

DEPARTMENT OF ADMINISTRATION  
Bureau of Administration

December 2, 1991

**HUMAN RESOURCES MEMORANDUM 46-91**

**TO:** Directors of Administrative Services  
Personnel Officers

**SUBJECT:** Retroactive Payment of 7% July General Increase

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The purpose of this memorandum is provide instructions to agencies to process the 7% retroactive payments for the July 1st general increase.

**Section 1: General Information**

Retroactive payments are due to all employees who received the 7% general increase in July and who were paid on any of the following pay dates:

<u>Pay Date</u>	<u>Cycle</u>	<u>Pay Period</u>
7/23/91	B	6/23/91 - 7/6/91 (retro due on second week only)
7/30/91	A	6/30/91 - 7/13/91
8/1/91	B	7/7/91 - 7/20/91
8/7/91	A	7/14/91 - 7/27/91
8/14/91	B	7/21/91 - 8/3/91

Employees will receive checks for these retroactive payments as follows:

Cycle B - December 18, 1991

Cycle A - December 23, 1991 (checks will be dated 12/24)

Separate checks or direct deposit advices will be produced for these payments.

For most active and inactive employees, T&A transactions will be automatically generated. However, some employees will be due retroactive payments but T&A transactions could not be automatically generated. These employees fall into one or more of the following categories:

1. Employees who transferred, promoted or demoted during the retroactive period.
2. Employees in any of the following administrative units:  
M, O, H, Y, Z.

3. Employees who were redlined as of the date the general increases were applied in August.
4. Any employee for whom the 7% general increase was not automatically applied in August (All employees for whom an HRP was manually prepared for the increase). For your convenience, we are returning all HRP's for these employees to the originating agency.
5. Employees in pay frequency 41.
6. Employees for whom pay history exists, but for some reason the history cannot be matched to a masterfile record.

**Section 2: How will the retroactive payments be processed?**

MFASIS will read payroll history records and automatically calculate retroactive payments and generate pay #17 (RETRO) transactions for most employees.

All retroactive payments will be made to employees in the positions and processing companies in which they currently work. Some employees may have transferred to new agencies. These employees will receive retroactive checks charged to their current agencies and positions.

Reports will be sent to all agency personnel offices that provide information about how these pay transactions were calculated. Additionally, these reports list all employees who were paid during the retroactive period, but retroactive pay transactions could not be automatically generated.

These reports are to be used to identify changes that must be made to automatically generated PAY 17 transactions and to develop the necessary retroactive transactions for those employees due a check but for whom retroactive pay has not been automatically generated. Agencies will send all corrections and additions directly to Accounts and Control Payroll, following procedures outlined in Section 4 of this memorandum

**Section 3: Method Used to Calculate Retroactive Payment**

Automatic T&A transactions are based on 7% of gross pay, with several adjustments as described below. In the event that these adjustments are incorrect for any employee, agencies must submit corrected pay transactions to Accounts and Control (see section 4 of this memorandum).

1. **Previous Retro Payments.** Since MFASIS has no way of knowing the reason for retroactive payments or whether any or all of these payments should be included into the 7% retro calculation, the amount of any retro pay made during the retro period has been subtracted from gross pay prior to

calculating the 7% retro pay amount. Adjustments will be necessary if any retro pay is to be included in the 7% retro payment.

2. **Imputed Life** has been subtracted from gross pay, as this is not subject to the 7% retroactive payment.

3. **Cycle B pay period June 23 to July 7.** This pay period is split. Only the second week of this pay period is subject to retro pay. Since Government offices were closed for four days during this week, it is assumed that all overtime paid for this pay period was worked in the first week. **Automatically produced RETRO pay transactions do not include any overtime paid during this pay period.**

Additionally, it is assumed that the employee worked a full week in June, and that any time off without pay took place in the second week of the pay period, when Government offices were closed. Therefore, the following formula is used to determine hours that are subject to retro pay for this pay period:

$$\text{HOURS} = ((\text{Regular hours} + \text{TEMPOFF hours})/2 - \text{TEMPOFF hours})$$

**Example:** An employee normally works 80 hours biweekly, but had 8 TEMPOFF hours processed during this pay period. Since TEMPOFF reduces "regular hours" in the history records, "regular hours" = 72 for this employee. The formula yields:  $((72 + 8)/2 - 8) = 32$  hours.

The employee's retroactive pay for the first week of July would be based on 32 hours of adjusted gross pay (gross pay minus overtime and other pays as required by this section). The formula for retroactive pay for this week is:

$$\frac{\text{ADJUSTED PAY}}{(72 \text{ HRS})} \times \text{HOURS SUBJECT TO RETRO} \times 7\%$$
  
$$(32 \text{ HRS})$$

4. **AFSCME Special Pay Changes.** Several special pays changed for AFSCME employees: MH/MR employees received increases to shift pay and medication premiums. Corrections employees received increases to shift pay, medication premiums, and direct care pay. These have been subtracted out of the 7% calculation. Additional calculations to pay employees for the increased rates to these special pays have been made to pay employees for these special pays as well as the 7% general increase. **NOTE: The amount actually paid for each pay period for these special pays has been multiplied by a percentage to determine the retro pay due.** The following calculations have been used to determine these additional payments:

Shift 2 retro pay due = shift 2 pay X .167

Shift 3 retro pay due = shift 3 pay X .125

Medication retro pay due = Med pay X .143

Direct care retro pay due = Direct care pay X .75

#### **Section 4: How are corrections and additions made?**

If the automatically generated pay #17 transactions are correct, no action is required. If corrections or additions are required, the following procedures are to be used. Corrections or additions are due to Accounts and Control by the following deadlines:

Cycle B - Monday, December 9, 1991

Cycle A - Thursday, December 12, 1991

#### **Employees for whom an automatic payment has not been produced**

You must calculate the correct retroactive payment for these employees and submit Retroactive Payment forms (copy enclosed) to Accounts and Control for retroactive payment.

#### **Corrections to Automatically generated transactions**

This requires two steps:

- \* Delete the automatically generated transaction on screen UTRU3. This screen will be available for use on December 9th. This screen operates the same as UTRU1 (SHUTDOWN pay transactions).
- \* Make changes directly to the payroll history reports that are enclosed with this memorandum and submit with Retroactive Payment Forms to Accounts and Control by the above deadlines.

#### **Section 5: Reports**

Two reports have been sent to agency personnel offices to assist in verifying retroactive payments due employees and to identify employees for whom retroactive checks could not be automatically generated.

#### **Earnings History Report**

This report provides detailed earnings histories for all employees, whether a retroactive pay transaction was generated or not.

The report is sorted by ORG 1, 2, 3 and employee number.

For each check date, this report provides the following information:

**Administrative unit** - Remember that certain administrative units could not be automatically processed.

**Processing Company** - The employing company when the check was produced.

**Gross Pay** - Total gross pay.

**Retro/Imputed Life** - This has been subtracted from gross pay prior to calculating the retro pay for that pay period.

**Pay due 7%** - For all but AFSCME employees, this is the adjusted pay used to calculate the 7% retro amount (gross pay minus retro/imputed life).

**Reg Hours** - The regular hours for that pay period.

**Tempoff Hrs** - TEMPOFF hours processed that pay period.

**AFSCME Special Pays** - Shift 2, shift 3, medication pay, and direct car pay have been listed for AFSCME employees. See the "calculations" section of this memorandum for the method used to calculate the retroactive payment due for these employees.

**Retro Due** - The retroactive pay calculated using the information contained on the report. **NOTE; THIS CALCULATION HAS BEEN MADE FOR ALL EMPLOYEES, EVEN IF AN AUTOMATIC RETRO PAY TRANSACTION WAS NOT GENERATED. IN MANY CASES THE AMOUNT OF RETRO PAY DUE THE EMPLOYEE MAY BE TAKEN DIRECTLY FROM THIS REPORT FOR EMPLOYEES WHO HAVE NOT HAD A RETRO TRANSACTION AUTOMATICALLY GENERATED.**

**Comments** - Following each employee's detailed entries is a comment that indicates whether or not an automatic pay #17 transaction has been generated.

#### Retroactive Pay Transactions Generated Report

This report contains one line per employee and is sorted the same way the detail report is sorted.

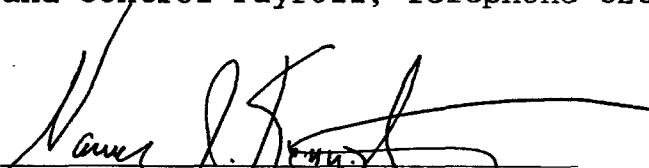
For each employee, this report shows employment status, comments about the retroactive payment to the employee, overtime worked for Cycle B employees for the split pay period in July, and the retroactive payment automatically generated. If no retroactive payment has been generated, this last field is left blank.

The following comments may appear on this report:

<u>Comment</u>	<u>Explanation</u>
Now working on Co _____	This comment will appear in an "old" processing company in which an employee worked but has since transferred. The retro pay will be processed in the new company.
Did not rec 7% Incr Auto	The employee was not automatically processed for the 7% increase in August. Employees who received the 7% general increase by submitting HRP's to BHR must be manually processed. HRP's on file in BHR for these employees are enclosed.
Retro is Due - Employee Changed Pos	The employee changed positions during the retro period. Must be processed manually.
Retro is Due - Multiple Admin Units	The employee changed admin units during the retro period. Must be processed manually.
Admin Unit M,O,H,Y,Z	These admin units have not been processed automatically. Must process manually.
Current-Pay-Freq = 41	No transaction produced. Frequency must be changed and retro processed manually.
Check Reversal	A check reversal was processed during the retro period. Employees must be processed manually.

**Section 6: Assistance in Processing Retroactive Payments**

Any questions regarding the payment of retroactive payments to employees should be addressed to Adena Hubley, Accounts and Control Payroll, Telephone 626-8452.

  
Nancy J. Kenniston, Director  
BUREAU OF HUMAN RESOURCES

Attachments

# RETROACTIVE PAYMENTS

Submitted by: \_\_\_\_\_ Phone: \_\_\_\_\_

COMPANY NUMBER				

COMPANY NAME

BATCH NUMBER		
5		

BATCH TOTAL (B)														

EMPLOYEE NAME	EMPLOYEE NUMBER	T C D	T R N	PAY NO	T A X	D E D	C H K	DATE		RATE/AMOUNT	A M T
								FROM	TO		
1 _____								0701	0701		1
2 _____								0701	0701		1
3 _____								0701	0701		1
4 _____								0701	0701		1
5 _____								0701	0701		1
6 _____								0701	0701		1
7 _____								0701	0701		1
8 _____								0701	0701		1
9 _____								0701	0701		1
10 _____								0701	0701		1
11 _____								0701	0701		1