

DAS PERS Retro Adjustment Guide

Purpose: to provide guidance for making corrections to PERS contributions in Workday Payroll. This document is separated by the following:

1. Active employee current tax year corrections
2. Active employee prior tax year corrections
3. Terminated/transferred out current and prior tax year corrections

Important Dates:

- 11/01/2016 – SEIU represented employees changed to employee paid contributions (MPPT). Prior to that, contributions were employer paid (EPPT), except Agency 62800.
- 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)
- 12/1/2022 (12/31/22 PPE) Workday payroll was implemented.

Scenarios Covered by this document:

- **Active Employee, Current Tax Year**
 - Scenario 1:** Current tax year retroactive adjustment to PERS contributions (positive and negative)
 - Scenario 2:** Current tax year retroactive change to the PERS plan/employer rate-no wages owed to the employee
 - Scenario 3:** Current tax year, employee exceeds PERS maximum salary limits
- **Active Employee, Prior Tax Year**
 - Scenario 4:** Prior tax year, retroactive change to the PERS plan/employer rate (no wages owed to the employee)
 - Scenario 5:** Prior tax year, retroactive change to the comp plan (non-PERS to PERS or vice versa)
 - Scenario 6:** Prior tax year wage adjustment, positive or negative, (EPPT/MPPT contributions)
 - Scenario 7:** Prior tax year, employee exceeds PERS maximum salary limits
- **Terminated or transferring employee, Current and Prior Tax Year:**
 - Scenario 8:** Terminated employee owes money back, current tax year
 - Scenario 9:** Terminated employee owes money back, prior tax year
 - Scenario 10:** Terminated employee is owed money, current tax year
 - Scenario 11:** Terminated employee is owed money, prior tax year

Information relevant to each scenario:

- PERS is a benefit. The Benefits tab will reflect the PERS enrollment once the employee is enrolled and will be visible on or after the coverage begin date.
- When making PERS corrections to an employee that has transferred to another agency, the corrections will need to be made by the agency that paid the original salary for the period being corrected.
- When HR makes corrections to the range option, the salary differences along with PERS deductions may or may not be picked up in retro. Payroll will need to verify this and make any necessary adjustments.

- In general, when making retro PERS corrections the PERS subject salary will need to be calculated and then used to calculate each applicable pay component of PERS (PERS MPPT or EPPT, PERS Pension, RHIA, RHIPA).
- Not all payments are considered PERS subject wages for all plans. For example, the HEM is not PERS subject salary, and some pay components are subject for PERS, but not OPSRP, like VAP. Please do your due diligence when calculating PERS subject salary and ensure you are using the appropriate pay components as they have been configured with these differences.
- Since PERS is a deduction, corrections need to be entered as a positive to deduct from the employee and employer, and a negative to return money to the employee and employer.
- If the retro period is closed for the month needing corrected, adjustments will need to be made in current month. Please verify that PERS calculates appropriately.
- When making PERS corrections of any kind, please leave detailed comments to assist CPERS in determining how the payments need to be applied to the employee's PERS account.
- When making PERS adjustments via pay input, please factor in the PERS (PERS MPPT or EPPT, PERS Pension, RHIA & RHIPA) if applicable. Please do not make any adjustments for the Bond debt.

Active Employee, Current Tax Year Scenarios:

Scenario 1: Current tax year retroactive adjustment to PERS contributions (positive and negative):

This scenario applies when the agency needs to either send missed contributions to PERS or take back contributions sent to PERS in error.

Common examples:

- **Late Start:** Late start means that the PERS contributions did not start on time. This could be due to the status check not being completed at time of hire, or the CSD changing due to other PERS covered employment being reported. Agencies receive notice from CPERS that PERS contributions are due and adjustments are needed.
- **Early Start:** Early start means that contributions were deducted from the employees pay and sent to PERS before the employee was PERS eligible. This could be due to the status check not being completed at the time of hire. This can also apply when an employee goes into loss of membership and contributions need to be taken back from PERS and returned to the employee and agency.

Contributions are Employee Paid (MPPT)

1. Contact HR to have the range option code corrected to either PERS eligible comp plan, or a non-PERS eligible comp plan.
2. Verify that the PERS benefit enrollment occurs if PERS eligible or unenrollment occurs if not eligible. If this process does not occur, open a help case with Workday | Central Payroll Support for assistance.
3. Verify that the PERS Class Plan code is accurate.
4. To fix the employees pay:
 - A. If the retro period is open, no further adjustments are needed. If retro is unsupported, make pay input entries for any salary adjustments to the employee (positive or negative) as follows:
 - a) Enter pay input using the current date as the start and end date.
 - b) Enter it as a one time, adjustment for regular run category.
 - c) Use the earning code associated with the pay.

5. To fix the employees PERS contributions:
 - A. Determine PERS subject salary to use for the calculation(s).
 - B. Enter additional pay input for PERS corrections and leave detailed comments. Refer to the KA for the applicable pay component(s) and calculations.
6. If the employee has a PERS IAP Voluntary Contribution election (formerly PSNN deduction) CPERS will provide further guidance for how to adjust the IAP VC.

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

1. Contact HR to have the range option code corrected to either PERS eligible comp plan, or a non-PERS eligible comp plan.
2. Create a help case with Workday | Central Payroll Support to have the PERS enrollment completed or unenrolled if not PERS eligible.
3. Verify that the PERS Class Plan code is accurate.
4. To fix the employees pay:
 - A. If the retro period is open, no further adjustments are needed. If retro is unsupported, make pay input entries for any salary adjustments to the employee (positive or negative) as follows:
 - a) Enter pay input using the current date as the start and end date.
 - b) Enter it as a one time, adjustment for regular run category.
 - c) Use the earning code associated with the pay.
5. To fix the employees PERS contributions:
 - A. Determine PERS subject salary to use for the calculation(s).
 - B. Enter additional pay input for PERS corrections and leave detailed comments. Refer to the KA for the applicable pay component(s) and calculations.
6. If the employee has a PERS IAP Voluntary Contribution election CPERS will provide further guidance for how to adjust the IAP VC.

Scenario 2: Current tax year retroactive change to the PERS plan/employer rate or PERS Job Class (GS vs. PF)-no wages owed to the employee:

This scenario can occur when a PERS status check is not completed at the time of hire, and as a result the employee is set up as OPSRP when they should be Tier 2. This guidance applies to MPPT and EPPT contributions.

1. Contact HR to have the PERS Class Plan changed if needed.
2. Determine PERS subject salary.
3. Determine the amounts that were sent under the incorrect PERS plan or Job Class.
4. Determine the amounts that need to be sent under the correct PERS plan or Job Class.
5. Enter pay input for the differences. Refer to the KA for the applicable pay component(s) and calculations.
6. If the employee has a PERS IAP Voluntary Contribution election CPERS will provide further guidance for how to adjust the IAP VC.

Scenario 3: Current tax year, employee exceeds PERS maximum salary limits:

This scenario occurs when the employee exceeds PERS maximum salary limits.

1. To refund the employees PERS contributions and PERS employer cost:
 - A. Receive notification from CPERS that includes the amount of PERS subject salary exceeded.
 - B. Enter additional pay input for PERS corrections and leave detailed comments. Refer to the KA for the applicable pay component(s) and calculations.
2. Notify CPERS when the payroll adjustments are completed.
3. If the employee has a PERS IAP Voluntary Contribution election CPERS will provide further guidance for how to adjust the IAP VC.

Active Employee, Prior Tax Year Scenarios

Scenario #4: Prior tax year, retroactive change to the PERS plan/employer rate or PERS Job Class (GS vs. PF)-no wages owed to the employee:

This scenario can occur when a PERS status check is not completed at the time of hire, and as a result the employee is set up as OPSRP P&F when they should be Tier 2 General Service and the error crossed tax years. This guidance applies to MPPT and EPPT contributions.

1. Contact HR to have the PERS Class Plan changed if needed.
2. Notify CPERS of the error. CPERS will invoice the agency for the difference in employer costs for the prior year.
3. If there is a plan change (PERS to OPSRP, etc.) CPERS will provide guidance to the agency on how to correct the PERS IAP Voluntary Contribution on the employee.

Scenario #5: Prior tax year, retroactive change to the comp plan (non-PERS to PERS or vice versa)

This scenario can occur when a PERS status check is not completed at the time of hire, and as a result the employee is set up with a waiting period, when they were PERS eligible upon hire. This can also occur when they are set up as eligible up hire and needed to serve a wait time.

Contributions are Employee Paid (MPPT)

1. Contact HR to have the range option code corrected to either PERS eligible comp plan, or a non-PERS eligible comp plan.
2. Create a help case with Workday | Central Payroll Support to have the PERS enrollment completed or unenrolled if not PERS eligible.
3. Verify that the PERS Class Plan code is accurate.
4. To fix the employees pay:
 - A. Determine any salary adjustments and enter via pay input (positive or negative).
 - B. Enter pay input using the current date as the start and end date.
 - C. Enter it as a one time, adjustment for regular run category.
 - D. Use the non PERS subject retro earning code associated with the pay type.
5. To fix the employees PERS contributions:
 - C. Determine PERS subject salary to use for the calculation(s).

- D. Enter additional pay input for PERS corrections (MPPT only) and leave detailed comments. Refer to the KA for the applicable pay component(s) and calculations.
- E. For prior year adjustments, we do not ask agencies to correct PERS employer costs. The agency will be invoiced by CPERS for the Pension, RHIA, RHIPA as part of PERS annual invoicing.
- 6. Notify CPERS that payroll adjustments are being made for a prior tax year.
- 7. If the employee has a PERS IAP Voluntary Contribution election CPERS will provide further guidance for how to adjust the IAP VC.

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

- 1. Contact HR to have the range option code corrected to either PERS eligible comp plan, or a non-PERS eligible comp plan.
- 4. Verify that the PERS benefit enrollment occurs if PERS eligible or unenrollment occurs if not eligible. If this process does not occur, open a help case with Workday | Central Payroll Support for assistance.
- 2. Verify that the PERS Class Plan code is accurate.
- 3. To fix the employees pay:
 - A. Determine any salary adjustments and enter via pay input (positive or negative).
 - B. Enter pay input using the current date as the start and end date.
 - C. Enter it as a one time, adjustment for regular run category.
 - D. Use the non PERS subject retro earning code associated with the pay type.
- 4. For prior year adjustments, we do not ask agencies to correct PERS employer costs. The agency will be invoiced by CPERS for the 6% IAP, Pension, RHIA, RHIPA as part of PERS annual invoicing.
- 5. Notify CPERS that payroll adjustments are being made for a prior tax year.
- 6. If the employee has a PERS IAP Voluntary Contribution election CPERS will provide further guidance for how to adjust the IAP VC.

Scenario 6: Prior tax year wage adjustment, positive or negative, MPPT/EPPT contributions:

This scenario can occur with timesheet corrections, re-employments, retro salary change, settlement, re-classes, etc.

Member paid Contributions (MPPT)

- 1. If the wage adjustment is large enough that it will cause the employee to go over the PERS salary maximum for the current tax year, then non-subject retro earning codes need to be used so that PERS is not impacted. If the payment is small enough that it won't impact their PERS salary maximum for the current tax year, then PERS subject earning codes can be used, and the 3rd step can be skipped.
- 2. Determine salary adjustments and enter via pay input (positive or negative)
- 3. If positive salary adjustments (money is owed to the employee) make positive pay input entries for the MPPT only if using non-subject earning codes. This will deduct the MPPT from the payment. For prior year adjustments, we do not ask agencies to correct PERS Employers costs (Pension, RHIA, RHIPA). This portion will be invoiced to the agency.
- 4. If negative salary adjustments (employee owes money back) make negative pay input entries for the MPPT only if using non-subject earning codes. This will give the MPPT back to the employee. For prior year

adjustments, we do not ask agencies to correct PERS Employers costs (Pension, RHIA, RHIPA). This portion will be invoiced to the agency.

5. If the employee has a PERS IAP Voluntary Contribution election CPERS will provide further guidance for how to adjust the IAP VC.

Employer Paid Contributions (EPPT) (most common for time periods prior to 2016)

1. If the wage adjustment is large enough that it will cause the employee to go over the PERS salary maximum for the current tax year, then non-subject earning codes need to be used so that PERS is not impacted. If the payment is small enough that it won't impact their PERS salary maximum for the current tax year, then PERS subject earning codes can be used.
2. Determine salary adjustments and enter via pay input (positive or negative)
3. PERS Employers costs (EPPT, Pension, RHIA, RHIPA) will be invoiced to the agency as part of the CPERS annual invoicing.
4. If the employee has a PERS IAP Voluntary Contribution election CPERS will provide further guidance for how to adjust the IAP VC.

Scenario 7: Prior tax year, employee exceeds PERS maximum salary limits:

This scenario occurs when the employee exceeds PERS maximum salary limits.

1. To refund the employees PERS contributions:
 - A. Receive notification from CPERS that includes the amount of PERS subject salary exceeded.
 - B. Enter additional pay input (MPPT only) for PERS corrections and leave detailed comments. Refer to the KA for the applicable pay component(s) and calculations.
 - C. For prior year adjustments, we do not ask agencies to correct PERS employer costs. The agency will be invoiced by CPERS for the Pension, RHIA, RHIPA as part of the PERS annual invoicing.
2. Notify CPERS when the payroll adjustments are completed.
3. If the employee has a PERS IAP Voluntary Contribution election CPERS will provide further guidance for how to adjust the IAP VC.

Terminated or transferring employee, Current and Prior Tax Year:

Scenario 8: Terminated employee owes money back, Current Year

1. Agency ensures the employee is in a "pay group". If they are not agency HR must move employee to a pay group.
2. Agency enters pay input using the current date as the start and end date.
3. Enters it as a one time, adjustment for regular run category.
4. Uses the earning code associated with the pay and the negative amount.
5. Agency sends a BT to clear the negative and collects from the employee.
6. If PERS needs to be deducted, agency payroll partners must enter PERS deduction codes for EE and ER amounts. This is because once an employee terminates, they are no longer enrolled in a benefit plan so PERS will not auto deduct.

Scenario 9: Terminated employee owes money back, Prior Tax Year

1. Prior year negatives are not collected via the payroll system (same as OSPA).
2. Agency determines amount owed back and collects from the employee outside the payroll system.
3. Agency requests corrected W2 if applicable.

Scenario 10: Terminated employee is owed money, Current Year

1. Agency ensures the employee is in a “pay group”. If they are not agency HR must move employee to a pay group.
2. Agency enters pay input using the current date as the start and end date.
3. Enters it as a one time, adjustment for regular run category.
4. Uses the earning code associated with the pay and a positive amount.
5. If PERS needs to be deducted, agency payroll partners must enter PERS deduction codes for EE and ER amounts. This is because once an employee terminates, they are no longer enrolled in a benefit plan so PERS will not auto deduct.
6. Requests off cycle payment if applicable or lets it run with the next payroll run depending on timing.

Scenario 11: Terminated employee is owed money, Prior Tax Year

1. Agency ensures the employee is in a “pay group”. If they are not agency HR must move employee to a pay group.
2. Agency enters pay input using the current date as the start and end date.
3. Enters it as a one time, adjustment for regular run category.
4. Uses the earning code associated with the pay and a positive amount.
5. If PERS needs to be deducted, agency payroll partner must enter PERS deduction codes for EE and ER amounts. This is because once an employee terminates, they are no longer enrolled in a benefit plan so PERS will not auto deduct.
6. Requests off cycle payment if applicable or lets it run with the next payroll run depending on timing.

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

Helpful Links:

- How to calculate PERS Corrections
<https://www.oregon.gov/das/Financial/Payroll/Documents/How%20to%20Calculate%20PERS%20Corrections.pdf>
- ERS Employer rates for OSPA and PERS calculation worksheet:
<https://www.oregon.gov/das/Financial/Payroll/Pages/processingtools.aspx>
- CPERS YTD correction form (see forms section at the link below):
<https://www.oregon.gov/das/Financial/Payroll/Pages/cpers.aspx>
- Why, When & How to Notify CPERS of Payroll Adjustments:
https://www.oregon.gov/das/Financial/Payroll/Documents/Notifying_CPERS_Payroll_Adj_2017.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.
- PERS Corrections, Payroll Partner knowledge article:
[https://wd5.myworkday.com/oregon/d/inst/3a5820e0301510015e2fe5cce3950000/rel-task/2998\\$40834.html](https://wd5.myworkday.com/oregon/d/inst/3a5820e0301510015e2fe5cce3950000/rel-task/2998$40834.html)
- PERS Enrollment Elements in Workday:
<https://www.oregon.gov/das/Financial/Payroll/Documents/PERS%20Enrollment%20Elements%20in%20Workday.pdf>