

How to Adjust Pension Plus Employees Marked Incorrectly as MIP Plus

In September 2010, the MiCase HR/Payroll system was revised to enable districts to comply with the rules for the new MPSERS Pension Plus Plan, specifically the defined contribution portion. This plan applies to all employees who first worked as MPSERS members on or after 01-Jul-2010. The defined contribution portion consists of a deduction, based on a percentage of the employee's gross wages, as well as a matching contribution from the district.

While implementing the changes, some districts may have inadvertently chosen the MIP Plus plan for new employees rather than the Pension Plus plan, thus not calculating the contribution and deduction and reporting correctly to ORS. The records for these employees will need to be corrected in the MiCase HR/Payroll system for the contribution and deduction, as well as with ORS.

These instructions describe the steps required in the MiCase HR/Payroll system to calculate the DC-EM contribution and DC-MC deduction owed and reportable to ORS.

Very Important! – With these instructions, the system will generate register records to correct employee benefit and deduction records, as well as creating transaction batches for use in the *Accounts Payable* module of the Financial Accounting System.

However, unlike normally, we do not want to submit these register records to ORS through the pay period records upload procedure, because the corrections will be submitted to ORS via a spreadsheet, as explained in the last step of this document.

Therefore, to omit these register records from the next upload file to ORS, do the following:

- Follow these instructions and add all necessary register records on the day immediately after you **run** your next payroll.
- Then, create the ORS Pay Period Report records for that payroll as you normally would.
- Then, run your following payroll, go to the *ORS MPSERS Pay Period Report Records Screen* and when you do the *Operations > Update ORS MPSERS Pay Period Report records*, enter the dates as below:
 - o *Starting register date for this reporting period:* enter the day immediately after the day you entered the register records explained in this document (i.e. 2 days after the day you ran your previous payroll)
 - o Enter the remaining dates as you normally would.

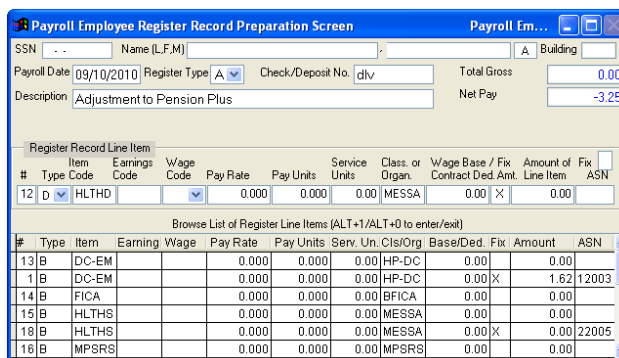
For example: if your payroll date was 11/19/2010 and you ran it on 11/16/2010, then following these instructions you would enter the adjustment register records on 11/17/2010. Therefore, the *Starting register date for this reporting period:* for the 12/3/2010 payroll would be 11/18/2010. By doing this, the register records will be omitted from the ORS MPSERS Pay Period Report file.

1. Determine which employees were marked incorrectly. You may receive notification from ORS that you are missing one or more DTL4 records for your Pension Plus members, or a list of your missing DTL4 records can be found on the Data Exchange Gateway (DEG). This list is based on the DTL2, Wage and Contribution, records you have submitted that do not have a corresponding DTL4 record. To download the file from DEG:

- Log into the DEG.
 - Locate the file called MsngDTL4.
 - Click the 'Download as binary' option for this file.
 - A File Download dialog will open. Click the 'Save' button.
 - A Save As dialog will open. Follow these steps:
 - Browse to the folder where you want to save the file.
 - Change the 'Save as type' dropdown to 'All Files'.
 - In the 'Filename' box, type in the name you want for the file **and the extension** **'.xls'**. For example, if you want to name the file 'Missing DTL4 Records', type 'Missing DTL4 Records.xls'.
 - Click the 'Save' button.
 - Find the Excel file in the folder you chose to save it in and open it.
2. Change the MPSERS Retirement Plan code on the Employee Master Setup screen to H = Pension Plus (enroll after 6/30/2010) and enter the Contribution Percent, if not already done.
 3. Calculate the contribution (DC-EM) and deduction (DC-MC) to be entered. Current guidelines are as follows...
 - Our understanding of current ORS rules is that an employee may elect to have any amount, in whole numbers, of their **gross wages** deducted, e.g., 1.00%, 2.00%, etc. Further, our understanding is that the district matching benefit is 50% of the employee's deduction, up to a maximum of 1.00% of their **gross wages**. Therefore, if an employee elects to have more than 2.00% of their gross wages deducted, the district's employer matching contribution benefit will still be 1.00%.
 - If ORS has informed the district that money is owed and/or they must submit a missing Detail 4 record, for the purposes of calculating the member contribution, we suggest using 2% and for the employer contribution using 1%.
 4. Review and make note of the calendar year to date totals for the deductions DC-MC, FIT, MIT (or other state taxes), and benefit B:DC-EM, specifically the Wage Base and YTD Amount. These can be found in *Payroll Employee Records module > Employee Calendar YTD Totals Screen*.
 5. Run an Administrative Backup prior to adding the register record in step 5.
 6. Enter the employer contribution (DC-EM) 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
 - Register Type – A (Adjustment)
 - Check/Deposit No. – Use initials
 - Description – Adjustment to Pension Plus
 - # - 1
 - Type – B (Benefit)
 - Item Code – DC-EM (MPSERS Defined Contribution – Employer Match)
 - 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 (Ex: HP-DC).
 - 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 of the employer benefit calculated (Ex: 1.62)
 - 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.
7. Enter the employee deduction (DC-MC) adjustment on the Register Record Preparation screen.
- Click “New” to add another record
 - Type – D (Deduction)
 - Item Code – DC-MC (MPSERS Defined Contribution – Member 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 (Ex: HP-DC).
 - 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 of the employee deduction calculated (Ex: 3.25)
 - Fix – Tab through this field
 - ASN – Enter the appropriate ASN (if you normally assign ASNs to your deductions), then tab or enter. The grid will auto fill with all related benefits and deductions.
8. Fix amounts on each record. All wages, benefits and deductions should be changed to reflect a zero dollar amount, with the exception of the B:DC-EM and D:DC-MC. Note: The D:FIT and D:MIT (or other state taxes) will reflect the deduction adjustment to the wage base, but the tax amounts should be zero. The Total Gross should be zero and the Net Pay should reflect the deduction refund. 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:DC-EM and D:DC-MC records should be left as originally entered with the positive adjustment amount
9. The Register Prep screen and Employee Register Record Report should look similar to the following examples:

Register Prep Screen



Employee Register Record Report

P/R Schedule : ADJST **Description :** Adjustment to Pension Plus
P/R Date : 09/10/2010 **Voided? :** N
Register no. : 1 **Payment Type :** A **Gross Pay :** 0.00
Register Date : 11/12/2010 **Check/Dep. # :** div **Net Pay :** -3.25

T	Item	Earn	Pay Units	Serv. Units	Base / Ded	Organ	Amount	ASN
B	DC-EM	0.000	0.00	0.00	HP-DC		1.62	12003
D	DC-MC	0.000	0.00	0.00	HP-DC		3.25	
D	FIT	0.000	0.00	-3.25	DFIT		0.00	
D	MIT	0.000	0.00	-3.25	DMIT		0.00	

10. 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.

11. Review the calendar year to date wage bases for the employee on the *Calendar YTD Totals Screen*. Compare the totals to those you noted in step 4. You should see the following changes:

- The Wage Base totals for FIT and MIT (or other state taxes) should have decreased by the dollar amount of the adjustment entered on the register screen.
- The YTD Amount for DC-EM benefit and DC-MC deduction should have increased by the dollar amount of the adjustment.

12. In the Financial Accounting system, the A/P payroll batch will include the benefit B:DC-EM and deduction D:DC-MC. Most districts do not post the deductions, so the deduction item(s) can be deleted. For those districts that do record the deductions, follow your normal procedures to post the deduction adjustment. The batch containing the benefit can then be posted.

13. To collect the DC-MC deduction from the employee, you can enter a miscellaneous deduction on the next payroll run for the total of the DC-MC deduction owed by the employee.

14. To correct the information with ORS, a spreadsheet for reporting these records has been created. The spreadsheet contains the same fields as the DTL4. You must manually enter your employee data into the appropriate fields. Completed spreadsheets should be submitted to ORS through the Data Exchange Gateway (DEG), and will be manually uploaded to your reports by ORS staff. The spreadsheet and additional information can be found on the Employer Information website (<http://www.state.mi.us/dmb/ors/emp/psru/index.asp>) under the Employer Reporting Forms section. Instructions for uploading the DTL4 spreadsheet to the Data Exchange Gateway (DEG) are located on the spreadsheet.