

DAS OSPS PERS Retro Adjustment Guide

Purpose: to provide guidance for making corrections to PERS contributions in OSPA for both current and prior tax years, and both member paid & employer paid contributions.

Relevant Timeframes:

- On or before 10/31/2016– All PERS contributions were employer paid (EPPT), except Agency 62800
- 11/01/2016 – SEIU represented employees changed to employee paid contributions (MPPT)
- 02/01/2019 – All other employees except AEE and AFSCME Parole & Probation changed to employee paid contributions (MPPT)
- 06/01/2019 – AEE and AFSCME Parole & Probation changed to employee paid (MPPT)
- Current – Agencies 19700, 97400, 97800 and elected officials remain as employer paid contributions (EPPT)

Helpful Links:

- P010 screen guide: <https://www.oregon.gov/das/Financial/Payroll/Documents/P010.pdf>
- P060 screen guide: <https://www.oregon.gov/das/Financial/Payroll/Documents/P060.pdf>
- PERS Employer rates for OSPA and PERS calculation worksheet:
<https://www.oregon.gov/das/Financial/Payroll/Pages/processingtools.aspx>
- CPERS YTD correction form:
<https://www.oregon.gov/das/Financial/Payroll/Pages/cpers.aspx>
- OSPS Pay & Leave codes (see “Z” codes for retro adjustments)
<https://www.oregon.gov/das/Financial/Payroll/Documents/PayLeaveCodes-alpha.pdf>
- When, How and Why to Notify CPERS of Payroll Adjustments:
https://www.oregon.gov/das/Financial/Payroll/Documents/Notifying_CPERS_Payroll_Adj_2017.pdf
- PERS Payment Categories: <https://www.oregon.gov/pers/EMP/Documents/Misc-Documents/Payment-Categories.pdf>
- CPERS IAP Voluntary Contribution Process:  <https://www.oregon.gov/das/Financial/Payroll/Documents/Voluntary%20Contributions%20Guide.pdf> Please remember to consider IAP Voluntary Contributions when making any retroactive adjustments to an employees pay.

Scenarios Covered by this document

1. **Scenario 1:** Current Tax Year, Change in Contribution Start Date (CSD)
2. **Scenario 2:** Current Tax Year, Early or Late Start
3. **Scenario 3:** Current Tax Year, Correcting PERS Plan
4. **Scenario 4:** Current Tax Year, Change MPPT to EPPT or vice versa
5. **Scenario 5:** Current Tax Year Change, Change from General Service to Police & Fire or vice versa
6. **Scenario 6:** Prior Tax Years, No Additional Wages owed
7. **Scenario 7:** Prior Tax Years, Wages Owed, Employer Paid Contributions (EPPT)
8. **Scenario 8:** Prior Tax Years, Wages Owed, Member Paid Contributions (MPPT)
9. **Scenario 9:** Prior Tax Years, Employee Owes Money Back, (EPPT and MPPT)
10. **Scenario 10:** CBA adopted after tax year closes, changes wages in a prior tax year
11. **Scenario 11:** Current year pay adjustments with voluntary contribution deduction
12. **Scenario 12:** Prior year pay adjustments with voluntary contribution deduction- using non-PERS subject pay codes
13. **Scenario 13:** Adjustments to voluntary contributions for terminated employees.



Important Information:

- Review P060 entry calculations: This step is indicated in the scenarios below and refers to the recommended practice of double checking P060 calculations by using the “CALC YTD” option on P370 and verifying totals on P090. If you need assistance with this, please contact the OSPS Help Desk.
- P060 entries should always be made prior to close of run 1. It is not recommended to do P060 entries between run 1 and run 2 because the system will not recalculate what is paid on run 1, it will only calculate contributions on additional wages being paid on run 2.
- Not all payments are considered PERS subject wages and there are differences between the plans. For example, Tier 1 & 2 employees are eligible for contributions on comp time and vacation payoff's, and OPSRP employees are not. Please do your due diligence when calculating PERS subject salary and ensure you are using the appropriate P050 codes.

Current Tax Year Scenarios

Scenario 1: Current Tax Year, Change in CSD

Typical example: New employment history is found that changes the CSD for an employee.

1. Determine if the contributions are a late start or an early start and follow the instruction listed below in Scenario #2 based on whether the event impacts the current tax year or a previous tax year. If the CSD change is for prior tax years, see Scenarios 7 - 10.
2. If the employee has a Voluntary Contribution election (PSNN deduction) please refer to the applicable voluntary contribution scenario for additional steps.

Scenario 2: Current Tax Year, Early or Late Start (MPPT & EPPT)

Late Start: Typical example of a late start (contributions did not start on time):

P010 'Retirement Start Date' is not entered and contributions are not sent to PERS when the employee becomes a PERS participating member. Agency receives notification that contributions are due.

Early Start: Typical example of an early start (contributions started too early):

P010 'Retirement Start Date' is entered as the month of hire and contributions begin being withheld upon hire. The agency receives clarification that the employee was still in wait time and not yet eligible for contributions. The correct start date is (example: March 2019). Agency is notified at a later date (example: April 2019).

Contributions are Employee Paid (MPPT)

1. Contact HR to have the range option code corrected.
2. Contact OSPS helpdesk to have the P010 corrected, be sure to include Employee's Name, OR Number, Agency Number, Pay Period to start PERS, RTMT SYST and the RTMT STAT.
3. Set corrective for all impacted months on the P190.
4. Using the PERS P060 Calc worksheet create your P060 entry (see #5 below). To find the PERS subject wages, print the registers for each period to be adjusted, add them together and make one P060 entry for what originally ran with payroll. Recommended practice is to keep all back up documentation for the entry
5. Make P060 entries for PERS subject wages (either positive or negative).
 - A. Late start (positive entries) – Employee will owe money to agency
 - B. Early Start (negative entries) – Employee will receive a refund from agency

6. Print the P060 (once payroll posts this entry will disappear).
7. Review P060 entry calculations.
8. Notify CPERS of Payroll Adjustments.
9. If the employee has a Voluntary Contribution election (PSNN deduction) please refer to the applicable voluntary contribution scenario for additional steps.

Contributions are Employer Paid (EPPT) (only applies to agencies 19700, 97400, 97800 and elected officials)

1. Contact OSPS helpdesk to have the P010 corrected, be sure to include Employee's Name, OR Number, Agency Number, Pay Period to start PERS, RTMT SYST and the RTMT STAT.
 - A. Late Start – Start contributions
 - B. Early Start – Stop contributions
2. Set corrective for all impacted months on the P190.
3. Using the PERS P060 Calc worksheet create your P060 entry. To find the PERS subject wages print the registers for each period to be adjusted, add them together and make one P060 entry for what originally ran with payroll. Enter this amount in the worksheet. Recommended practice is to keep all back up for entry.
4. Make P060 entries for PERS subject wages (either positive or negative).
 - A. Late Start – (positive entries for employer paid (RSP) to add the PERS subject wages paid on the original payroll run(s) – No effect on employee net pay
 - B. Early Start (negative entries for employer paid (RSP) to reverse the PERS subject wages paid on the original payroll run(s) – No effect on employee net pay
5. Print the P060 (once payroll posts this entry will disappear).
6. Review P060 entry calculations.
7. Notify CPERS of Payroll Adjustments.
8. If the employee has a Voluntary Contribution election (PSNN deduction) please refer to the applicable voluntary contribution scenario for additional steps.

Scenario #3: Current Tax Year, Correcting PERS Plan

Typical example: A newly hired employee is set up as OPSRP when they are actually Tier 2. This can occur if a status check is not completed. Subsequently, the agency receives notification from DAS CPERS that the employee has PERS history and is a Tier 2 employee. This guidance applies to MPPT and EPPT.

1. Contact HR to have the PERS Class Plan code corrected in Workday.
2. Contact OSPS helpdesk to have the tier changed on P010. Be sure to include Employee's Name, OR Number, Agency Number, and Pay Period to start PERS, RTMT SYST and the RTMT STAT.
3. Recalculate PERS Subject Salary. To find the PERS subject wages print the registers for each period to be adjusted, add them together and make one P060 entry for what originally ran with payroll. Enter this amount in the worksheet. Recommended practice is to keep all back up for entry.
4. Use the PERS Calc Worksheet to calculate P060 entries.
5. Make P060 entries. All original entries must be reversed and re-entered.
6. Review P060 entry calculations.
7. Notify CPERS of Payroll Adjustments.
8. If the employee has a Voluntary Contribution election (PSNN deduction) please refer to the applicable voluntary contribution scenario for additional steps.

Scenario #4: Current Tax Year Change from MPPT to EPPT or vice versa

Typical example: You are notified that an employee needs to be changed from MPPT to EPPT or vice

versa.

1. Follow the steps in Scenario #3 above and select the applicable codes in the P060 Calc worksheet. If the changing MPPT to EPPT, the employee will receive a refund from the agency. If changing EPPT to MPPT, the employee will owe money to the agency.
2. If the employee has a Voluntary Contribution election (PSNN deduction) please refer to the applicable voluntary contribution scenario for additional steps.

Scenario #5: Current Tax Year Change, Change from General Service to Police & Fire or vice versa

Typical example: You are notified that an employee was set up as general service but should have been set up as police and fire or vice versa.

1. Follow steps in Scenario #3 and select applicable codes in the P060 Cal worksheet. There should be no impact to employee net pay; however the agency employer PERS rate will either increase or decrease.
2. Make P060 entries. All original entries must be reversed and re-entered.
3. If the employee has a Voluntary Contribution election (PSNN deduction) please refer to the applicable voluntary contribution scenario for additional steps.

Prior Tax Year Scenarios

Scenario #6: Prior Tax Years, Early or Late Start (EPPT or MPPT)

Typical example: Same as Scenario #2, only prior tax years are involved.

1. If the contributions are MPPT contact HR to have the range option code corrected.
2. If current tax year is impacted, contact OSPS helpdesk to have the P010 corrected for the current tax year, be sure to include Employee's Name, OR Number, Agency Number, Pay Period to start PERS, RTMT SYST and the RTMT STAT.
3. If current tax year is impacted, process the current tax year portion of the adjustment consistent with current tax year scenarios noted above.
4. For prior tax year portion, see P050 instructions below in scenarios #7 & #8 depending if the employee is owed wages as EPPT or MPPT.
5. Do not make P060 entries for prior year corrections in OSPA. The agency will be invoiced for the contributions through the annual invoicing process at calendar year end.
6. Notify CPERS of Payroll Adjustments.
7. If the employee has a Voluntary Contribution election (PSNN deduction) please refer to the applicable voluntary contribution scenario for additional steps.

Scenario #7: Prior Tax Years, Wages Owed, Employer Paid Contributions (EPPT)

Typical example: Timesheet correction, Re-employments, Settlement, Re-Class, etc. for a timeframe when contributions were EPPT.

If an employee is **owed additional wages** for a prior tax year and PERS contributions are due as EPPT:

1. Make P050 entries using non-subject pay codes so that the employee does not pay the contributions in current pay period.
2. Do not make P060 entries. The agency will be invoiced for all contributions through the annual invoicing process at calendar year end.
3. Notify CPERS of Payroll Adjustments.
4. If the employee has a Voluntary Contribution election (PSNN deduction) please refer to the applicable voluntary contribution scenario for additional steps.

Scenario #8: Prior Tax Years, Wages Owed to Employee, Member Paid Contributions (MPPT)

Typical example: Timesheet correction, Re-employments, retro salary change, settlement, re-class, etc.

If an employee is owed additional wages for a prior tax year and PERS contributions are due as employee paid:

1. Make P050 entries using subject pay codes so that the employee is charged for the 6% contributions
 - a. Please verify that using subject pay codes for this payment will not cause the employee to go over the annual contribution limit. If it would cause the limit to be exceeded, use non-subject pay codes and collect the MPPT contributions outside the payroll system by using the PANN/accounting process.
2. Notify CPERS of Payroll Adjustments.
3. If the employee has a Voluntary Contribution election (PSNN deduction) please refer to the applicable voluntary contribution scenario for additional steps.

Scenario #9 Prior Tax Years, Employee Owes money back to Agency (MPPT or EPPT)

Typical example: Timesheet correction or salary overpayment for a prior year.

1. These should be collected outside the payroll system using an A/R account through Accounting.
2. Employee would need a corrected W2 once overpayment is repaid in full for the prior tax years.
3. Notify CPERS of Payroll Adjustments (no need to wait for the employee to payback).
4. If the overpayment included member paid contributions, the overpayment needs to be reduced by this amount. When CPERS receives the Payroll YTD form, the employee's PERS account will be corrected. This correction will create a credit back to the agency. Since the contributions will be credited back to the agency, not the employee, the agency needs to reduce the overpayment by this amount. If the overpayment included employer paid contributions, there is no impact to the employee and no additional calculation is needed.
5. If the employee has a Voluntary Contribution election (PSNN deduction) please refer to the applicable voluntary contribution scenario for additional steps.

Scenario #10: Collective Bargaining Agreement adopted after tax year closes, changes wages in a prior tax year

Typical example: You are notified that a CBA has settled after the tax year that wage changes apply to.

1. If current tax year is impacted, process the current tax year portion of the adjustment consistent with current

tax year scenarios noted above.

2. Process prior tax year pay in current tax year on the P050 using subject pay codes unless the timeframe spans both EPPT and MPPT (this would be unusual).
3. Provide CPERS analyst spreadsheet of prior tax year wages for documentation purposes only. PERS does not require these prior wages to be applied to the prior tax year.
4. If the employee has a Voluntary Contribution election (PSNN deduction) please refer to the applicable voluntary contribution scenario for additional steps.

Voluntary Contributions:

Scenario #11: Current year pay adjustments with voluntary contribution deduction

Typical Example: You receive a timesheet correction where overtime is owed for a prior month. The employee was enrolled in VC during the month being corrected.

1. Enter the pay adjustment in relevant pay period using your normal pay adjustment process.
2. Set a corrective. The system will calculate the positive/negative amounts and report to PERS through the normal payroll process.
3. Notify CPERS analyst, via email, that adjustments to employees PSNN are coming through in the next payroll run.

Scenario #12: Prior year pay adjustments with voluntary contribution deduction- using PERS subject pay codes & voluntary contributions should not be deducted:

Typical Example: You receive a settlement for 2019 wages. The employee is now enrolled in VC but the deduction did not exist in 2019. You are processing the payment in the current month using a P050 entry and do not want VC deducted from the settlement payment.

1. Calculate the payment using normal methods.
2. Make P050 entry for the payment using PERS subject pay codes.
3. The system will automatically calculate and charge the VC deduction on all PERS subject pay codes. If the payment should not have VC withheld, make a negative fixed PSNN entry on the P070 to return the payment portion of the VC contribution to the employee. If the VC should be charged on a portion of the payment, but not all then calculate which portion of the deduction is owed back to the employee, and make a negative fixed PSNN deduction to return that portion to the employee.
4. Enter on P070 as a fixed dollar amount:

A	DED	PLAN	DATE	-EMPLOYEE-	SHARE-	EMPLR	PEBB	VENDOR
D	CD	CI	BEGIN	END	PCT	PCT	FIXED	PEBB
	DESC	DESC			GRS	NET	AMOUNT	SUBSIDY
a	a	psnn	075	123119	113020		50.00-	.00
	OPE	CD	P	EMP/DEP	AD&D	POSTAX/50K	COMM	TRANS DATE
	ACH	ACCT					ACCT CD	STATUS

- a. All yellow arrows indicate required fields for the VC entry. The 4th yellow arrow indicates the plan code. The plan code for Tier 1 & 2 is "250", and the plan code for OPSRP is "075".

5. Notify CPERS analyst, via email, that adjustments to employees PSNN are coming through in the next payroll run.

Scenario 13: Adjustments to voluntary contributions for terminated employees.

1. Enter the pay adjustment in the relevant pay period using your normal pay adjustment process.
2. Set a corrective. This will result in a net pay negative.
3. Contact OSPS to see if a tax adjustment can be made to clear the negative. If this is not possible, the employee will need to send a check to OSPS before the negative can be cleared. The agency cannot pay the VC on the employee's behalf.
4. Notify CPERS analyst, via email, that adjustments to employees PSNN are coming through in the next payroll run

If your scenario is not covered by this document, please contact the OSPS Help Desk or your DAS CPERS Analyst for assistance.