
Department of Accounts
Payroll Bulletin

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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

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Health Care Incentives to be Paid through CIPPS

Special Pay 033 Established

The Office of Health Benefits of DHRM will post a list of employees who received Health Care incentives during the month in agency HuRMan FTP folders by the 4th day of each month. The reports found in these folders through March, 2012 should be processed as directed in Payroll Bulletin 2011-21 and 2011-22 using Special Pay 049, NC AWDS.

However, any *cash incentive* items (i.e., Weight Watchers reimbursements, COVA Care incentives) listed on reports posted **April 4, 2012 or later** should be processed using Special Pay 033, HLTINCTV. This special pay has been established to both remit the reimbursement/incentive payment to the employee and withhold the appropriate taxes. Please note that the *non-cash incentive* items (i.e., COVA Connect incentives) listed will continue to be processed as non-cash awards, using Special Pay 049, NC AWDS, as they are in the form of gift cards or prizes.

Expenditure Refund

Each month DHRM will process an IAT voucher that will reimburse the agency for the full amount of the cash incentive items plus the associated FICA expense and the FICA expense resulting from the non-cash incentives. The expenditure refunds will be processed using the default programmatic coding provided to DOA by each agency each year. The object code used for the cash incentive expenditures will be 1131, Bonus and Incentives. Object code 1112, Federal Old-Age Insurance for Salaried State Employees, will be used for the FICA amounts.

Keep in mind that Special Pay 033 will automatically charge to object code 1131 but will use the OR1 coding from the employee’s HMBU1 record. The fiscal office will need to process an ATV to reclassify the original expenditures from the HMBU1 coding for each recipient to the expenditure refund coding used on the IAT.

Additional “Deactivate VRS Deductions” Retirement Codes

New Retirement Codes The retirement code of ‘LT’ was established to deactivate all VRS related deductions when an employee goes into Long Term VSDP, terminates, or leaves a covered position. However, there are times when prior period adjustments need to be performed for an employee who has been placed in LT. When these prior period adjustments are reported to VRS, the default reports the adjustment under an employer code ‘3’ – regular VRS. If the employee was previously being reported under another employer code, such as a ‘2’ for State Police, the reporting under the default employer code ‘3’ causes problems for VRS. To remedy this situation, three new retirement codes have been developed to deactivate all VRS deductions while maintaining the nature of the original employer code reporting.

| Deactivate Code | Corresponding Active Codes | Employer Code for VRS |
|-----------------|----------------------------|-----------------------|
| JT | J1, JN, B1, BJ | 1 |
| ST | SS, SN, B3, B2 | 2 |
| VT | LS, LN, B4, BL | 7 |
| LT | All others | 3 |

Online edits prevent the use of a deactivate code that doesn’t correspond to the previous active code. Should you receive the error message “Invalid code for Current Plan Type” you will need to remove the subcommand (“R”) and recall the screen again before entering the correct deactivate code.
