

## How to Adjust MiCase for MPSERS Employer Contribution Amounts Due to ORS Rate Changes

The payroll system has been revised to calculate the MPSERS Employer Contribution (MiCase benefit code "MPSRS") as a percentage of reportable wages, based on the rules below:

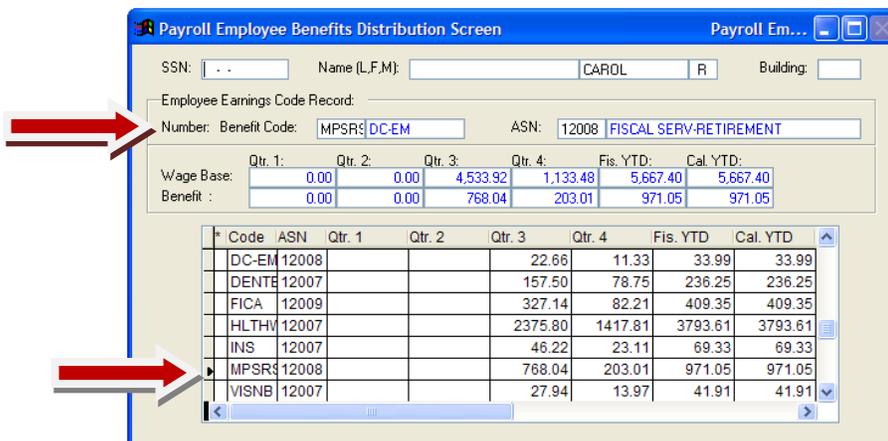
- For payroll dates between July and September 2010,
  - 15.44% for Pension Plus members (*Retirement Plan = H – Pension Plus Plan*)
  - 16.94% for all other members
  
- For payroll dates in October 2010,
  - 17.91% for Pension Plus members (*Retirement Plan = H – Pension Plus Plan*)
  - 19.41% for all other members
  
- For payroll dates on or after 01-Nov-2010,
  - 19.16% for Pension Plus members (*Retirement Plan = H – Pension Plus Plan*)
  - 20.66% for all other members

For payroll dates in July through September of 2010, the system calculated 16.94% for all members of MPSERS, whether they were in the Pension Plus plan or not. As these payrolls have been calculated and the results probably posted to your general ledger expense accounts, we are not making any attempt to revise existing register records nor are we going to attempt to "auto-correct" subsequent benefit amounts.

For payroll dates in October of 2010, that were run before installing the October 6, 2010 release version, the system calculated 19.41% for all members of MPSERS, whether they were in the Pension Plus plan or not. Again, we are not making any attempt to revise existing register records nor are we going to attempt to "auto-correct" subsequent benefit amounts.

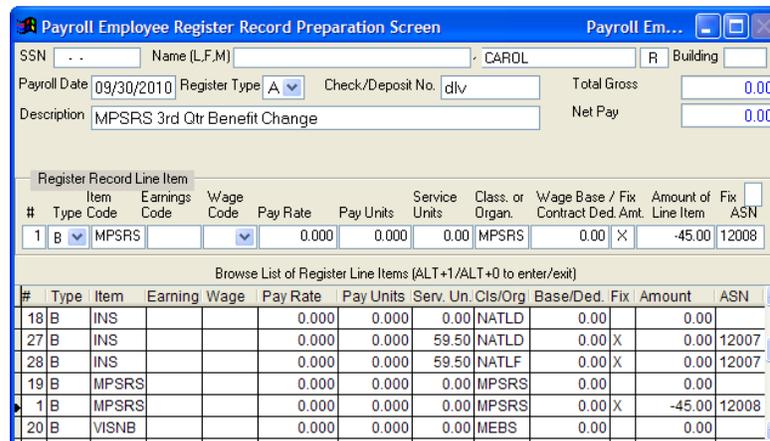
Given the above, your payroll register records and general ledger expense accounts will contain MPSRS benefit amounts that do not correspond to what ORS and MPSERS now consider "correct". ORS will eventually reconcile the employer contributions with reported wages. To correct your MiCase system data, you will have to calculate the difference between the two rates and make one adjustment for each employee for each quarter involved (Qtr. 3 and/or Qtr. 4, depending on if you ran payrolls with incorrect amounts).

1. Determine which employees had incorrect MPSRS benefit amounts included in their payroll records. This should only be Pension Plus plan members.
  - These may be located by going to the *Payroll Module Control Screen* and doing *Reports > Employer Distribution Reports > Employer Benefit / Employee / ASN Distribution* and locating employees with the "DC-EM" benefit.
  
2. Calculate the difference between the two rates.
  - Go to the *Payroll Employee Records module > Benefit Distribution by ASN* screen.



- Pull up the employee to work with.
  - In the grid at the bottom of the screen, click on the “MPSRS” field to pull the information into the table in the middle of the screen. Here you will be able to view the quarterly wage base and benefit for MPSRS. Note, if the employee has multiple assignments/ASNs, you will need to calculate the amount for each assignment/ASN to get the total quarterly wage base and benefit.
  - Multiply the 3<sup>rd</sup> quarter wage base amount by 15.44%. This will give you the amount that the benefit should have been.
  - Use the 3<sup>rd</sup> quarter benefit amount (calculated at 16.94%) and subtract the amount calculated at 15.44%. This will give you the difference to be returned in a register record screen.
  - Repeat the previous steps for a 4<sup>th</sup> quarter adjustment if needed.
3. Enter the adjustment on a Register Record Preparation screen.
    - Go to the *Payroll Employee Records* module > *Register Record Preparation* screen.
    - Click “Home” on the keyboard and enter the employee name
    - Payroll Date – Enter a date (Ex: 9/30/10 for 3<sup>rd</sup> quarter adjustment)
    - Register Type – A (Adjustment)
    - Check/Deposit No. – Use initials
    - Description – MPSRS 3<sup>rd</sup> Qtr Benefit Change
    - # - 1
    - Type – B (Benefit)
    - Item Code – MPSRS (MPSERS Employer Contribution)
    - Earnings Code – The system will skip this field
    - Wage Code – The system will skip this field
    - Pay Rate – The system will skip this field
    - Pay Units – The system will skip this field
    - Service Units – The system will skip this field
    - Class or Organ – The system will skip this field. Go back to the field and enter the appropriate organization.
    - Wage Base/Contract Ded – The system will skip this field
    - Fix Amt. – Put an “X” in this field
    - Amount of Line Item – Enter the amount to refund with a negative sign (Ex: -45.00)
    - Fix – Tab through this field

- ASN – Enter the appropriate ASN, then tab or enter. The grid will auto fill with all related benefits and deductions. Note, if the pay goes to multiple ASNs, enter additional line items to split the refund.
- Fix amounts on each record. All benefits and deductions should be changed to reflect a zero dollar amount, with the exception of the original benefit adjustment to MPSRS for the negative dollar amount. The Total Gross and Net Pay should be zero. To change the amounts to zero, do the following:
  - Select the record you wish to work with, ex: B:INS
  - On the Register Record Line Item, put an “X” in the Fix Amt. Field
  - In the Amount of Line Item field enter a 0.00
  - Enter through the ASN field and the grid will automatically correct to reflect the zero amount you entered
  - Repeat for all benefits and deductions
  - The B:MPSRS record should be left as originally entered with the negative amount
- The screen should look similar to the following example:
  - If an employee was paid a total of \$3,000.00 reportable wages for the 3rd quarter, and they are a member of the Pension Plus plan, then the employer contribution was calculated as  $3000.00 * .1694 = 508.20$ . As a result of the ORS revision to the rate of .1544, the amount “should have been” 463.20. Therefore, on the register screen, enter -45.00 to correct the 3rd quarter.



- Do this for each Pension Plus employee, one record for each quarter and you will then have their payroll MPSRS benefit figures correct.
4. Add the register preparation screen to the system
- Perform the following - *Operations > Add Register Record to System*. The register will now show up in the Employee Register Record Screen.
  - Additionally, the operation will also create an accounts payable batch in the FA system. Then you can post the resulting transaction batch in the Accounts Payable module to make benefit expense accounts reflect what ORS considers correct.