

Example V2a – ORPHE Plan Eligible Employee – Chooses ORP Plan during 60 Day Election Period-(Updated 3/12/2014 for VRS Procedural Change)

The employee in Example V1a chooses an ORP Plan during the 2/25-3/9/2014 pay period. To collect the retro retirement payments, do the following:

1. Fax the VRS-65 Form to VRS immediately. Once VRS receives the form, they will establish the employee record in VNAV.
2. Employers should review the record established in VNAV to determine if the employee is eligible for Plan 1 or Plan 2. ORP Plan selections **will not** come through on the VNAV to CIPPS Interface. On screen HMCU1, enter the ORP Retirement Plan code.
3. Calculate the amount of ORP Plan retirement deductions due since the employee's start date on 2/3/2014. ORP Retirement Plan deductions (Fidelity 009 & 109; and TIAA 014 & 114) are calculated based on the amount of pay received in lieu of SP 099 CONTBASE. Apply the individual percentages for the appropriate deduction codes to the amount of earnings due from 2/3/2014 to 2/24/2014. (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.)
4. Override each of the appropriate ORP deduction numbers using HUD01 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.
5. Multiply the SP 099 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 2/3/2014 which is the first working day of the month of February. (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 February. $2 \times \$1500 = \3000 . Enter this amount for SP 099 on HUE01 with a "+" in the adjustment indicator. This will override the Group Insurance and Retiree Credit deductions due for the missed periods.
6. The Automated VRS Recon will bill the agency retroactively for all relevant deductions in the month that the election is made.