Department of Accounts
Payroll Bulletin

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Prior Service Credit for VSDP Work-Related Short-Term Disability

Prior Service Purchase

State employees who go on work-related short-term disability under the Virginia Sickness and Disability Program (VSDP) will not be able to pay the 5 percent member contribution through payroll deduction or accrue service credit if they are receiving only a workers' compensation benefit. However, effective July 1, 2011, they can purchase this period as prior service credit. The cost rate for Plan 1 and Plan 2 employees is 5 percent of compensation or average final compensation, depending on the payment method they choose. Employees may apply to VRS for this service upon returning to work. The 5 percent rate will remain in effect regardless of when they apply.

60-Day Election Period for ORP Eligible Employees

Retirement Coding for HMCU1

Employees who are eligible to participate in an Optional Retirement Program have 60 days to make an election. During this period group insurance and retiree credit should be calculated. A valid retirement code must be entered on HMCU1 in order to accommodate proper reporting to VRS. "LT" is not considered a valid retirement code *for reporting purposes*. Do not enter "LT" and then activate the group insurance and retiree credit deductions (102, 120, 105, and 115). Enter a valid retirement plan (e.g., VN or TA) and then deactivate all VRS-related deductions except those for group insurance and retiree credit on H0ZDC. (A system enhancement is forthcoming that will provide an automated means to deactivate these deductions.) Once the employee has made their decision, return to HMCU1 and enter the appropriate retirement code to update and activate the appropriate retirement deductions.

Social Security Number Protection Act and IRS Payment Agreements

How to Stay in Compliance
The Social Security Number Protection Act of 2010 prohibits the display of the Social Security account number, or a derivation of such number, on any check issued by a Federal, State, or local agency. This includes garnishment checks created under a payment agreement between an employee and the Internal Revenue Service.

DOA has received a report from at least one agency indicating a problem with an employee receiving credit by the IRS for such remittances due to the absence of the SSN with the remittance. Include identifying information on the check (e.g. employee name, agreement or case number) to ensure compliance with the law and IRS and include the repayment agreement voucher containing the SSN when remitting the payment to the IRS.

Manual Paysets – Cautionary Tips

Careful Review
Generally, when entering a value into an amount field the operator keys the amount starting in the far-most left position and after entering the value clears the remainder of the field using the 'END' or 'EOF' button. This action causes the amount to be correctly positioned to the right once 'ENTER' is pressed. However, if the 'END' or 'EOF' button is not used to clear the field, then the amount entered becomes a value in the millions. The number of occurrences of this type of error has increased recently.

Carefully review your data entry when entering batches. In particular, with manual paysets and deduction overrides, ensure the batch balances and perhaps have a second party review the data entry.

Never Remove Using BFM
Once a manual payset (including deduction and tax refunds) is processed, the employee masterfile has been updated. This is true even if no payrun (edit or pay) has been requested for that employee's frequency. You can see the effects of this update on the Report 1006, Change Listing. Therefore, it is imperative that those transaction lines generated by a manual payset NEVER be removed using HSBFM.

If a manual payset needs to be backed out, enter another manual payset identical to the first with the exception of the Adjustment Indicator (AI). Enter the opposite values in the AI field as originally entered. If a 'P' was used, enter an 'M'. If a "+' was used, enter a '-'. This will systematically reverse the effect of the original manual payset.