The 2017 SEBAC Agreement defined an increase in employee Pension Deductions of 1.5%. Due to the late implementation of the Pension Deduction Increase, employees had the previous, lower rate in place for the six (biweekly) pay checks of the current fiscal year. For most employees, an extra deduction will be calculated and inserted into their records to make up for the late implementation. However, special handling is needed for employees who retire or terminate from state service before the end of the fiscal year.

**NOTE:** For any employee who has already retired or terminated between 7/1/17 and 1/31/18 the OSC Retirement Services Division will address the underpayment.

For any upcoming retirees or terminations, agencies are advised to capture the Pension Deductions owed for the first pay cycles of the year as part of the final check process. The pay cycle check dates in question are:

Bi-weekly/Special Bi-weekly: 7/7/17, 7/21/17, 8/4/17, 8/18/17, 9/1/17, 9/15/17

Semi-Monthly: 7/14/17, 7/31/17, 8/15/17, 8/31/17, 9/15/17

Legislators: 7/7/17, 8/4/17, 9/1/17

**Step 1:**

Depending on the employee’s pay frequency, in order to determine the amount the employee owes, the following data is needed per paycheck for each check date (above). Navigate to Review Paycheck to obtain the ‘RET’ Special Accumulator Amount. (This is the amount is used to calculate Retirement Deductions.)

Navigation:

Payroll for North America/ Payroll Processing USA/ Produce Payroll/ Review Paycheck

The RET Special Accumulator amount of $3,088.21 for check date 7/7/17. Continue for each check date listed previously.



Total the amount for all pay checks.

|  |  |
| --- | --- |
| 07/07/17 | $3,088.21  |
| 07/21/17 | $3,088.20  |
| 08/04/17 | $3,088.20  |
| 08/18/17 | $3,088.20  |
| 09/01/17 | $3,088.20  |
| 09/15/17 | $3,044.09  |
|  | $18,485.10  |

The result is the Pensionable earning for the employee for the missed pay cycles.

**Step 2: Multiply the total for the pay cycles’ Pensionable earnings by 1.5%:**

$18,485.10 x 1.5% = $277.28

The result is the Pension deduction underpayment for the employee’s missed pay cycles.

**Step 3: Calculate the amount of Catch-Up Deductions Taken**

For anyone who retires or terminates on or after 2/1/18 agencies will need to also calculate the total Catch-Up deduction taken.

From Review Paycheck, total the Catch -Up Deduction amounts that have been taken since the February 2nd check date. Deduct that total Catch-Up amount from the total Pensionable deduction underpayment from Step 2 to get the amount of the remaining 1.5% deduction owed. Provide this amount to Active and Pension Payroll Services Division (Step 4).

**Step 4: Provide information to OSC Active and Pension Payroll Services Division**

Send the following information to OSC Active and Pension Payroll Services Division, at OSC.PAYCORRECTIONS@CT.GOV: the Employee Number, Employee Record, amount, and one of the following catchup Retirement Deductions on the following page.

Example

Employee: Jane Doe

Employee ID: 123456

Amount for Missed Retirement: $277.28

Deduction Code: CDSE2A

Payroll services will process a Deduction Override for the employee’s last check with the information provided.

**Catch-Up Deduction Codes for SEBAC 2017**

|  |  |  |  |
| --- | --- | --- | --- |
| **DEDCD(s)** | **Plan** | **Description** | **Catch Up Code** |
| R1HZA4 | SERS | Tier I Plan A Haz Contr | CD1HZA |
| RS1UCA | SERS | Tier I Plan A UCONN Contr | CD1UCA |
| RS1PLA | SERS | Tier I Plan A Contr | CD1PLA |
| R1HZB4 | SERS | Tier I Plan B Haz FICA Contr | CD1HZB |
| R1SPB4 | SERS | Tier I Plan B Haz NoFICA Contr | CD1SPB |
| RS1UB1 | SERS | Tier I Plan B UCONN Contr | CD1SUB |
| RSE1B2 | SERS | Tier I Plan B Contr | CD1SEB |
| R1HZC4 | SERS | Tier I Plan C Haz Contr | CD1HZC |
| RS1UCC | SERS | Tier I Plan C UCONN Contr | CD1UCC |
| RS1PLC | SERS | Tier I Plan C Contr | CD1PLC |
| RS2AHZ | SERS | Tier IIA Haz Contr | CD2AHZ |
| RSE2A | SERS | Tier IIA Contr | CD2ASE |
| RS2SS | SERS | Tier II | CD2SSS |
| RS2NSS | SERS | Tier II No FICA Contr | CD2NSS |
| RSE2HZ | SERS | Tier II Haz Contr | CDS2HZ |
| RS3HZ | SERS | Tier III Haz Contr | CD3SHZ |
| RSER3 | SERS | Tier III Contr | CD3SER |
| RSHY3 | SERS | Hybrid Contributions |  CD2SHY |
| RSHY5 | SERS | Hybrid Contributions | CDSHY5 |