USPS Fiscal Year-End Review

May 29, 2015

USPS FYE CHECKLIST AT A GLANCE

This is a summary refer to the actual checklist for details

- Process NC1 pay type for staff retiring that had group term life insurance over $50,000
- Check USPCON to make sure STRS advance amount is zero
- Severance pays
- Add EMIS yearend reporting elements
- SURCHG Report
- STRSAD Projection
- Add Calendars
- NEWCNT

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USPS FYE CHECKLIST AT A GLANCE

This is a summary refer to the actual checklist for details

- Month End Closing
  - SERS Close for month
  - STRSMONTH
  - Reconcile payroll Bank account
- Quarter End Closing
  - QRTRPT as a projection
    - Resolve difference in Gross
  - W2REPT
  - ODJFSRPT

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USPS FYE CHECKLIST AT A GLANCE

This is a summary refer to the actual checklist for details

- STRSAD Actual
- PAYCOPY
- WAGOBL
- BENOBL
- USPAUDIT
- Close QRTRPT for fiscal year

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Pre-Closing

- NC1 Payments
  - For those employees retiring as of June 30 the NC1 amount should be processed to prevent manual changes at calendar year-end
    - Recommended to add to UPDCAL_CUR to avoid INICAL balancing issues
    - These payments are subject to Medicare Tax
    - Reference IRS Publication 15-B

    http://www.irs.gov/pub/irs-pdf/p15b.pdf
    - Page 11-14

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Pre-Closing

- USPSDAT/USPCON
  - STRS Advance fields should be blank
  - Screen 2 of 3

```
Payroll Processing:
 STRS Advance Mode      : _
 STRS Advance Amount    : _____________
```

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Pre-Closing

- Severance Pays
  - UPDCAL RATE field cannot exceed 9,999.99 - severance pay. If the severance pay exceeds 9,999.99, add two lines in UPDCAL_FUT or UPDCAL_CUR for severance pay.

Type	Units	Rate	Amount	Description
MIS	1.00	9000.000	9000.00	Severance
MIS	1.00	6000.000	6000.00	Severance

  - OR- Use the daily rate to calculate the severance pay for a single UDPCAL transation:

Type	Units	Rate	Amount	Description
MIS	60.00	250.000	15000.00	Severance

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Pre-Closing

- EMIS Staff Yearend Reporting – 15L will not close until HQT reports are distributed
  - Add Long Term Illness Days
    - Absences of 15 consecutive days or greater
    - If there are values in this field now it's an indication that CLRATD was not executed.
  - Add Highly Qualified Professional Development (HQPD) value
    - MVECA can mass load a "Y" into the field and district updates the exceptions
  - Attendance
    - Will be on the demographic report in the Data Collector once collected
    - Visible in USPSWEB – EMIS Entry Screen- Demograhic
    - Add Adjustments in EMIS Absence for unpaid days to attendance

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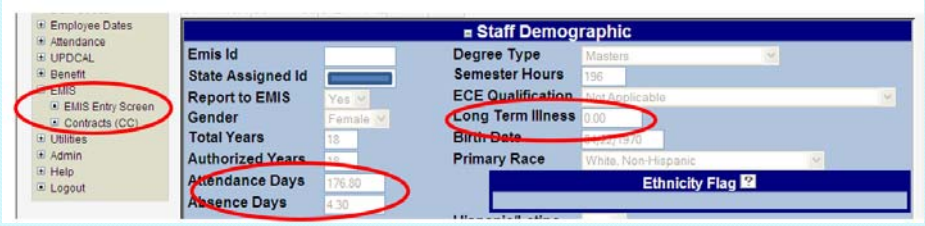
Staff EMIS



Pre-Closing

- STRSAD
  - Can be executed now to begin balancing and verification of data
    - Select option '1'
    - Program will project days through the end of the fiscal year to determine jobs to advance and calculation of credit
    - Earnings include those in the future
    - Advance amount will be too large until all June pays are completed

Pre-Closing

- Job Calendars
  - Job calendars for the 15-16 school year can be added to the system
  - Utilize USPSDAT/CALMNT option
  - 'Copy' function
    - Start with the school year calendar with no holidays and copy it to the next calendar with no holidays, etc.

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Pre-Closing

- New Contracts
  - New contracts can be entered for those positions with a July 1 start date
  - Contracts with other start dates can be entered if the information is available

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Month-End Closing

- RETIRE/SERSREG
  - Verify the data using projection
  - Total contributions should equal total deduction and warrant checks payable to SERS
  - 'Earnings x 10%' should equal contributions
  - Check Service Days and Retire Hours
    - No zeros until sometime in June
  - Create a tape file when complete/accurate
    - Clears MTD totals on 590 and 690
    - Creates the submission file that MVECA uploads to SERS
    - Sets SERS closing date in USPSDAT/USPCON

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Quarter-End Closing

- Run QRTRPT to generate demand report
- Lists all QTD figures from JOBSCN and DEDSCN
  - Compare totals of deduction checks written to the totals for each deduction code
  - Be cautious of deductions combined by vendor number
  - Any differences should be resolved
- Troubleshooting steps are on the FYE checklist

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Quarter-End Closing

- W2PROC
  - Balance the W2REPT to minimize problems at calendar year-end
- ODJFSRPT
  - Check all totals and weeks
  - When all data is correct, enter 'Y' for creation of submission file
  - Taxable amount listed on report is used only for contributing employers, calculated value based on ODJFS rules

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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 13% 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

- Conditions that create accrued contributions
  - 1) Work days equal days worked by June 30
  - 2) Amount remaining to pay greater than zero
  - 3) Pays greater than pays paid

  This accrued amount will be the amount of earnings not yet paid times the current STRS withholding rate.

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STRSAD

- STRSAD.RPT – Lists all staff that will appear on annual report
- STRSAD.TXT- Lists only staff with accrued contributions
- NONADV.TXT
  - Lists employees with jobs that are not advancing
    - Job has no amounts remaining to pay but meets all other criteria
    - Days worked plus remaining days from calendar through June 30th exceed the total work days

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STRSAD

- Accrued contribution amount is calculated using the pay per period from JOBSCN for the remaining pays minus 1, then last pay calculation occurs

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STRSAD

- STRSAD sample calculation

Obligation = 39100
Pay per period = 1504
Pays/pays paid = 26/22
23rd pay 1504 x 11% = 165.44
24th pay 1504 x 11% = 165.44
25th pay 1504 x 11% = 165.44
26th pay
Obligation 39100
- Paid 25 pays 37600
Remaining 1500 x 11%=165.00

Total accrued contributions calculated by STRS
165.44 + 165.44 + 165.44+165.00=661.32

= 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

- 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
- If they retired in the previous fiscal year and the rehire date was not added until this fiscal year, modify the retiree gross

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STRSAD
REHIRED
RETIREES

450 USPSCN/DEDSCN

```
ID: 444444444  Code: 450  Name: KUSMU        KRAMER
            Type: Retirement          Name: STATE TEACHERS RETIREMENT SYS
  Percentage      : _______                          Full or Part time   : F
  Board's share   :  14.000   Start  : 00/00/[redacted]  Retiree flag        : Y
  Error adjustment: _______   Stop   : 00/00/0000    Surcharge exempt    : N
  Board error adj.: [redacted]  Rehired: 07/01/2004    Fringe ben/Xtra comp: N
                              New employee: N
                     Accum  MTD Totals   QTD Totals   PYTD Totals   YTD Total:
  Deduct total  :  _______  _________   _________   __________   __________
  Gross pay     :                4977.12                13347.32
  Board share   :  _______                 1404.12     1868.66      1868.6
  Retiree deduct:                                      __________
  Retiree gross :                                      13347.32
  Retiree board :                                       1868.66
```

591 USPSCN/DEDSCN

```
Job: __  Type: Retirement (Annuity)  Name: STATE TEACHERS RETIREMENT

   Percentage      :  11.000     Start: 00/00/0000
   Error adjustment: _________   Stop : 00/00/0000
                                 User Defined Fields:
                              Amount 1: __________  Amount 2:
                              Code 1: __  Code 2: __  Date: 00/00/0000
                              Text:

                     Accum  MTD Totals   QTD Totals   PYTD Totals   YTD
Total:
Deduct total:        31.35       31.35        36.85        100.10     58.30
Retiree deduct:                                           100.10
```


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

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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STRSAD

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

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STRS RATE CHANGE

- 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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Calculating New Pickup on Pickup Deduction Rate

- 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

FY15 rates

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

2	This calculator is for the FY16 rate of 13%				
3			if fringe benefit flag=Y		
4	Pick up percent		591 rate	691 rate	450 board rate
5	4.5		8.5	5.085	14.63

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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.
- 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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460/591/691-Employee Deduction

- 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

450/591/691-Employee Deduction

Please enter deduction code ___
Enter 999 to exit. 591

Enter old Annuity Pick up: __.___
12.00
Enter new Annuity Pick up: __.___
13.00

Is all the information correct?
Deduction code: 591
Old Rate : 12.000
New Rate : 13.000
Changing : Employee Amount

Continue with changes? (Y/N) <N>: Y

Scenario #1

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

Scenario #2

- Worked in June
- Paid in July
- STRS Contribution 12%
- Back-post

Scenario #3

- Pay period has days in June and July
- Paid in July
- STRS Contribution 13%
- No back-posting

Scenario #4

- Worked in July
- Paid in July
- STRS Contribution 13%
- No back-posting

Scenario #5

Set up deductions by job if:

- Worked job# 1 in June
- Paid in July
- STRS Contribution 12% on job #1
- Back-post
- Clear FTD totals on STRS deductions for that job

- Worked job #2 in July
- Paid in July
- STRS Contribution 13% on job #2
- No back-posting

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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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Affordable Care Act and Rehired Retirees

- See Document from SW EPC

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