

## Chapter 25 - Payroll

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### **25.90**      **Retroactive Payments**

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## **25.90**

### **Retroactive payments**

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#### **25.90.10 Policy Definitions**

Listed below are types of retroactive payments issued in the MFASIS HR System:

- Those that are the result of a collective bargaining agreement.
- Those that are the result of other retroactive compensation for an individual or groups of individuals.
- Those that are a result of a position reclassification.
- Those that are a result of the an employees late annual merit increase.

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#### **25.90.20 Collective bargaining agreement payments**

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#### **25.90.30 Other retroactive compensation**

There are also retroactive payments made to individuals or groups of individuals based on legal decisions that are usually the result of litigation, arbitration, mediation or internal Department determination. All these payments are subject to appropriation and should be paid during the year the decision was made. For example, if the decision is made in FY2003, the payment should be made from FY2003 funds. This compensation may be paid from one of three funding sources:

1. Current Department appropriated funds for the purpose of the retroactive payments or for payroll expenditures.
2. Settlement and judgment account.
3. Supplemental appropriated funds for the purpose of the retroactive payments or for payroll expenditures.

Departments can seek assistance from the Comptroller's Office as to which funding source would be appropriate for their type of retroactive compensation.

Wage related settlement payments must be paid through the MFASIS – HR system. This policy applies to active and inactive employees. Former employees who need to receive a retroactive payment will be rehired and then terminated in the HR system. Please contact the Payroll Division in the Controller's Office for further process instructions.

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## **25.90.40**

### **Examples of Other Retroactive Compensation**

Listed below are some examples of retroactive payments that are based on a legal decision.

- Judgments issued to resolve court cases, which have retroactive dates to a previous fiscal year (e.g., Employee was returned to employment after winning civil suit on discrimination).
- Arbitrator's decisions awarding back pay for a previous fiscal year.
- Decisions issued under a collective bargaining grievance procedure that would award back pay or reinstatement going back to a previous fiscal year.