VSDP
Example E
Option 1

Employee will go on LTD status mid pay-period during the **first** pay period of the month, Semi-Monthly Salary is $1500; 10 day pay period: 5 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).

Cred Comp - $1500 reported by TPA

   a. $1500 divided by 10 working days in pay period = $150 per day
      5 days multiplied by $150 per day = $750
      750 multiplied by 60% = $450
   b. Use Special Pay 061 (VSDP BEN) to pay the employee $450 on HUC01.

VSDP SP 061
$450

2. The employee is considered to be on the VSDP TPA's payroll during the **entire** month of transition from STD to LTD and will be credited for the full month of creditable compensation and service credit by VRS **but no contributions are owed by the employee or employer**.

   c. Change the Retirement Code on HMCU1 to "LT" to turn off Retirement (012 or 127, 116, 117), Retiree Credit (105, 115), Group Life (102, 120) and LTD (106, 136, 104, 144) deductions on H0ZDC.
   d. Overrides are necessary on all of these deductions if you do not change the Retirement Code on HMCU1 to "LT.

3. This item will show on Report 869.