These notes explain the calculation of MPSERS benefits and deductions in the MiCase *HR/Payroll System.*

Please note the following:

1. In the *HR/Payroll System*, Fiscal year is 01-Jul through 30-Jun

2. The MPSERS Fiscal year is 01-Oct through 30-Sep

3. The *ORS Election Transition Dates* were around February 2013…

4. The *Register Record Preparation Screen* allows entry of *amounts* for any type of pay, benefit, deduction or direct to net items. The screen does not allow the entry of a *wage base* for benefit or deduction items. Therefore, if an *amount* is entered for a benefit or deduction that "*auto-corrects*" or "*auto- refunds*", the system will accept the amount entered, but may "*auto-correct*" or "*auto- refund*" the item in the next payroll run.

Benefits (Employer paid)

DC-EM Benefit (Defined **C**ontribution **– E**mploye**r M**atching contribution**)**

Auto-Correction
- Cannot "*auto-correct*" an active participant because the rate can change over time, via the ING site , **except the following case**:
  - if the *Retirement Plan* = <u>A</u>, <u>B</u> ,<u>M</u> or <u>P</u> **AND** the *Pension Election* field = <u><no election entered></u>, <u>Opt. 1</u>, <u>Opt. 2</u> or <u>Opt. 3,</u> then the system will "*auto-refund*" the fiscal year to date amount.

1-Time Amount
- The system accepts a *1-Time Amount* entered on the *Employee Benefits Screen*. In the next payroll run, the amount is **added** to the amount calculated for the benefit. On the *Register Record Preparation Screen*, the *1-Time Amount* is **added** to the amount calculated for the benefit, and as always, the benefit amount may be overridden by putting an <u>X</u> in the *Fix. Amt.* field.
- If an "*auto-refund*" is calculated in the next payroll run, the *1-Time Amount* will be **added to** the "*auto-refund*" and the resulting total will be the benefit amount in the next payroll run**.**

MPSRS Benefit (MPSERS Employer contribution**)**

Auto-Correction
- Cannot "auto-correct" an active participant because the corrections may pertain to multiple "MPSERS Fiscal years", which may be at different rates, **except the following case**:
  - if the *Retirement Plan* = H **AND** *Emp first worked on/after 04-Sep-12* is Checked **AND** *Plan Choice* =Defined Contribution (DC) plan, then the system will "auto-correct" the benefit to 20.96% of the fiscal year to date wage base in the next payroll run – whether the employee is paid or not.

1-Time Amount
- The system accepts a *1-Time Amount* entered on the *Employee Benefits Screen*. In the next payroll run, the amount is **added** to the amount calculated for the benefit. On the *Register Record Preparation Screen*, the *1-Time Amount* is **added** to the amount calculated for the benefit, and as always, the benefit amount may be overridden by putting an X in the *Fix. Amt.* field.
- If an *"auto-correct"* is calculated in the next payroll run, the *1-Time Amount* will be **added to** the *"auto-correct"* and the total will be the benefit amount in the next payroll run.

MURSP Benefit (MPSERS **U**AAL **R**ate **S**tabilization **P**ayment**)**

Auto-Correction
- The system does not "auto-correct" this benefit.

1-Time Amount
- The system accepts a *1-Time Amount* entered on the *Employee Benefits Screen*. In the next payroll run, the amount is **added** to the amount calculated for the benefit. On the *Register Record Preparation Screen*, the *1-Time Amount* is **added** to the amount calculated for the benefit, and as always, the benefit amount may be overridden by putting an X in the *Fix. Amt.* field.

PHFEM Benefit (Personal **H**ealthcare **F**und **– E**mployer **M**atching contribution**)**

Auto-Correction
- Cannot "*auto-correct*" an active participant because the rate can change over time, via the ING site , **except the following case**:
  - if the *RHC or PHF?* = <no election entered> or RHC - Premium Subsidy (3.00%) then the system will "*auto-refund*" the fiscal year to date amount.

1-Time Amount
- The system accepts a *1-Time Amount* entered on the *Employee Benefits Screen*. In the next payroll run, the amount is **added** to the amount calculated for the benefit. On the *Register Record Preparation Screen*, the *1-Time Amount* is **added** to the amount calculated for the benefit, and as always, the benefit amount may be overridden by putting an X in the *Fix. Amt.* field.
- If an "*auto-refund*" is calculated in the next payroll run, the *1-Time Amount* will be **added to** the "*auto-refund*" and the resulting total will be the benefit amount in the next payroll run.

Deductions (Employee paid)

DC-MC Deduction (Defined **C**ontribution **– M**ember **C**ontribution**)**

Auto-Correction
- Cannot "*auto-correct*" an active participant because the rate can change over time, via the ING site , **except the following case**:
  - if the *Retirement Plan* = <u>A</u>, <u>B</u> ,<u>M</u> or <u>P</u> **AND** the *Pension Election* field = <u><no election entered></u>, <u>Opt. 1</u>, <u>Opt. 2</u> or <u>Opt. 3,</u> then the system will "*auto-refund*" the fiscal year to date amount.

1-Time Amount
- The system accepts a *1-Time Amount* entered on the *Employee Mandatory Deductions Screen*. In the next payroll run, the amount is **added** to the amount calculated for the deduction. On the *Register Record Preparation Screen*, the *1-Time Amount* is **added** to the amount calculated for the deduction, and as always, the deduction amount may be overridden by putting an <u>X</u> in the *Fix. Amt.* field.
- If an "*auto-refund*" is calculated in the next payroll run, the *1-Time Amount* will be **added to** the "*auto-refund*" and the resulting total will be the deduction amount in the next payroll run.

MIP Deduction (MPSERS **M**ember **I**nvestment **P**lan employee contribution**)**

   Auto-Correction
   - For employees in "tiered plans" (i.e. 3.0% or 3.6% or 4.3% or 6.4% depending upon fiscal year to date earnings), the system will "*auto-correct*" the fiscal year to date deduction amount, as it always has.
   - For employees who selected *Pension Election* = Opt. 2: Increase contributions until 30 years of service @ 1.50% ; future years @ 1.25%, the system calculates either 4% or 7% of the wages **for the payroll period**, depending upon the *Retirement Plan* previously selected. The system is not able to "*auto-correct*" the deduction until the *Opt. 2 - At 30 years* is checked. After the employee reaches 30 years of service, the deduction will be calculated based on the *Retirement Plan* previously selected – as described in the bullet point above.
   - Cannot "*auto-correct*" an active participant because the rate can change over time, **except the following case**:
     - If the *Retirement Plan* = H **AND** *Emp first worked on/after 04-Sep-12* is Checked **AND** *Plan Choice* = Defined Contribution (DC) plan – 2, then the system will "*auto-refund*" the fiscal year to date amount. In this case, the system may require the following operation to be used, before the "*auto-correct*" will work correctly. In the Module > *Payroll Employee Records > Employee Mandatory Deductions Screen*, the *Operations > Correct the MIP fiscal YTD wage base for the employee* may be used to calculate the correct fiscal year to date wage base for the employee's MIP deduction.

   - **1-Time Amount**
   The system does not accept *1-Time Amount* entries for this deduction.

PHFMC Deduction (Personal **H**ealthcare **F**und **– M**ember **C**ontribution**)**

   Auto-Correction
   - Cannot "*auto-correct*" an active participant because the rate can change over time, via the ING site , **except the following case**:
     - If the *RHC or PHF?* = <no election entered> or RHC - Premium Subsidy (3.00%) then the system will "*auto-refund*" the fiscal year to date amount.

   1-Time Amount
   - The system accepts a *1-Time Amount* entered on the *Employee Mandatory Deductions Screen*. In the next payroll run, the amount is **added** to the amount calculated for the deduction. On the *Register Record Preparation Screen*, the *1-Time Amount* is **added** to the amount calculated for the deduction, and as always, the deduction amount may be overridden by putting an X in the *Fix. Amt.* field.
   - If an "*auto-refund*" is calculated in the next payroll run, the *1-Time Amount* will be **added to** the "*auto-refund*" and the resulting total will be the deduction amount in the next payroll run.

RHC Deduction (Retiree **H**ealth **C**are employee contribution**)**

  Auto-Correction
- The system currently "*auto-corrects*" the deduction amount to the correct fiscal year to date amount, based on the fiscal year to date wage base. In this case, the system may require the following operation to be used, before the "*auto-correct*" will work correctly. In the Module > *Payroll Employee Records > Employee Mandatory Deductions Screen*, the *Operations > Correct the RHC fiscal YTD wage base for the employee* may be used to calculate the correct fiscal year to date wage base for the employee's RHC deduction.
- Can "*auto-refund*" the total fiscal year amount, if employee should have no fiscal year to date RHC. These are the following cases:
  - *RHC or PHF?* = <u>PHF - Personal Healthcare Fund</u>
  - *Emp first worked on/after 04-Sep-12* is <u>Checked</u>

  1-Time Amount
- The system does not accept *1-Time Amount* entries for this deduction.