Fiscal Year-End Review

June 5, 2014

Agenda

- SERS – Katie Talbert
- SERS/STRS – Membership determination
- STRS- Beth Hohenstein
- USPS FYE checklist
- USAS FYE checklist

STRS Annual Report Processing

- Terms
  - ADVANCE – report earnings for the fiscal year to STRS on the annual report in "advance" of paying them to the employee
  - ACCRUAL – contributions accrued in previous fiscal year reported to STRS in the new fiscal year per pay reporting
  - PICKUP – annuitized deduction-employee paid
  - PICKUP ON PICKUP– portion or all of employee pickup paid by the employer
  - PICKUP ON PICKUP WITH EXTRA COMPENSATION– portion or all of employee pickup is paid by the employer. Then an additional 12% is calculated on the picked up amount
  - BACK-POST – The file sent to STRS contains contributions from the prior fiscal year. These must be changed on STRS website

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STRSAD

- After all June pays are completed
- If aware of dock amounts on 1st July payroll enter those in 'Dock Next Pay' on JOBSCN
  - Will be included in calculations by STRSAD
- If aware of early contract pay offs
  - Change the number of pays
  - Be cautious – pay per period may get changed

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STRSAD

- STRS annual report processing
  - STRSAD
    - Select option '1'
- STRSAD selects all employees and jobs that were subject to STRS withholding
  - All employees with any amount are listed on the STRSAD.RPT

  - Service credit is calculated based on the STRS decision tree

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STRSAD

- If district is STRS based on gross and employees with STRS jobs that have:
  - 1) Work days equal days worked
  - 2) Amount remaining to pay greater than zero
  - 3) Pays greater than pays paid

  Will have an accrued contribution amount calculated for them. This accrued amount will be the amount of earnings not yet paid times the employee's STRS withholding rate.

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STRSAD

- STRSAD.TXT
  - Lists all employees with an accrued contribution calculation
    - Report will be empty if STRS is based on earnings
    - May be inflated if fringe benefit flag on 450 is set to "Y" and employee has 691 with inflated rate
  - Should be checked carefully
  - Be consistent with prior years
  - Check supplemental contracts, many times missed

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STRSAD

- NONADV.TXT
  - Lists some of the employees with jobs that are not advancing
    - If job has no amounts remaining to pay but meets all other criteria
    - If days worked plus remaining days from calendar through June 30th exceed the total work days
    - Not a catch of all potential jobs/employees

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STRSADRPT

- STRSAD.RPT

  - This is the complete fiscal year-end report for all STRS employees, including all advanced employees.

= Information reported to STRS for each employee

DATE: 05/26/04 STRS FISCAL YEAR-TO-DATE REPORT SAMPLE CITY BOARD OF EDUCATION
TIME: 7:45 am FOR: 2003 1 MAIN AVENUE
PAGE: 0008 <STRSAD> DISTRICT CODE 5555 YOUR CITY, OH 55555

FYTD total from 591 and/or 691

EMPLOYEE NAME	SOC-SEC-NUM	CREDIT	STRS DAYS	EARNINGS		DEPOSIT\ PICK UP	ADVANCED AMOUNT	TOTAL
FLOWER, FRANK	123-45-6789	100%	160	64,747.75	NON-TAXED:	4,497.83	1,976.97	6,474.80
JELLO, CHERI	222-33-4444	07%	13	965.75	NON-TAXED:	96.58	0.00	96.58
WONKA, WILLY	333-44-5555	100%	160	70,403.00	NON-TAXED:	4,874.04	2,166.24	7,040.28
		NON-TAXED TOTALS:		14,499,754.10		1,040,171.95	409,777.00	1,449,948.95

Calculated based on STRS decision tree

Calculated job record pay per period X remaining pays X 11%

REPORT TOTALS

TAXED + NON-TAXED :	1,449,948.95			
AMOUNT ADVANCED :	409,777.00	RETIREE AMOUNT ADVANCED:	7,911.42
REGULAR EMP COUNT :	339	RETIREE COUNT :	16
REGULAR CONTRIBUTIONS:	0.00	RETIREE CONTRIBUTIONS :	0.00
REGULAR PICKUP CONT :	1,419,914.67	RETIREE PICKUP :	30,034.28

Amount of FYTD gross from 450 plus amount of gross earned but not yet paid on the job record. Can be inflated if 691 is involved

Total amounts already paid to STRS for employee contributions, includes 691 amounts

STRSAD

- Check reports for warnings and errors
  - USPS Reference Manual STRSAD lists messages and possible solutions.
  - http://wiki.ssdt-ohio.org/display/usps/STRSAD+-+STRS+Advance

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STRSAD

- Verify service credit
  - Employees with 120 or more days receive 100% credit
  - Employees with less than 120 days receive credit based on STRS decision tree
  - Employees classified as part-time have service credit based on STRS decision tree
    - Part-time flag on 450 must be set as needed
    - If uncertain of an employee's status contact STRS
  - Re-employed retirees will always have 0% credit reported with contributions
    - Calculated service credit for rehired retiree will flag a warning

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STRSADRPT

- Staff retiring and rehired in the same fiscal year will appear twice on the report, one line for contributions prior to retirement, one line for after retirement contributions

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STRSAD

- STRSAD.RPT
  - Balance the amount showing in the 'Deposit/Pickup' column included on the report
  - Should total the deduction checks already written payable to STRS plus the warrant checks for pick-up amounts

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STRSAD

- If not in balance and can't resolve at the district
  - Contact MVECA as needed
  - STRS can usually find the problem
  - STRS balances by employee as well as by district

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STRSAD

- Once STRSAD information is correct, run option '2'
  - Sets advance flag on jobs to "*"
  - Sets closing date in USPCON
  - Places total accrued contribution amount in USPCON
  - Creates annual reporting submission file

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STRSAD

- Creates temporary holding file for retirement deduction rates as they were in DEDSCN when option '2' ran; known as SAVADV.IDX
- Advance field appears on JOBSCN
- Advance error adjustment fields appear on STRS deduction records
- Creates PayrollCD reports

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STRSAD

Below is a screenshot of what you will see when you run the **Actual of STRSAD**. Notice it indicates that it is **saving current percentages**. The tape submission file name is also displayed; this file is only created when the Actual is run

```
Saving current percentages.

Processing, please wait

Report names are: STRSAD.TXT
                  STRSAD.RPT
                  NONADV.TXT

Tape submission file is: STRSAD.1306
```

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STRS RATE CHANGE

- STRS will be increasing the employee rate by 1% each year for the next 4 years as follows.
- Effective **July 1, 2013**, the employee rate will increase from 10% to **11%**
- Effective **July 1, 2014**, the employee rate will increase from 11% to **12%**
- Effective **July 1, 2015**, the employee rate will increase from 12% to **13%**
- Effective **July 1, 2016**, the employee rate will increase from 13% to **14%**

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How Will USPS Handle Rate Chg

- When the **STRSAD** program is run at Fiscal Year End for '**actual**' (option 2), the system **stores the percentage rates** that exist in DEDSCN at that time. So the old rate is saved in a temporary file and any **accrued wages paid on advanced jobs will continue to use that rate**. If you have deductions by job implemented on your retirement records, the job number assigned for any advanced jobs will be stored in the temporary file that is created.

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When and How to Change the Rates

- **<u>Before</u> the first July payroll and <u>after</u> running STRSAD, Option "2", you will want to run the CHGDED program, option C**, and mass update the rates to 12% on the 591 records (see example below). Keep in mind; CHGDED will only update the records whose DEDSCN rates match the old rate entered in CHGDED. Because of this, you may have to run CHGDED several times.

```
Change options:

    C - Employee or board amounts
    D - Stop and start dates based on old values
    R - Set start dates on all records for deduction
    P - Set stop dates on all records for deduction
    G - Mass change the maximum amount of deduction
    M - Mass change the cycle
    A - Mass change employee amount error adjustment
    B - Mass change board amount error adjustment
    E - End program

Enter choice <C>: _
                  C
```

```
Please enter deduction code ___
Enter 999 to exit.          591

Enter old Annuity Pick up: __.__
                           10

Enter new Annuity Pick up: __.__
                           11
```

You can also manually update the rates directly in DEDSCN as well or the new rate can be loaded from a spreadsheet. Please contact us if you need any assistance.

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STRS Annual Report Processing

- PICKUP after fiscal yearend close
  - 450 = 14%
  - 591 = 12%
- Full PICKUP on PICKUP (no compensation)
  - 450= 14%
  - 691 = 12%
- Full PICKUP on PICKUP (fringe benefit/extra compensation
  - 450 = 15.68
  - 691 = 13.44

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Calculating New Pickup on Pickup Deduction Rate

- Included in your document packet was a Pickup on Pickup with extra compensation calculator spreadsheet. Add the pick up rate in the highlighted field and it will calculate the percentages for the 450, 591 and 691 deductions

		if fringe benefit flag=Y			
Pick up percent		591 rate	691 rate	450 board rate	
4.5		6.5	4.995	14.63	

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Scenario #1

- Worked in June
- Paid in June
- STRS Contribution 11%
- No back-posting

Scenario #2

- Worked in June
- Paid in July
- STRS Contribution 11%
- Back-post

Scenario #3

- Pay period has days in June and July
- Paid in July
- STRS Contribution 12%
- No back-posting

Scenario #4

- Worked in July
- Paid in July
- STRS Contribution 12%
- No back-posting

Scenario #5

Set up deductions by job if:

- Worked job# 1 in June
- Paid in July
- STRS Contribution 11% on job #1
- Back-post
- Clear FTD totals on STRS deductions for that job

- Worked job #2 in July
- Paid in July
- STRS Contribution 12% on job #2
- No back-posting

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STRSAD

- Run ANNSTRSSND to submit annual report to STRS
  - Updates USPSDAT/USPCON information

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SERSHIRE/STRSHIRE

- New options to upload membership enrollment to the retirement websites
- SERSHIRE when executed as ACTUAL:
- will create a file that you will transfer to a local drive and upload to SERS website, http://www.ohsers.org/member-enrollment
- will change the New Employee flag on the 400 deduction to R. It will be changed to N when SERSREG is executed to create a tape file.

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SERSHIRE/STRSHIRE

- STRSHIRE when executed as ACTUAL:
- will create a tape file that you will send to STRS using the STRSHSEND command
- Will change the New Employee flag on the 450 deduction to R. **You must execute STRSMONTH to change the New Employee flag on the 450 deduction to N.**

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SERSHIRE/STRSHIRE

- Reported problem that the STRS file that is created can be picked up in STRSHIRE and transmitted to the wrong department at STRS.
- Make sure the file listed is the correct file

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USPS Checklist at Glance

- Process NC1 payments for Group Term Life over $50,000 for anyone retiring before final pay
- EMIS Staff Reporting for "N" reporting period
- Create Calendars for FY15
- Month-End Closing
- Start Quarter End Balancing
- STRS Annual Report Processing
- End Quarter End
- End Fiscal Yearend
- Post Fiscal Yearend Closing

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Post Closing

- During the payroll process
  - FYTD amounts on the 450, 591 and 691 deductions will not be updated by any accrued earnings or contributions
  - FYTD amounts on the JOBSCN will be updated regardless
  - FYTD amounts on the 450, 591 and 691 deductions are updated only by new earnings and contributions on those new earnings

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Post Closing

- During advance cycle certain pay types can not be used on jobs with advance flag set to "*"
  - REG
  - IRR

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Post Closing

- Certain pay types affect balance of USPCON advance amount
  - DCK
  - BCK
  - TRM (usually creates a few cents difference)
  - POF (usually creates a few cents difference)
- The pays and pays paid can be modified by MVECA to be different by 1 (forcing a contract pay off). If this is done the amount in USPCON may not clear because of rounding

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Post Closing

- Verify each pay the advance amount showing in USPCON is decreasing
- After all summer pays are complete
  - Verify advance amount in USPCON is zero
  - If not zero, run CHKSTRS and compare employee totals to see who's amount withheld on accrued earnings does not equal the amount STRSAD calculated
  - File corrections with STRS as needed

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