

Clarification on Retirement Monitor Announcement from December 9, 2021:

School Business met with the State Retirement office this afternoon (12/10/2021) to clarify the information related to the Announcement in the Retirement Monitor on December 9, 2021. **It is GOOD news!**

From Retirement Monitor Announcement Dec 9, 2021

December and January Supplemental Bonuses

The \$1,000 and additional \$500 “pandemic bonuses,” for eligible employees, are not considered pension-eligible compensation and do not need to be reported to the Retirement Systems.

*Lump-Sum **January** Salary ‘Catch Up’ Payment for Teachers and State Employees*

*The **one-time payment** includes the salary increase amount retroactively for July through December 31. This should be reported as regular pay, but we will accept payroll with this payment reported as a bonus.*

This one-time payment is counted towards salary.

*If your agency is reporting this payment on the January reporting cycle, which is submitted in February, **the payment should have an end date of December 31, 2021** and **should reflect prior period adjustments.***

January retirees should not have pay reported past their termination date.

Clarifications:

RATE to be used from January – June any salary related payments is 24.10%.

All the payments are still to be made beginning in January.

The below cross-references some of the key items for clarification:

January: This just references the January 1st implementation date in the legislation.

We clarified that PSUs have the 90-day window to implement the retroactive salary payments. But they all need to be completed by the end of March 2022.

one-time payment: This implies it must be ONE payment at one-time.

It does not need to be a one-time payment. That is just related to the language in the legislation. The retirement office understands that this could be several payments to complete the full retroactive salary payment for any individual.

This should be reported as regular pay, but we will accept payroll with this payment reported as a bonus.

This again just goes to the ORBIT INDICATOR related to Bonus pay vs. Regular pay. They want these payments in the file they receive to reflect as part of annual compensation so the flag or indicator in orbit should likely reflect REG as regular salary, but carry that December 31, 2021, pay period date and the prior period flag. It does sound like they will be filtering and grouping all the payments that are prior period adjustments and December 31, 2021, date as the retroactive salary adjustments.

the payment should have an end date of December 31, 2021:

This is the DATE they want in the ORBIT Transmission file. **This is NOT the check date.** The Pay Period End Date on the file needs to be December 31, 2021, for ALL payments related to the retroactive salary adjustment, even if paid and submitted with a February file.

should reflect prior period adjustments: This does NOT mean doing retroactive prior period adjustments in the system.

This is the FLAG for the Orbit Transmission file to denote those retroactive salary payments as for a prior period adjustment, so it does not kick out in their system. Will be allowed for that 90-day window.

School Business cannot handle the retroactive payments in the salary audit system. So please use the object code 129 for the certified staff and school administrators so that system and how we treat the salaries at DPI correctly.

January retirees should not have pay reported past their termination date:

This is the same as above. For the payments for the retirees, it needs to reflect the prior period adjustment flag and the December 31, 2021 Pay Period End Date. You would not pay the retirees in December.

All the payments are still to be made beginning in January.