

Example V2 – ORP Plan Eligible Employee – Chooses ORP Plan during 60 Day Election Period-(Updated 10/16/2012 for VRS Policy Change)

The employee in Example V1 chooses an ORP Plan during the 12/25-1/9/2013 pay period. To collect the retro retirement payments, do the following:

1. On screen HMCU1, enter the Retirement Plan code chosen.
2. Calculate the amount of ORP Plan Retirement Deductions due since the employees start date on 12/3/2012. ORP Retirement Plan deductions (Fidelity 9 & 109, Political Appointees 11 & 111, TIAA 14 & 114) are the ONLY deductions that are calculated based on the amount of pay received in lieu of SP 99 CONTBASE. Apply the individual percentages for the appropriate deduction codes to the amount earnings due from 12/3/2012 to 12/24/2012. (NOTE: You may also use the “Current Retirement Calculations” spreadsheet found on our website at http://www.doa.virginia.gov/Payroll/Forms/Payroll_Forms_Main.cfm to determine the individual amounts due for the appropriate ORP Retirement Plan deductions.)
3. Using HUD01 override each of the appropriate ORP deduction numbers with the amounts calculated in Step 2. Use the “+” adjustment indicator on HUD01 to add this amount to the amount that will be calculated for the current period.
4. Multiply the SP 99 CONTBASE amount shown on H10AS (\$1500 in this example) by the number of pay periods that the employee missed. Group Insurance and Retiree Credit deductions are subject to the new VRS Modernization rules and must be collected in whole months. The start date of the employee is 12/3/2012 which is the first working day of the month of December. (If the start date is after the first working day of the month, Group Insurance and Retiree Credit should not be calculated until the first pay period of the next month.) In this example, the employee missed both pay periods in December. $2 \times \$1500 = \3000 . Enter this amount for SP 99 on HUE01 with a “+” in the adjustment indicator. This will override the Group Insurance and Retiree Credit Deductions due for the missed periods.
5. The Automated VRS Recon will bill the agency retroactively for all relevant deductions in the month that the election is made.