual retirement overrides on HUD01 are not necessary because retirement deductions process on the amount of SP 99 CONTBASE regardless of the amount of pay received. All Retirement Contributions were taken in the previous pay period.

Example P – Late VSDP Approval

Semi-Monthly Salary is $1500; 10 day Prior Pay Period 11/25-12/9/2012: Waiting for VSDP approval, no leave balances to cover absence, no payment to employee and no retirement deductions were processed. Current Pay Period 12/10-24/2012: VSDP is approved retroactive to prior period and employee is due 5 of 10 days (other 5 days were waiting period) at 100% VSDP benefits for the previous period and full 100% VSDP for the current period.

1. Compute and pay the amount of VSDP that is due for the previous period ($750).
    a. 100% VSDP benefit for 5 days multiplied by $150/day = $750
    b. $750 due for prior period plus $1500 due for current period = $2250
2. Use Special Pay 061 (VSDP BEN) on HUC01 or HUE01 . Enter $2250 in the "Rate/Amount" field. (If you use HUE01 the indicators should be "5"-"0"-"0" and you will need to key a penny of Regular pay on HUA03 because the employee is non-auto and there is no regular pay transaction to process SP 99 on H10AS.)
3. To double collect all of the retirement deductions (since none were taken in the previous period), use screen HUE01 to key $3000 (double the amount of SP 99 CONTBASE on H10AS) to SP 99 CONTBASE – use zeros for the check, tax and deduction indicators. (Note, you may also key the amount of $1500 with a "+" adjustment indicator. This will add $1500 to the existing $1500 on the H10AS screen.)

NOTE: Discretion must be used during periods of LWOP (such as 11/25-12/9/2012). If the VSDP is not eventually approved, then this employee would be in LWOP status for more than 14 consecutive calendar days and therefore, not entitled to service during the month of December. In that case only Group Insurance deductions would be due to VRS for the month of December.

Example Q – Retro Pay Increase

$1500 Semi-Monthly Salary; $1500 SP CONTBASE; During the 12/10-24/2012 pay period, paperwork is received for an increase to $1650 Semi-Monthly retroactive to 11/25/2012.

1. Calculate the amount of retro pay due the employee for the prior pay period.
    a. $1650 minus $1500 = $150
    b. Add the total amount of retro pay due the employee ($150) to the new Semi-Monthly Salary: $150 + $1650 = $1800.
    c. Enter this amount ($1800) on HUA03 as a Regular Pay override.
2. PMIS agencies should let the PMIS to CIPPS interface update the salary rate on H0BID and the SP 99 CONTBASE amount on H10AS. Because the new rate was effective before the first workday day in December (12/3), it is effective in the current month. If this is a Non-PMIS agency or you must change the salary immediately, update the salary on H0BID and the SP 99 CONTBASE amount will be updated automatically.
3. Calculate the difference between what the SP 99 CONTBASE was during the 11/25-12/9/2012 period ($1500) and what it should be ($1650) and key an HUE01 adjustment to SP 99 CONTBASE for $150 with a "+" sign as the adjustment indicator.

NOTE: FOR ORP PLAN EMPLOYEES USE THE SAME PROCESS DESCRIBED SO THAT RETIREE CREDIT AND GROUP INSURANCE DEDUCTIONS ARE PROPERLY CALCULATED. ORP Plan Retirement Deductions (9, 11, 14, 109, 111 and 114) will automatically adjust when the increased amount of regular pay is received in Step 1.

Example R1 – Non-Routine Payruns – PYCTF Paytype 9

Semi-Monthly Salary is $1500; SP 99 CONTBASE $1500; Pay Period of 10 Days: Notified after normal certification that employee had 2 days LWOP. Stop payment on original payment is complete, non-routine payroll to process correct pay to employee.

1. Calculate correct Regular Pay due employee.
    a. $1500 divided by 10 days = $150 times 8 days = $1200
    b. Enter $1200 on HUE01 using Special Pay 001 (TAXABLE) with indicators Tax "5", Check "0", Deductions "0".
2. Rekey the amount of SP 99 CONTBASE as shown on H10AS ($1500) on HUE01 with indicators Tax "0", Check "0", Deductions "0". **NOTE: You must key this for ORP Plan Employees also so that Retiree Credit and Group Life Deductions are properly calculated.**

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Example R2 – Non-Routine Payruns – PYCTF PayType 3

Semi-Monthly Salary is $1500; SP 99 CONTBASE $1500; Pay Period of 10 Days: Notified after normal certification that employee had 2 days LWOP. Stop payment on original payment is complete, non-routine payroll to process correct pay to employee.

1. On H0BID change the employee's frequency to another semi-monthly frequency that is not used by any other payroll for your agency. Make sure this is the only employee in this frequency.
2. Calculate amount of Regular Pay to pay.
    1. $1500 divided by 10 days = $150 times 2 days = $300 Employee is due $1200 ($1500 - $300)
    2. Enter $1200 on HUA03 to override the regular pay amount
3. Retirement Overrides are not necessary because retirement deductions process on the amount of SP 99 CONTBASE ($1500) regardless of the amount of pay received. **NOTE: For an ORP Plan Employee, the ORP Plan Retirement Deductions (9, 11, 14, 109, 111 and 114) will correctly calculate on the amount of pay received in Step 2.**
4. Be sure to change the employee back to the original pay frequency after this pay processes.

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Example S – Leave Share – LWOP more than 14 Consecutive Calendar Days

Semi-Monthly Salary is $1500, SP 99 CONTBASE is $1500; 11/25-12/9/2012 pay period (10 days): 1 day of Regular Pay (11/26/2012) and 9 days of leave share. Because this employee is in LWOP Status in PMIS and is not expected to return to work until 12/12/2012 as indicated on the U082 PMIS/CIPPS Update Listing, they are NOT eligible for service for the month of December. If an employee is on LWOP Status (on LWOP more than 14 consecutive calendar days) **AND is** on LWOP the first working day of the current month, they are not eligible for service during that month. If the employee returns before the expected return date and the LWOP status is rescinded in PMIS, they would then be eligible for service for December and you would need to collect retirement deductions at a later date using the steps in Example N.

1. Calculate the amount of Regular Pay to pay.
    a. $1500 divided by 10 days = $150 multiplied by 1 day = $150 due
    b. Enter $150 on HUA03 to override the Regular Pay
2. Calculate the amount of Leave Share to pay.
    a. $1500 divided by 10 days = $150 multiplied by 9 days = $1350
    b. Enter $1350 on HUE01 using Special Pay 006 (LV SHARE) using indicators Tax "5", Check "0", and Deduction "0".
3. On HMCU1, change the Group Insurance Indicator to a "G" to deduct only Group Insurance Deductions for December. Remove the "G" in the first pay period of January (12/25-1/9/2013) to resume retirement deductions.

NOTE: For ORP Plan Employees, follow the same process to ensure that Group Life and Retiree Credit Deductions are properly calculated. ORP Retirement Plan Deductions (9, 11, 14, 109, 111 and 114) will correctly calculate on any Regular Earnings paid to the employee, but Leave Share is not considered Retirement Eligible Compensation.

Example T – Wage to Salary Promotion

Employee status changed from Wage to Salaried effective 12/3/2012 (the first working day of December) with a Semi-Monthly Salary of $1500 and SP 99 CONTBASE amount of $1500. The employee is owed $500 hourly wages from the prior pay period in addition to salary for the current pay period.

1. Establish the employee as described in Example J2. The start date of the salaried employment is on the first working day of the month and retirement deductions should start immediately. If the start date is not on the first working day of the month, use either Example J1 or J3.
2. Pay the employee the additional $500 due using HUE01 and an appropriate Special Pay. You may use Special Pay 001 or a Unique Agency Special Pay number established for this purpose. **NOTE: For ORP Plan employees, <u>DO NOT</u> use SP 001 to process the $500 Hourly Wages. Make sure you use an Agency Unique Special Pay so that the ORP Retirement Plan Deductions (9, 11, 14, 109, 111 and 114) are not processed on the Hourly Wages which are not eligible for Retirement.**
3. On screen HMBU1 be sure to establish the programmatic data for the Special Pay Code you are using with an object code that is specific to employees paid at an hourly rate (example 1141).
4. Retirement Overrides are not necessary because retirement deductions process on the amount of SP 99 CONTBASE ($1500) regardless of the amount of pay received or the Special Pay Numbers used. **ORP Retirement Plan Deductions (9, 11, 14, 109, 111 and 114) will correctly process on the amount of Salaried Regular Pay received for 12/3-12/9/2012.**

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Example U1 – Deceased Payment – VRS Plan Employee

You are notified of the death of a VRS Plan employee during the pay period 11/25-12/9/2012. Semi-Monthly Salary is $1500 and SP 99 CONTBASE is $1500. The Date of Death was 12/6/2012. Retirement Deductions are due for the entire month of December. Final payments owed to deceased employees cannot be processed until the proper paperwork has been received from the Estate or Heirs (see Payroll Bulletin 2010-21).

1. The employee should be on Non-Auto status on H0BID
2. Leave the current Retirement Plan code on HMCU1 – DO NOT CHANGE
3. Leave the Imputed Life and SP 99 CONTBASE as "09" on screen H10AS – DO NOT CHANGE
4. To double collect all of the retirement deductions for the month of December during the 11/25-12/9 period, use screen HUE01 to key $3000 (double the amount of SP 99 CONTBASE on H10AS) to SP 99 CONTBASE – use zeros for the check, tax and deduction indicators.
5. When the VRS Automated Recon is processed for the month, you will be short the member portion of retirement. The Automated Recon will generate an Automated IAT and the agency will be billed for the shortage. The member portion will be repaid in Steps 7-9 below.
6. Once all of the necessary paperwork has been received, Deceased Pay is processed with either Special Pay 054 or Special Pay 055 on HUE01.
7. Establish Deduction 010 (DUE AGENCY) on H0ZDC for the member's portion of retirement that was paid by the agency in Step 6 above in the amount of $150 (5% of $3000 CONTBASE).
8. When the deceased payment is processed, deposit the $150 check received to reimburse the payment made by the agency in Step 6 above.

Example U2 – Deceased Payment – ORP Plan Employee

You are notified of the death of an ORP Plan employee during the 10 day pay period 11/25-12/9/2012. Semi-Monthly Salary is $1500 and SP 99 CONTBASE is $1500. The Date of Death was 12/6/2012. Group Life and Retiree Credit deductions are due for the entire month of December; however ORP Retirement deductions are delayed until the final payments are processed. Final payments owed cannot be processed until the proper paperwork has been received from the Estate or Heirs (see Payroll Bulletin 2010-21).

1. The employee should be on Non-Auto status on H0BID
2. Leave the current Retirement Plan code on HMCU1 – DO NOT CHANGE
3. Leave the Imputed Life and SP 99 CONTBASE as "09" on screen H10AS – DO NOT CHANGE
4. To double collect the group life and retiree credit deductions for the month of December, use screen HUE01 to key $3000 (double the amount of SP 99 CONTBASE on H10AS) to SP 99 CONTBASE – use zeros for the check, tax and deduction indicators.
5. Once all of the necessary paperwork has been received, Deceased Pay is processed with either Special Pay 054 or Special Pay 055 on HUE01.
6. Calculate the amount of earnings that the employee was due for the 11/25-12/9/2012 period. The employee worked 8 of 10 days:
   a. $1500 / 10 = $150 per day
   b. 8 days X $150 = $1200
7. ORP Retirement Plan deductions (Fidelity 9 & 109, Political Appointees 11 & 111, TIAA 14 & 114) are the ONLY deductions that are calculated based on the amount of pay received in lieu of SP 99 CONTBASE. Apply the individual percentages for the appropriate deduction codes to the amount earnings calculated in Step 6. ($1200) (NOTE: You may also use the "Current Retirement Calculations" spreadsheet found on our website at http://www.doa.virginia.gov/Payroll/Forms/Payroll_Forms_Main.cfm to determine the individual amounts due for the appropriate ORP Retirement Plan deductions.)
8. Using HUD01 override each of the appropriate deduction numbers with the individual dollar amounts calculated in Step 7.
9. You must key a penny of regular pay to process the overrides keyed in Step 8.

Example V1 – ORP Plan Eligible Employee – 60 Day Election Period – (Updated 10/16/2012 for VRS Policy Change)

An employee who is eligible for an ORP Retirement Plan becomes employed on 12/3/2012 which is the first working day of the month. (10-day Pay Period) Semi-Monthly Salary is $1500 and SP 99 CONTBASE is $1500. They have 60 days to decide if they want to choose an ORP Plan or the VRS Plan. If no election is made during the 60-day Election Period, the employee is automatically covered under the VRS Plan. During the 60 Day Election Period, process the employee as follows:

1. **DO NOT ENTER A RETIREMENT PLAN CODE ON HMCU1. NO RETIREMENT DEDUCTIONS (INCLUDING RETIREE CREDIT AND GROUP INSURANCE) SHOULD BE PROCESSED UNTIL THE EMPLOYEE MAKES AN ELECTION OR THE 60 DAY ELECTION PERIOD ENDS.**
2. Calculate the amount of Regular Pay to be paid.
   a. $1500 divided by 10 working days = $150 per day
      $150 multiplied by 5 days = $750 due
   b. Using HUA03, override the regular pay for $750

Example V2 – ORP Plan Eligible Employee – Chooses ORP Plan during 60 Day Election Period-(Updated 10/16/2012 for VRS Policy Change)

The employee in Example V1 chooses an ORP Plan during the 12/25-1/9/2013 pay period. To collect the retro retirement payments, do the following:

1. On screen HMCU1, enter the Retirement Plan code chosen.
2. Calculate the amount of ORP Plan Retirement Deductions due since the employees start date on 12/3/2012. ORP Retirement Plan deductions (Fidelity 9 & 109, Political Appointees 11 & 111, TIAA 14 & 114) are the ONLY deductions that are calculated based on the amount of pay received in lieu of SP 99 CONTBASE. Apply the individual percentages for the appropriate deduction codes to the amount earnings due from 12/3/2012 to 12/24/2012. (NOTE: You may also use the "Current Retirement Calculations" spreadsheet found on our website at http://www.doa.virginia.gov/Payroll/Forms/Payroll_Forms_Main.cfm to determine the individual amounts due for the appropriate ORP Retirement Plan deductions.)
3. Using HUD01 override each of the appropriate ORP deduction numbers with the amounts calculated in Step 2. Use the "+" adjustment indicator on HUD01 to add this amount to the amount that will be calculated for the current period.
4. Multiply the SP 99 CONTBASE amount shown on H10AS ($1500 in this example) by the number of pay periods that the employee missed. Group Insurance and Retiree Credit deductions are subject to the new VRS Modernization rules and must be collected in whole months. The start date of the employee is 12/3/2012 which is the first working day of the month of December. (If the start date is after the first working day of the month, Group Insurance and Retiree Credit should not be calculated until the first pay period of the next month.) In this example, the employee missed both pay periods in December. 2 X $1500 = $3000. Enter this amount for SP 99 on HUE01 with a "+" in the adjustment indicator. This will override the Group Insurance and Retiree Credit Deductions due for the missed periods.
5. The Automated VRS Recon will bill the agency retroactively for all relevant deductions in the month that the election is made.

Example V3 – ORP Plan Eligible Employee – Chooses VRS Plan during 60 Day Election Period-(Updated 10/16/2012 for VRS Policy Change)

The employee in Example V1 chooses the VRS Plan during the 12/25-1/9/2013 pay period. To collect the retro retirement payments, do the following:

1. On screen HMCU1, enter the Retirement Plan code that was chosen.
2. Multiply the SP 99 CONTBASE amount shown on H10AS by the number of pay periods that the employee missed. In this example, the employee missed both pay periods in December. 2 X $1500 = $3000. Enter this amount for SP 99 on HUE01 with a "+" in the adjustment indicator. This will override all of the Retirement Plan Deductions, Group Insurance, Retiree Credit and VSDP Deductions due for the missed months.

Example V4 – ORP Plan Eligible Employee – Does not make a Decision within 60 Day Election Period-(Added 10/16/2012 for VRS Policy Change)

The employee in Example V1 does not choose a plan during the 60 Day Election Period. During the 1/25-2/9/2013 pay period, the employee should automatically be set up for VRS Retirement. To collect the retro retirement payments, do the following:

1. On screen HMCU1, enter the Retirement Plan code chosen.
2. Multiply the SP 99 CONTBASE amount shown on H10AS by the number of pay periods that the employee missed. In this example, the employee missed both pay periods in December and both pay periods in January. 4 X $1500 = $6000. Enter this amount for SP 99 on HUE01 with a "+" in the adjustment indicator. This will override all of the Retirement Plan Deductions, Group Insurance, Retiree Credit and VSDP Deductions due for the missed months.

Example W1 – WTA with Severance Payments

An employee goes out on WTA effective 11/25/2012. Annual Salary was $36,000 and SP 99 CONTBASE is $1500. They are due 8 weeks of Severance Pay to be paid in 4 Biweekly Payments. They are due 12 months of Group Insurance coverage and Health Care Coverage during the Severance Benefit Period. These benefits would cover the employee from December of 2012 through November of 2013.

NOTE: In this example, the last day of employment for this employee was 11/24/2012 so the WTA Status is effective with the month of December. If the employee's last day of employment was on or after the first working day of the current month (12/3), retirement deductions should be doubled and taken for the entire month of December and the changes noted here would not be done until the first pay period in January.

11/25-12/9/2012 Pay Period:

1. On screen H0BID make sure the employee is on Non-Auto Status
2. On screen HMCU1 change the Health Insurance Provider Code to the applicable Involuntary Separation Provider code as shown in CAPP Topic 50430.
3. On screen HMCU1 leave the current Retirement Plan Code as is and change the Group Insurance/Retiree Credit Indicator to a "G".
4. Compute the amount of Severance Pay Due the employee. Annual Salary ($36,000) divided by 26 equals $1384 Biweekly.   Key $1384 to SP 31 (Severance Pay) on screen HUC01. Be sure to use HUC01 so that Group Insurance Deductions and Imputed Life process properly.

Example W2 – WTA/Severance Benefit Period AFTER all Severance Payments are Paid

The Bi-Weekly Severance Payments due the employee in Example W1 are completed after the 1/10-24/2013 pay period. The Severance Benefit Period is still active through November 2013.

For each pay period beginning with the 1/25-2/9/2013 pay period and ending with the 11/10-24/2013 pay period:

1. Key a penny of Regular Pay on HUA03 to process the Group Life Insurance and Imputed Life amounts.
2. This will correctly result in Uncollected FICA which will be reported on the employee's W-2.

Example X – Military Leave Without Pay with or without Military Supplements

An employee goes out on MLWOP effective 11/25/2012. Semi-monthly Salary was $1500 and SP 99 CONTBASE is $1500. They are not due any Military Supplement Pay. (Guidance on how to calculate any Military Supplement Pay due can be found in DHRM's Benefit Management Policy 4.5 "Military Leave"). While on MLWOP, they are eligible for up to 24 months of Group Insurance Benefits. These benefits would cover the employee from December of 2012 through November of 2014.

NOTE: In this example, the last day of employment for this employee was 11/24/2012 so the MLWOP Status is effective with the month of December. If the employee's last day of employment was on or after the first working day of the current month (12/3), retirement deductions should be doubled and taken for the entire month of December and the changes noted here would not be done until the first pay period in January.

For each pay period beginning with the 11/25-12/9/2012 pay period and ending with the 11/10-24/2014 pay period:

1. On screen H0BID make sure the employee is on Non-Auto Status
2. On screen HMCU1 leave the current Retirement Plan Code as is and change the Group Insurance/Retiree Credit Indicator to a "G".
3. If any Military Supplement is due the employee, key the amount due to SP 44 (MIL SUPP) on screen HUE01.
4. Key a penny of regular pay on screen HUA03 in order to process Group Insurance deductions and Imputed Life Deductions.

If the employee should return from MLWOP before the 24 month period of Group Insurance Benefits ends, treat their return date as if it were a new hire date to determine when retirement deductions resume under the new VRS Modernization Rules.   Remove the "G" from the Group Insurance/Retiree Credit Indicator on HMCU1 the first pay period of the month that they worked the first working day of. For example, if the employee returns from MLWOP on 1/26/2013, remove the "G" during the 1/25-2/9/2013 period so that all Retirement Deductions resume for the month of February 2013.

Example Y – Employee Terminates or Transfers – Retirement was not Collected for the Full Month

In some cases, Terminations or Transfers are reported to payroll after the first payroll of the month is processed. When this happens, retirement and healthcare deductions cannot be collected in full. Human Resources should be made aware of the implications of late notifications. However, things do happen. If the employee is due any leave payouts, you may deduct retirement and healthcare from the leave payment as shown below. **As a last resort**, follow the instructions below to collect the payments due from the employee outside of payroll.

To collect retirement and/or healthcare deductions from a leave payout, overtime or other payments due to the employee:

1. Ensure the employee is on Non-Auto Status on H0BID
2. Leave the Retirement Plan Code and Healthcare Plan Code unchanged on screen HMCU1
3. Ensure that SP 99 CONTBASE on screen H10AS has a frequency of "09".
4. Process the payments due the employee as normal using the appropriate transaction screen (HUE01 or HUA03).
    NOTE: If using screen HUE01, use the indicators of "5"-"0"-"0" to allow the retirement deductions to process. (Use indicators "0"-"0"-"0" if this is for a leave payout which should be taxed at the supplemental rate.)
5. If partial payments are due for any of the deductions, key an HUD01 transaction to those deduction numbers to override the amounts.
6. If all of the payments to the employee are paid on HUE01, you will need to key a penny of regular pay on HUA03 to process the Retirement Deductions. You will also need the penny to process any deduction overrides if they were keyed in Step 4.

To collect retirement and/or healthcare deductions outside of CIPPS:
(NOTE: You are only allowed to collect retirement outside of payroll in those cases where the employee has terminated!!)

1. Ensure the employee is on Non-Auto Status on H0BID
2. Process the employer portions due for the missed pay period by keying a penny of regular pay on screen HUA03. This will automatically process the Employer portions of Retirement and Healthcare due.
3. The Automated Healthcare Recon will show an exception for this employee during that month and an automated IAT will be generated charging the agency for the employee's portion.
4. The Automated VRS Recon will show an exception for the Member Portion of Retirement. An automated IAT will be generated charging the agency for the member portion.
5. Send a letter to the employee requesting the amounts due for Healthcare and the 5% Member Portion of retirement that was paid on their behalf during the Automated Healthcare and VRS Recons. Give the employee a 1 month deadline in which to pay back the agency. The employee should send a check to the line agency made payable to the "Treasurer of Virginia". Explain to the employee that if they do not pay the member portion of retirement due or the healthcare, it could result in a loss of State Service and Healthcare for the month.
6. Once the check is received, the line agency should deposit the check back the default coding that was used to charge the agency during the Automated Healthcare and VRS Recons.
7. If the check is not received within the 1 month period, you should update myVRSNavigator to withdraw the employee's service for the month. BES should be updated to remove the employee's healthcare eligibility for that month also.
8. **BY POLICY, LINE AGENCIES ARE NOT ALLOWED TO COVER THE EMPLOYEE'S PORTION OF RETIREMENT!! IF IT IS NOT REIMBURSED – THE EMPLOYEE MUST LOSE THE SERVICE FOR THE MONTH.**
9. **If the adjustment occurs prior to the implementation of the VRS Automated Recon, contact State Payroll Operations for instructions.**

Example Z – Processing 401(a)(17) Retirement Maximum (Annual Salaries Greater Than $250,000)

Please read the documentation provided in [Payroll Bulletin 2012-10](). If an employee is paid more than the maximum provided, please contact State Payroll Operations for guidance on how to prevent the maximum limit from being reached.

Example AA1 – Employee Receives an Increase on the First Working Day of the Month

An employee with Semi-Monthly Salary of $1500 and SP 99 CONTBASE of $1500 receives an increase to $1750 effective 12/3/2012.

1. This change should be keyed in PMIS in a timely manner to allow the PMIS to CIPPS Interface to update the proper CIPPS fields (This update will be shown on Report U082.) Because the effective date of the Salary Increase is on the first working day of the month, the interface will update the SP 99 CONTBASE amount on H10AS automatically. Note: If this is not a PMIS agency, or the PMIS transaction was not keyed timely, enter the Salary Change on H0BID and the SP 99 CONTBASE amount will be adjusted automatically to $1750.
2. Calculate the amount of Regular Pay Due 11/25-12/9/2012 (10 Day Pay Period) 5 days at old rate, 5 days at new rate
    a. $1500 divided by 10 days = $150
    b. $1750 divided by 10 days = $175
    c. $150 X 5 days = $750 plus $175 X 5 days = $875 = $1625
    d. On HUA03, key a transaction in the amount of $1625 to override Regular Pay
3. All VRS Plan Retirement Deductions will correctly calculate on the amount of SP 99 CONTBASE (which is now $1750) regardless of the amount of Regular Pay received. **If this is an ORP Plan employee, the Employee and Employer Retirement Contributions will correctly calculate based on the amount of Regular Pay received, while the Group Insurance and Retiree Credit will calculate on the SP 99 CONTBASE amount of $1750.**

Example AA2 – Employee Receives an Increase AFTER the First Working Day of the Month

An employee with Semi-Monthly Salary of $1500 and SP 99 CONTBASE of $1500 receives an increase to $1750 effective 12/4/2012.

1. This change should be keyed in PMIS in a timely manner to allow the PMIS to CIPPS Interface to update the proper CIPPS fields at the proper time (This update will be shown on Report U082.) Because the effective date of the Salary Increase is AFTER the first working day of the month, the interface will not update the SP 99 CONTBASE amount until the first pay period of the following month. (Report U181 will show the SP 99 Update as Pending with the future Release Date. On the day after final certification deadline for the second half of the month (10th through 24th pay period), Report U182 will show the SP 99 Updates that have been released for that month.) Note: If this is not a PMIS agency, or the PMIS transaction was not keyed timely, you must enter the Salary Change on H0BID and the SP 99 CONTBASE amount on H10AS will be adjusted automatically to $1750. Follow Step 3 below to prevent the new SP 99 CONTBASE rate from calculating prematurely.
2. Calculate the amount of Regular Pay Due 11/25-12/9/2012 (10 Day Pay Period) 5 days at old rate, 5 days at new rate
    a. $1500 divided by 10 days = $150
    b. $1750 divided by 10 days = $175
    c. $150 X 5 days = $750 plus $175 X 5 days = $875 = $1625
    d. On HUA03, key a transaction in the amount of $1625 to override Regular Pay
3. If you changed the Salary manually on H0BID in Step 1 above, you will need to override the SP 99 CONTBASE amount so that the new SP 99 CONTBASE rate is not used prematurely. On HUE01, key a transaction for SP 99 in the amount of $1500 for EACH pay period in December. DO NOT use a "+" sign as this amount should completely override the H10AS amount.
4. All VRS Plan Retirement Deductions will correctly calculate on the amount of SP 99 CONTBASE (which should remain at $1500 until the first pay period in January - 12/25-1/9/2013) regardless of the amount of Regular Pay received. If this is an ORP Plan employee, the Employee and Employer Retirement Contributions will correctly calculate based on the amount of Regular Pay Received, while the Group Insurance and Retiree Credit will calculate on the SP 99 CONTBASE amount of $1500 until 12/25-1/9/2013 if the Steps are followed as stated above.

Example AB1 – Employee goes on LTD-Working Status after the First Working Day of the Month

An employee with Semi-Monthly Salary of $1500 and SP 99 CONTBASE of $1500; Short Term Disability Status ending on 12/5/2012 with Job Modifications requiring the employee to work 20 hours per week. Effective 12/6/2012, the employee will be on LTD-Working Disability Status through 1/23/2013 and continuing to work 20 hours per week.

11/25-12/9/2012 Pay period – 10 days; 80 hours – 28 hours (4 hours for 7 days) of STD Benefits at 60%. The employee is not supplementing with leave to 100%. 10 days the employee worked 4 hours per day for a total of 40 hours.

1. Calculate the amount of STD Benefits Due:
    a. $1500 divided by 80 available work hours in the period = $18.75 pay period hourly rate
    b. $18.75 multiplied by 28 hours = $525
    c. 60% of $525 = $315
    d. On screen HUC01, key a transaction for SP 61 in the amount of $315.
2. Calculate the amount of Regular Pay Due:
    a. $1500 divided by 80 available work hours in the period = $18.75 pay period hourly rate
    b. $18.75 multiplied by 40 hours worked = $750
    c. On screen HUA03, key a transaction in the amount of $750.00 to process the Regular Pay Due.
3. The employee is going to an LTD Working Status on 12/6/2012 which is not the first working day of the month. The employee was on Short Term Disability Status on 12/3/2012 (the first working day of the month), so the Employer will pay the Retirement for the month of December. VRS Plan Retirement Deductions will correctly calculate on the SP 99 CONTBASE amount regardless of what is paid. UNUM will begin reporting the employee's retirement contributions, including the member portion effective with the month of January (12/25/2012 – 1/9/2013 pay period.)
4. The agency should report the hours worked to UNUM during the period of LTD-Working status. UNUM will pay the employee directly for any LTD benefits due for the period 12/6/2012 – 12/9/2012.

12/10-24/2012 Pay Period – 11 days; 88 hours – Employee worked 44 hours that pay period.

1. Calculate the amount of Regular Pay Due:
    a. $1500 divided by 88 available work hours in the period = $17.04 pay period hourly rate
    b. $17.04 multiplied by 44 hours worked = $749.76
    c. On screen HUA03, key a transaction in the amount of $749.76 to process the Regular Pay Due.
2. The employee is going to an LTD Working Status on 12/6/2012 which is not the first working day of the month. The employee was on Short Term Disability Status on 12/3/2012, so the Employer will pay the Retirement for the month of December. VRS Plan Retirement Deductions will correctly calculate on the SP 99 CONTBASE amount regardless of what is paid. UNUM will start reporting the employee's retirement contributions, including the member portion effective with the month of January (12/25/2012 – 1/9/2013 pay period.)
3. The agency should report the hours worked to UNUM during the period of LTD-Working status. UNUM will pay the employee directly for any LTD benefits due for the period 12/10-24/2012.

12/25/2012-1/9/2013 Pay Period – 11 days; 88 hours – Employee worked a total of 32 hours (8 days at 4 hours each) and should receive 12 hours of pay for the holidays (3 holidays at 4 hours each) a total of 44 hours

1. Calculate the amount of Regular Pay Due:
    a. $1500 divided by 88 available work hours in the period = $17.04 pay period hourly rate
    b. $17.04 multiplied by 44 hours worked = $749.76
    c. On screen HUA03, key a transaction in the amount of $749.76 to process the Regular Pay Due.
2. On screen HMCU1, change the Retirement Plan Code to "LT". UNUM will cover the employee's retirement contributions for the month of January. When the employee is no longer LTD-W and once the first pay period of the month in which the employee is on active working status includes the first working day of that month, change their Retirement Plan Code back to normal.

Example AB2 – Employee goes on LTD-Working Status on or before the First Working Day of the Month

An employee with Semi-Monthly Salary of $1500 and SP 99 CONTBASE of $1500 has been receiving Short Term Disability benefits with Job Modifications of 20 hours per week which end on 12/2/2012. Effective 12/3/2012, the employee will continue working 20 hours per week and will be on LTD-Working Disability Status through 1/23/2013.

11/25-12/9/2012 Pay period – 10 days; 80 hours – 20 hours of VSDP at 60% (5 days and 4 hours each day). The employee is not supplementing with leave to 100%. 10 days the employee worked 4 hours per day for a total of 40 hours.

1. Calculate the amount of STD Benefits Due:
    a. $1500 divided by 80 available work hours in the period = $18.75 pay period hourly rate
    b. $18.75 per hour multiplied by 20 hours = $375
    c. 60% of $375 = $225
    d. On screen HUC01, key a transaction for SP 61 in the amount of $225.
2. Calculate the amount of Regular Pay Due:
    a. $1500 divided by 80 available work hours in the period = $18.75 pay period hourly rate
    b. $18.75 multiplied by 40 hours worked = $750.00
    c. On screen HUA03, key a transaction in the amount of $750.00 to process the Regular Pay Due.
3. The employee went on LTD Working Status on 12/3/2012 which is first working day of the month. UNUM will report the Retirement for the month of December.   On screen HMCU1, change the Retirement Plan Code to "LT"; **No Retirement Contributions are due from the employee or the employer for the month of December.**
4. The agency should report the hours worked to UNUM during the period of LTD-Working status. UNUM will pay the employee directly for any LTD benefits due for the period 12/6/2012 – 12/9/2012.
5. When the employee is no longer LTD-W and once the first pay period of the month in which the employee is on active working status includes the first working day of that month, change their Retirement Plan Code back to normal.