

Department of Accounts

Payroll Bulletin

Calendar Year 2011

December 21, 2010

Volume 2011-02

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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 Cathy McGill at (804) 371-7800 or Email at cathy.mcgill@doa.virginia.gov

State Payroll Operations

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Buyback changes effective January 1, 2011

Background

Purchase of prior service provisions for VRS Plan 2 employees were among the plan design changes passed by the General Assembly during the 2010 session. The legislation directed that the cost to Plan 2 (codes BN, BJ, BL, BS) employees purchasing certain types of prior service be at an approximate normal cost rate as a percentage of their compensation or average final compensation if they purchase service within one year of becoming eligible. There are no changes for Plan 1 employees (codes BV, B1, B3, B4). More information on the subject can be found under Publications (Employer Update) on the VRS website at www.varetire.org.

Effective Jan 1, 2011, Plan 2 Buyback will be calculated as follows:

- Three year eligibility to purchase refunded VRS service and no-cost military leave at the same rate as Plan 1 (currently 5%).
- There will be three 'normal cost' rates for other types of prior service. The rates used for such purchase will depend on the retirement group in which the employee is enrolled.
 - 9.4% for regular state employees (BN)
 - 27.1 % for Judicial (BJ)
 - 14.5 % for SPORS/VALORS (BL and BS).

Purchases made after the eligibility period are not eligible for payroll deduction.

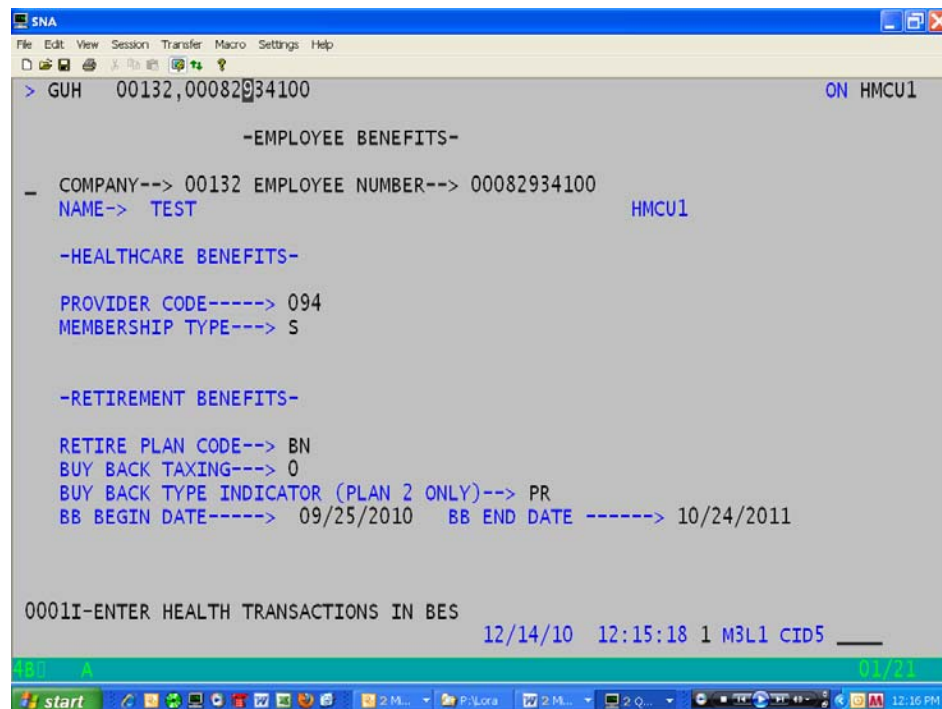
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Buyback changes effective January 1, 2011, *continued*

HMCU1 changes

To accommodate these changes, the following modifications were made to the HMCU1 screen effective January 1.

1. Added a two-position "Buy Back Type Indicator" for Plan 2 values only. Valid values are PR (purchase refund) and NC (normal cost). CIPPS will only allow this field to be populated with one of these values and only for employees who have a Plan 2 Buyback code.
2. Added two optional date fields to automatically populate H0ZDC "Deduction Begin" and "Deduction End" dates for deduction 17 or 43. These are Buyback Begin Date and Buyback End Date. The day of the Buyback Begin Date must be 25 or 1, and the day of the Buyback End Date must be 24, 28, 29, 30 or 31. For employees paid semimonthly use a begin day of 25 and end day of 24. For monthly employees use a begin day of 1 and the last day of the month, as appropriate, for the end date.



The screenshot shows a terminal window titled 'SNA' with a menu bar (File, Edit, View, Session, Transfer, Macro, Settings, Help) and a toolbar. The main display area shows the following text:

```
> GUH 00132,00082934100 ON HMCU1  
  
-EMPLOYEE BENEFITS-  
- COMPANY--> 00132 EMPLOYEE NUMBER--> 00082934100  
  NAME-> TEST HMCU1  
  
-HEALTHCARE BENEFITS-  
  PROVIDER CODE-----> 094  
  MEMBERSHIP TYPE----> S  
  
-RETIREMENT BENEFITS-  
  RETIRE PLAN CODE--> BN  
  BUY BACK TAXING---> 0  
  BUY BACK TYPE INDICATOR (PLAN 2 ONLY)--> PR  
  BB BEGIN DATE-----> 09/25/2010  BB END DATE -----> 10/24/2011  
  
0001I-ENTER HEALTH TRANSACTIONS IN BES  
12/14/10 12:15:18 1 M3L1 CID5
```

At the bottom of the terminal window, there is a green status bar with 'AB: A' on the left and '01/21' on the right. Below the terminal window is a Windows taskbar showing the 'start' button, several open application windows, and the system tray with the date and time '12:16 PM'.

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Buyback changes effective January 1, 2011, *continued*

Buyback Reports

You should review all of the VRS reports each month as outlined in CAPP Topic 50410.

- U046, COMPANY SUMMARY OF RETIREMENT DEDUCTION ERRORS. If a Buyback code is found on HMCU1 but no Buyback deduction amount exists for the payroll, then an error message stating “EMPLOYEE HAS BUYBACK RETIREMENT CODE WITH NO BUYBACK DEDUCTION” will appear. The employee record must be reviewed and if the Buyback End Date has passed change the retirement code to the appropriate non-buyback value.
 - DOA is working on creating a new report that will list employees with Buyback deductions having Deduction End Dates that will be expiring within a month. After Buybacks reach their End Date, you should update HMCU1 with the appropriate non-buyback retirement code. This will also deactivate the Buyback deduction (17 or 43) by changing the deduction frequency to 00 on H0ZDC.
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Reduction in Miscellaneous Fields in CIPPS

Extraneous fields removed from H0BUO Duplicate fields that are housed in both PMIS and CIPPS and for which there is no identified payroll purpose will be eliminated from the H0BUO screen effective December 27, 2010. A listing of these fields is provided below.

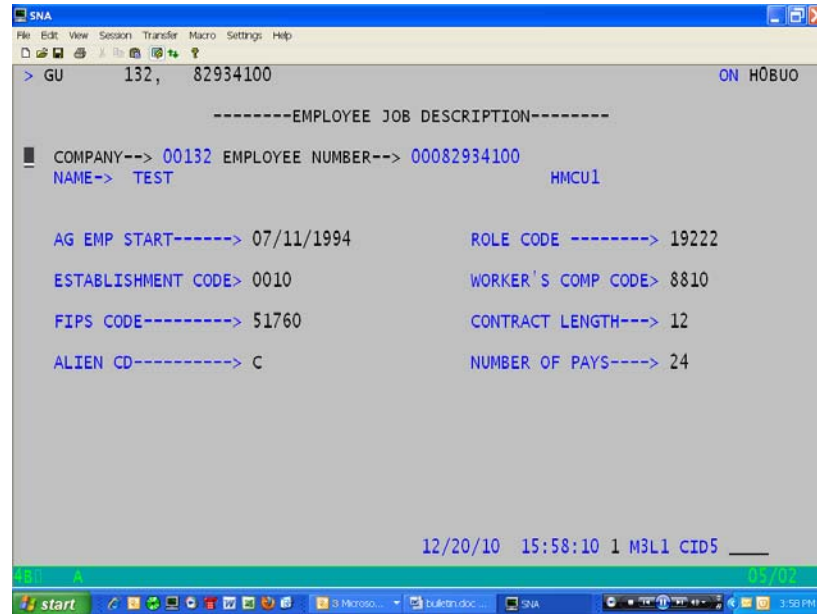
CAPP Topics will be revised to remove any references to these fields.

▪ Trainee Status	▪ HCE Code
▪ Job Description	▪ State App Sal
▪ FLSA Code	▪ Fed App Sal
▪ Effective Work Year	▪ Non App Sal
▪ Work Year Hours	▪ Per Act
▪ Race	▪ Enc
▪ Employment Type	▪ Handicap Code

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Reduction in Miscellaneous Fields in CIPPS, *continued*

New H0BUO screen



Eliminated fields removed from the CIPPS/PMIS Interface

Some of these fields were previously a part of the daily PMIS to CIPPS update process. The following fields have been removed from the update:

- Handicap Code
- Personnel Act Code
- Race
- VSDP Participant Indicator

The online crosswalk of the PMIS to CIPPS Automated Update Process will be revised to reflect these changes in the near future. The crosswalk is available on our website at:

<http://www.doa.virginia.gov/Payroll/Forms/PMISCIPPSInterfaceXWalk.xls>

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Reduction in Miscellaneous Fields in CIPPS, *continued*

Eliminated fields will be cleared from the Employee Masterfile

Some of these fields are found in FINDS as part of the Employee Masterfile. While we are not removing the field names from the FINDS screens at this point, the data in these fields will ultimately be cleared out.

The fields affected are identified below:

- Other Status Indicator “Z” – FLSA Indicator
- EEO Race Code “X”

If you have any questions please contact Shannon Gulasky at (804) 225-3065 or by email at shannon.gulasky@doa.virginia.gov.

Eliminated fields will be cleared from the ECE File

The Expanded Current Earnings File (ECE) Layout will not change. However, the data for the fields that have been eliminated from the H0BUO screen will ultimately be cleared. The fields will remain a part of the file layout as you currently receive it, but the actual data will be empty for the eliminated fields.

If you have any questions please contact Shannon Gulasky at (804) 225-3065 or by email at shannon.gulasky@doa.virginia.gov.

Eliminated fields will be cleared from various Reports

Some of these fields were previously included on various reports generated in CIPPS or in PAT (Payroll Auditing Tool). The reports and applicable fields that will be removed are listed below:

- **PAT Employee Information Report:** removed “RACE” and inserted “SALARY RATE” in its place.
 - **Report U030 CIPPS Worker’s Compensation Information:** removed “Job Description” field
 - **Report U077 PMIS/CIPPS DATA DISCREPANCIES:** removed “Personnel Act Code”, “Race”, “VSDP Participant Indicator” and “Handicap Code”.
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Employee OASDI Rate Change for 2011

System Modification

The CIPPS software vendor is working on a solution for the changes provided in IRS Notice 1036 (<http://www.irs.gov/pub/irs-pdf/n1036.pdf>) released 12/17/2010. It may not be available in time for the first payroll calculation in January, 2011; however, it will be available by the IRS required deadline of January 31, 2011. DOA will apprise you of additional information as it becomes available.
