RIM Section Update Comparison

(compares version dated 12/29/2016 to updated version dated 06/13/2019)

Content Title: 11.02: **How to Report Final Payroll Details**

Follow these steps to enter and submit your retiring employees' final payroll details. Links to helpful resources appear at the end of this section.

1. From the employer reporting website, go to the **Retirement Applicants** section. This will open the List of Retirement Applicants page. Check this section regularly for new applicants; the reporting system does not prompt you for each new applicant.

2. The **List of Retirement Applicants** screen shows two separate columns of retirement applicants, **Regular Retirement** and **Initial Pension**.

   - The **Regular Retirement** column on the left identifies those applicants whose final payroll details (FPDs) must be submitted as soon as possible. Their applications will not be processed and the member will not receive a pension check until the information is submitted to ORS.

- The **Initial Pension** column on the right identifies those applicants who are immediately eligible to retire. For these members, the retirement system will do an initial calculation using the wages, hours, and TDP payments already reported. You are not required to certify applicant wages prior to a member receiving an estimated pension; however, the final payroll details must be submitted after all wages and hours have been submitted and posted.

Each list is presented chronologically by retirement effective date and includes all of your employees who have submitted a retirement application.

Complete your FPDs using this order:

1. Always start in the **Regular Retirement** column, completing the FPDs in the current month. For example, if today is August 9th, complete the available FPDs under the month of August in the **Regular Retirement** column. After those are complete, staying in the regular retirement column, complete any available FPDs in previous months, moving in backwards order (complete July, then June, etc.).
2. After you have completed those, move to the **Initial Pension** column and complete the available FPDs under the current month. Again, for our example, complete anything available under the month of August in the **Initial Pension** column. Just like before, you would then complete available FPDs in previous months, moving in backwards order under the **Initial Pension** column (complete July, then June, etc.).
3. Finally, once those have been completed, return to the **Regular Retirement** column and complete FPDs in future months. In our example, this means you would go into September next, then October, etc.

3. The member's name will become an active hyperlink to the Final Payroll Detail (FPD) 45 days before their retirement effective date.

Complete the FPDs in the **Regular Retirement** column as soon as the hyperlink becomes active.

Complete the FPDs in the **Initial Pension** column only when all of the applicant's final wages, hours, and TDP payments have been posted and the hyperlink becomes active.

4. Verify the member's retirement plan before completing the FPD. To confirm the retirement plan, go to the **Member Benefits Plan** section and search for the applicant.

    Note: It's important to know if the applicant is a member of the Basic DC Converted or MIP DC Converted retirement plan. The FPD for a DC Converted applicant is processed with some differences, and those differences are noted in this RIM section. For applicants in a DC Converted retirement plan, a pension can only be calculated using wages reported prior to your first full pay period with a begin date on or after February 2013, the effective start date of the DC Converted retirement plan.
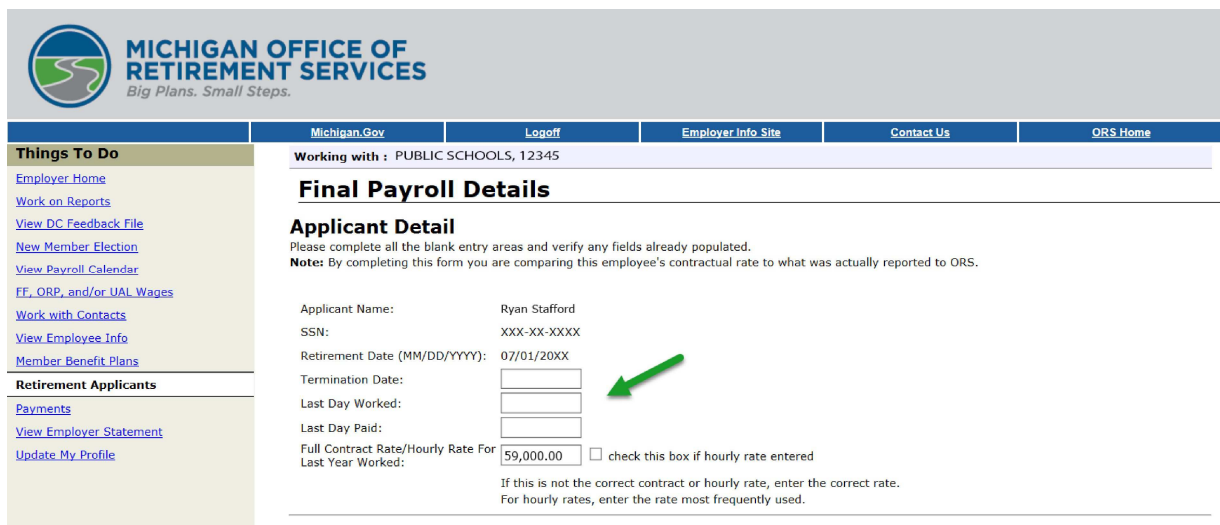
Member Information Display

This page displays the basic information about the SSN entered and about the associated contributions.

Member Information

SSN	First Name	Last Name	Birth date	Gender	Retirement Effective Date	Beneficiary Nomination date
xxx-xx-xxxx	JANE	DOE	XX/XX/XXX	Female		

Messages: The member's retirement plan is **MIP DC CONVERTED**. This member's healthcare plan is **PERSONAL HEALTHCARE FUND(PHF)** - collect contributions at the following rates:

DB Contributions:

- No DB Contributions

DC Contributions: (as of 12/28/2018)

- 4.0% member DC Contribution
- 7.0% mandatory employer DC Contribution
- 2.0% member PHF Contribution
- 2.0% employer PHF Contribution

Members may change their DC contributions by visiting the third party administrator's website.
For more information on contribution rates please see the Reporting Instruction Manual(RIM) at http://www.michigan.gov/orsrim.

5. Click on an active hyperlink to open the **Final Payroll Details** screen. You will enter the information necessary for the retirement system to calculate your retiring employee's pension.

6. Return to the FPD **List of Retirement Applicants** to continue processing the FPD. Under the **Applicant Detail** section, the employee's name, last four digits of their social security number, and retirement effective date will automatically be pre-populated.

    Enter the employee's **Termination Date**, **Last Day Worked**, and **Last Day Paid** using the mm/dd/yyyy format.

- The **Termination Date** is used to determine the employee's retirement effective date, which is usually the first day of the month following the Termination Date on the FPD.
- The **Retirement Date** that is shown on the FPD could change based on the Termination Date reported on the FPD.

- The **Last Day Worked** is the last day the employee earned service hours.
  Note: For DC Converted applicants, the last day worked must reflect the date prior to your first full pay period with a begin date on or after February 2013, the effective start date of the DC Converted retirement plan.

- The **Last Day Paid** is the pay period end date of the last pay cycle. If the employee has not provided a Termination Date, use the last day paid.
  Note: For DC Converted applicants, the last day paid must reflect the date prior to your first full pay period with a begin date on or after February 2013, the effective start date of the DC Converted retirement plan.

7. Complete the **Full Contract Rate/Hourly Rate For Last Year Worked** field next.

This field will reflect the contract or hourly rate you most recently reported to ORS on behalf of this employee.

Note: For DC Converted applicants, the contract rate must reflect the rate in place effective prior to your first full pay period with a begin date on or after February 2013, the effective start date of the DC Converted retirement plan.

If the amount is correct, go to the next section. If the amount is not correct, please enter the correct hourly rate or full contract rate for this employee.

To avoid common errors, please note the following:

- If the employee has more than one hourly rate, enter the average hourly rate.
- If the employee did not work the full fiscal year, check the Detail 2 for a prorated contract amount. If no amount is reported, enter the full contact amount.

Note: For bus drivers, enter the full contract rate from last year. If there is more than one, enter the average hourly rate.

8. If the applicant has an open, active tax-deferred payment agreement (TDP) the next section will be Pending TDP. For each pay period, enter the amount you intend to report to ORS on your regular payroll reports for this employee. Be sure to include any one-time payments. If the employee is not paying off the TDP agreement, you may enter a 0 (zero) in the TDP Amount field.

9. The **Pending Wages** section will only be available if the employee is listed under the **Regular Retirement** column.

In this section, enter the amount of reportable wages and hours that you **intend** to report to the retirement system on your regular payroll reports for this employee, for each of the pay periods listed in this section. Include payments made after July 1 for the last fiscal year (summer spread wages). Note that summer spread wages should only be put in one place, either the carryover section or in the pending wage section, depending on the timing of when you submit the FPD. If the wages have already been reported then they should go in the carryover section, if they have not been reported yet, they should go into the pending wage section.

If you have changed your payroll calendar and the new dates are not yet reflected on the final payroll detail screen, please provide wages and hours that most closely represent the pre-populated dates. A slight variance in dates will not affect the member's pension calculation.

Pending Wages
Instructions: For each pay period, enter the amount you intend to report to ORS on your regular payroll reports for this employee.

Report Period Start Date	Report Period End Date	Wages	Hours
04/09/20XX	04/22/20XX	$	
04/26/20XX	05/06/20XX	$	
05/07/20XX	05/20/20XX	$	
05/21/20XX	06/03/20XX	$	
06/04/20XX	06/17/20XX	$	
06/18/20XX	07/01/20XX	$	

10. In the Reportable Wages Above the Base Rate, enter the amount of any type of wages paid that are above the base pay rate for the most recent* fiscal year. This includes any wages reported with wage code 09 (Wages Without Hours). This amount is used in the balancing calculation. If the total excess wage amount above the base rate is from more than one source, please identify the individual payment amounts and the explanation for each one.

    *Note: For DC Converted applicants, enter the amount of any type of wages, including DC wages, that were paid above the base pay rate after your first full pay period with a begin date on or after February 2013, the effective start date of the DC Converted retirement plan.

Reportable Wages Above Base Rate
Instructions: Enter the amount of wages paid that is above the base pay rate for the most recent fiscal year.

Excess Amount: $

Excess Amount Comments:
(Please explain wages entered for excess amount.)

11. Complete the Unreportable (nonreportable) Wages section if, during the wage review period shown, any of the listed unreportable wages were reported to ORS. See section 4.06.00 Nonreportable Compensation.

    If you enter an amount for any of the unreportable compensation types, you will get a message advising you to create a negative adjustment for any pay period that included unreportable compensation.

    Note 1: Although longevity pay is reported on your regular payroll report and is reportable compensation, super longevity pay is **not** reportable compensation.
    Note 2: For DC Converted applicants, enter unreportable wages that were paid prior to your first full pay period with a begin date on or after February 2013, the effective start date of the DC Converted retirement plan.

Unreportable Wages

During the wage review period 07/01/2000 - 02/29/2016, were any of the following unreportable wages reported to ORS.

Bonuses	$ 0.00
Cash in lieu of benefit (insurance, annuity, etc.)	$ 0.00
Employer-paid service credit	$ 0.00
Expenses (e.g., mileage, dry cleaning, dues)	$ 0.00
Incentive payments(early retirement, severance pay, etc.)	$ 0.00
Insurance premiums	$ 0.00
Super longevity	$ 0.00
MIP reimbursements	$ 0.00
FICA reimbursements	$ 0.00
Payments to increase the FAC	$ 0.00
Perfect attendance	$ 0.00
Unused vacation, personal, sick or comp pay	$ 0.00
Other fringe benefits	$ 0.00
Long-term disability	$ 0.00
Other	$ 0.00

OR

☐ This payroll office did not report any of the above unreportable wages during the stated wage review period for this employee.

12. In the Carryover (Usually Summer Spread) wages section, enter wages paid after June 30 for service performed before July 1 for each listed school fiscal year end date listed.

    Please note:

    - Carryover wages that were originally reported with the correct wage code of 08 will not be requested.
    - Carryover (Summer Spread) wages (wage code 08) should only be reported in the summer months of July, August and sometimes September for members who continue to receive pay from the previous fiscal year contract, after their full amount of hours has already been reported.
    - Trailing wages are often misreported. Make sure you report trailing wages in the carryover section. Members who have trailing wages, which are regular wages and hours reported with a begin date in June but paid in July, must have wage codes 01, 05, 11, or 25.
    - If the FPD you are submitting is listed under the Regular Retirement column (pending wage section will be available for these FPDs), only report carryover (usually summer spread) for wages that have already been reported. The other summer spread wages left to be reported should be listed under the pending wage section.
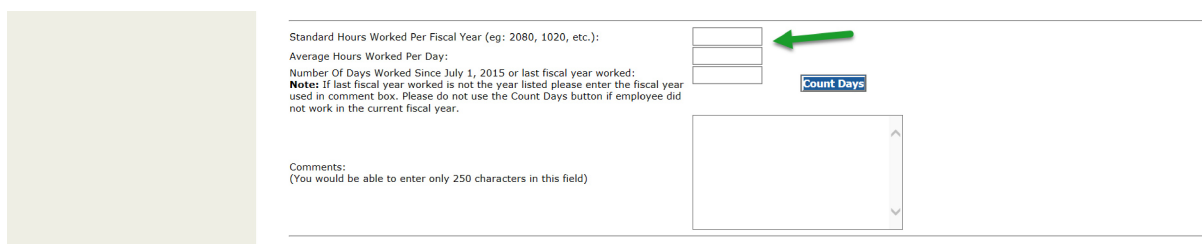
Carryover (Usually Summer Spread)
Instructions: For each period listed, enter the wages paid after June 30 for service performed before July 1.

Date	Amount
06/30/2017	$ 0.00
06/30/2016	$ 0.00
06/30/2015	$ 0.00
06/30/2004	$ 0.00
06/30/2003	$ 0.00
06/30/2002	$ 0.00
06/30/2001	$ 0.00
06/30/2000	$ 0.00
06/30/1999	$ 0.00

13. Enter the standard number of hours the employee is normally scheduled to work per year in the Standard Hours Worked Per Fiscal Year field. If the member was an hourly employee, enter the total amount of hours reported for the last fiscal year worked. For example: 2080 hours or 1020 hours.

Note: For DC Converted applicants, enter the standard number of hours the employee was normally scheduled to work prior to your first full pay period with a begin date on or after February 2013, the effective start date of the DC Converted retirement plan.

Standard Hours Worked Per Fiscal Year (eg: 2080, 1020, etc.):
Average Hours Worked Per Day:
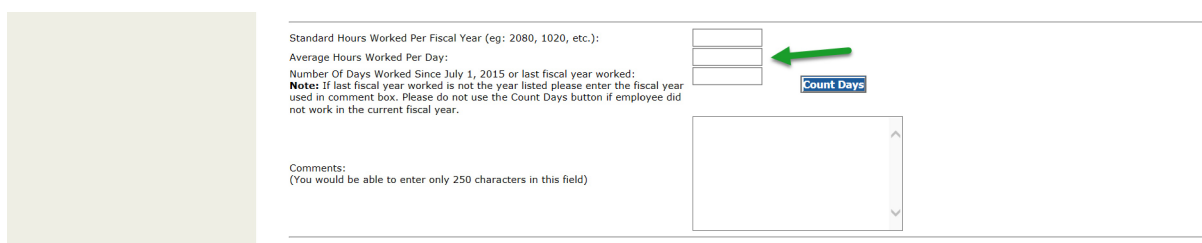Number Of Days Worked Since July 1, 2015 or last fiscal year worked:
Note: If last fiscal year worked is not the year listed please enter the fiscal year used in comment box. Please do not use the Count Days button if employee did not work in the current fiscal year.

Count Days

Comments:
(You would be able to enter only 250 characters in this field)

14.   Enter the number of hours the employee is normally scheduled to work per day in the Average Hours Worked Per Day field.

Note: For DC Converted applicants, enter the number of hours the employee is normally scheduled to work per day in the Average Hours Worked Per Day field prior to your first full pay period with a begin date on or after February 2013, the effective start date of the DC Converted retirement plan.

Standard Hours Worked Per Fiscal Year (eg: 2080, 1020, etc.):
Average Hours Worked Per Day:
Number Of Days Worked Since July 1, 2015 or last fiscal year worked:
Note: If last fiscal year worked is not the year listed please enter the fiscal year used in comment box. Please do not use the Count Days button if employee did not work in the current fiscal year.

Count Days

Comments:
(You would be able to enter only 250 characters in this field)

15.   Enter the actual number of days the employee worked since the end of the last school fiscal year in the Number of Days Worked Since July 1, 20xx field.

You may enter the number or you may use the Count Days feature (for details, see the next step). The number of days worked can never be zero (0) and the field cannot be empty. If the employee did not work in the last fiscal year, enter the number of days the employee worked in the last fiscal year they actually worked.

Use the Comments field to indicate the actual fiscal year you are providing hours for, or to explain any issues with hours or number of days worked. Do not use the Count Days feature if the employee did not work in the last fiscal year.

*Note: For DC Converted applicants, this day will be July 1, 2012.

Standard Hours Worked Per Fiscal Year (eg: 2080, 1020, etc.):
Average Hours Worked Per Day:
Number Of Days Worked Since July 1, 2015 or last fiscal year worked:
Note: If last fiscal year worked is not the year listed please enter the fiscal year used in comment box. Please do not use the Count Days button if employee did not work in the current fiscal year.

Count Days

Comments:
(You would be able to enter only 250 characters in this field)

16. Clicking on the **Count Days** button opens a calendar to help you count the correct number of days any employee has worked. The calendar preselects all the business days between the beginning of the school fiscal year and the employee's termination date. Unclick any dates that the employee did not work, or was not paid regular wages, sick leave, vacation pay, or holiday pay. When you are finished, click the **Count Days** button at the bottom of the screen, and the system will count the days for you.

    The **Count Days** calculator can only be used for the current fiscal year.

    Note: For DC Converted appliants, the **Count Days** calculator feature is unavailable.

17. The last fields of the FPD include your name, phone number, and email address. These will be automatically pre-populated.

    You can submit a completed FPD or save it and come back at a later time. The **Save button** saves everything except for the information entered in the **Wage Review Period** section.

Information in that section must be entered immediately before submitting the completed FPD.

Entered By:	Amy Vargo
Employer Phone Number:	
Employer Email Address:	

Save   Submit   Cancel

18.   ORS requires that the **Certified Reportable Wages** match the **Wages Based on Contract**. When you submit the FPD, a calculation will automatically run that will compare the certified **Reportable Wages** entered on the FPD to the **Wages Based on Contract** housed on the ORS database.

The retirement system accepts the FPD when the two amounts balance. Otherwise, you will receive an error message.

To figure the Daily Rate, the balancing calculation runs as follows:

- Full Year's Base Contract Amount divided by Hours Normally Worked Per FY = Hourly Rate
- Hourly Rate multiplied by Hours Normally Worked Per Day = Daily Rate

To figure the **Number of Days of Earnings** difference (the tolerated variation), the balancing calculation runs as follows:

- The difference between the amount entered on the FPD calculation and the amount from the ORS database, divided by the Daily Rate = Number of Days of Earnings Difference

In the example below, the **Certified Reportable Wages** are greater than the **Wages Based on Contract**. This error occurred because more wages were reported then the wages on the contract.

Final Payroll Details

Error Message

- This FPD is not balanced. The difference is 5501.34 which equals 15.84 days. Suggested areas to review are contract rate, excess amount, standard hours worked per fiscal year and carryover.
- Current Fiscal Year Posted Wages: 79646.81
- Wages Reported for Current FY from FPD: 17760.00
- Carryover Amount for Current FY: 0.00
- Excess Payment: 500
- Carryover Amount for Previous FY: 13623.76
- The Certified Reportable wages: 78783.02
- Wages based on contract: 73281.71

19.   Things to check if the Certified Reportable Wages are greater than Wages Based on Contract:

   - Wages Reported for Current FY from FPD may be too high. (This can be adjusted in the Pending Wages section.)
   - Carryover for Current FY may be too high.
   - Amount listed for Excess Payment (Excess Amount) may be too low. In other words, all of the Excess Payments may not be included in this field.
   - Carryover for Previous FY may be too low.
   - Standard Hours Worked per Fiscal Year may be too high.
   - Number of Days Worked Since July 1, 20xx may be too low.
   - For DC Converted applicants, make sure information entered for employees who converted to DC corresponds to wages reported prior to your first full pay period with a begin date on or after February 2013, the effective start date of the DC Converted retirement plan.

20.   Things to check if the Certified Reportable Wages are less than Wages Based on Contract:

   - Wages Reported for Current FY from FPD may be too low. (This can be adjusted in the Pending Wages section.)
   - Carryover for Current FY may be too low.
   - Amount listed for Excess Payment (Excess Amount) may be too high. In other words too many Excess Payment wages may have been included in this field.
   - Carryover Amount for Previous FY may be too high.
   - Standard Hours Worked per Fiscal Year may be too low.
   - Number of Days Worked Since Last July 1st may be too high.
   - For DC Converted applicants, make sure information entered for employees who converted to DC corresponds to wages reported prior to your first full pay period with a begin date on or after February 2013, the effective start date of the DC Converted retirement plan.

21.   Check each component for errors. If an error(s) is found, correct the error(s), then re-submit the FPD to be calculated again.

When the Final Payroll Details balance you will receive a message telling you to Print This Page Summary for Your Records.

Retirement Services
Department of Management and Budget
Michigan.gov

Final Payroll Details

Applicant Name:	Jane Smith
SSN:	XXX-XX-XXXX
Retirement Date (MM/DD/YYYY):	07/01/2011
Termination Date:	06/30/2011
Last Day Worked:	06/17/2011
Full Contract Rate/Hourly Rate For Last Year Worked:	$ 83575.14

Pending Wages

Report Period Start Date	Report Period End Date	Wages	Hours
04/09/2011	04/22/2011	$ 18626.00	60.00

Carryover (Usually Summer Spread)

Date	Amount
06/30/2010	$ 0.00
06/30/2009	$ 0.00
06/30/2008	$ 0.00
06/30/2007	$ 0.00
06/30/2006	$ 0.00
06/30/2005	$ 0.00

Standard Hours Worked Per Fiscal Year (eg: 2080, 1020, etc.):	2080.00
Average Hours Worked Per Day:	8.00
Number Of Days Worked Since July 1, 2010:	260

Balancing

Current Fiscal Year Posted Wages:	64948.26
Wages Reported for Current FY from FPD:	18626.00
Carryover Amount for Current FY:	0.00
Excess Payment:	0
Carryover Amount for Previous FY:	0.00
The Certified Reportable wages:	83574.26
Wages based on contract:	83575.14
Difference in Amount:	0.88
Difference in No. of days:	0.00
Comments:	

Entered by:	John Doe
Employer Phone Number:	555-555-5555
Employer Email Address:	doej@email.edu

22. The Final Payroll Details summary page will open. Print the Summary for your records. Once you close the summary page you will return to the screen shown below step 8.

23. Click on the button Return to Retirement Applicant List.

Last updated: 06/13/2019