Retro Adjustment Example P

PRIOR PERIOD
Cred Comp $1500

```
Calc Ret  SP 081
$750

VSDP  SP 061
$750
```

CURRENT PERIOD
Cred Comp $1500

```
VSDP
SP 061
$1500
```

Semi-Monthly Salary is $1500; Prior Pay Period of 10 Days: Waiting for VSDP approval, no leave balances to cover absence, no payment to employee and no deductions for Retirement, Retiree Credit or Buyback were processed. Current Pay Period: 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 =
   b. Use Special Pay 061 (VSDP BEN) on HUC01 or HUE01 (indicators **must** be Tax "5", Check "0" and Deductions "0").
   c. Enter the Pay Period that the adjustment is for in "Date From" and "Date To". There should be a separate transaction for each pay period when multiple periods are involved. Each period will be treated as a separate payment even when check indicator of 0 is used.
   d. Enter the dollar amount of the adjustment in the "Rate/Amount" field.

2. Compute the remaining amount of Creditable Compensation for the prior pay period.

   a. $1500 semi-monthly salary minus $750 VSDP benefits = $750.
   b. Use Special Pay 081 (CALC RET) on **HUE01** (**cannot use HUC01**).
   c. You must use indicators Tax "5", Check "0" and Deductions "0".
   d. Enter the Pay Period that the adjustment is for in "Date From" and "Date To". **THESE DATES MUST MATCH THE "FROM" AND "TO" DATES USED IN STEP 1.**
   e. Enter the dollar amount of the adjustment ($750) in the "Rate/Amount" field.

3. Determine if deduction overrides are needed. Because the transactions for the prior pay period are identified by the "From" and "To" dates, the transaction in Step 1 will be treated as a separate payment and every deduction on H0ZDC will be taken from that payment. Group Insurance (102, 120) and LTD (104, 106, 136, 144) deductions were taken in the prior period so overrides should be entered on HUD01 to ensure that payment is made only for the current pay period. The remaining non-retirement deductions should be analyzed to determine if additional overrides are necessary to ensure proper payment.

4. Compute the amount of VSDP due for the current pay period.

   a. Key $1500 to Special Pay 061 (VSDP BEN) on HUC01 ("special as regular" so that deduction overrides will process)
   b. Do not key any "From" and "To" Dates for the current pay period amounts.

5. This item will not appear on Report 869.