

NEIL ABERCROMBIE
GOVERNOR



STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

July 2, 2012

TO: Department Heads

ATTENTION: Fiscal and Personnel Officers

FROM: Wesley K. Machida, Administrator 

SUBJECT: Payroll Reporting Changes for Newly Hired Employees Who Become Employees' Retirement System Members after June 30, 2012

On June 25, 2012, the Governor approved S.B. 1269 as Act 152, SLH, effective June 30, 2012. As most of you are aware, Act 152 amends the definition of "compensation" for the purpose of calculating retirement benefits for all employees who become Employees' Retirement System (ERS) members after June 30, 2012. We have met with the Department of Accounting and General Services (DAGS) in preparation of the necessary changes required for reporting by the various State departments. The State payroll system has been modified to accommodate these changes and we have prepared the attached DAGS Pay Code Mapping Summary to be used for new members effective July 1, 2012.

Identification of Applicable Employees

New ERS members falling under Act 152 will be identified by the "crosswalk" table #3 (members with membership dates after June 30, 2012) as noted in the DAGS Comptroller's Memorandum No. 2012-11, dated May 16, 2012.

Reporting of "ERS Compensation" Pay Types

Attached is the approved mapping of DAGS Pay Codes from the Payroll Change Schedule (PCS) to the ERS Payroll File Layout. Based on our meetings with DAGS and several state departments, we consolidated the DAGS pay types that could be included as "compensation" and those that would be excluded from "compensation." The DAGS Pay Codes from the PCS are listed in the far left (column A) and the corresponding field descriptions are noted under the reported ERS Pay Fields. As indicated, ERS will receive compensation information from the ERS Pay fields indicated as: "Reg Pay," "Retro Pay," "WC Pay," and "Diff Pay Recurring." All other pay fields will not be reported to ERS with the exception of settlement payments. For your reference, we have also designated which fields are considered "ERS Compensation" and "Non-ERS Compensation" for each pay type (see columns J and K).



Employees' Retirement System
of the State of Hawaii

In summary, these are the pay types which will be designated as "compensation" under Act 152 and should be reported to ERS:

DAGS Pay Code	DAGS Explanation / Description	Corresponding ERS Pay Field
Blank	Regular Pay	Reg Pay
B	Regular Pay	Reg Pay
B	Sabbatical Leave Differential	Reg Pay
E	Irregular Pay	Reg Pay
G	Additional Grant Stipend	Reg Pay
R*	Retroactive Adjustment * (Base Pay Adj only)	Retro Pay
R	Extra Pay During Summer (DOE)	Retro Pay
T*	Temporary Assignment * (Base Pay Only)	Diff Pay Recurring
W*	Workers Comp *	WC Pay
Y	Differential Pay (Only for Shortage and DOE 12-month differentials)	Diff Pay Recurring
1	Retro Pay with xx% Tax Computation	Other Pay (Possible settlement payment)

* Please note that reporting changes for Retroactive Adjustments, Temporary Assignments and Workers Comp Pay Codes are applicable to current and new employees.

ERS questions regarding the above should be referred to Ms. Donna Curry, Program Specialist, at 586-1678 or by e-mail at curryd@hiers.org. DAGS questions regarding the above should be referred to Ms. Traci Fujita, Central Payroll Supervisor, at 586-0629 or by e-mail at traci.m.fujita@hawaii.gov.

Thank you in advance for your assistance.

Attachment

	A	B	C	D	E	F	G	H	I	J	K	L
1	DAGS Mapping Summary of reporting all pay types to ERS (Act 152):											
2	ERS Pay fields per Payroll file Layout											
3	Pay Code	REG Pay	Vac Pay	Retro Pay	WC Pay	Sab Lv Pay	Other Pay	Diff Pay Recurring	Diff Pay Non Recurring	ERS Comp	Non-ERS Comp	Comments and Instructions
4	Blank	Regular Pay								X		
5	B	Regular Pay								X		
6		Sabbatical Leave Differential								X		DOE will report under Pay Code "B" (formerly under Pay Code "L")
7	C						Overseas Pay (UH)				X	Per UH: Pay Code "C" is no longer in use
8	D							Split Shift Differential			X	
9	E	Irregular Pay								X		Per DOT: Pay Code "F" is no longer in use
10	F							Fire Fighting Differential			X	Per UH: Pay Code "C" used for Administrative Stipends
11	G	Additional Grant Stipend								X		

	A	B	C	D	E	F	G	H	I	J	K	L
	Pay Code	REG Pay	Vac Pay	Retro Pay	WC Pay	Sab Lv Pay	Other Pay	Diff Pay Recurring	Diff Pay Non Recurring	ERS Comp	Non-ERS Comp	Comments and Instructions
3	H						Hazard Pay				X	
12	I								Working Condition Differential		X	DOE will report under Pay Code "I" for all other non-ERS compensation differentials
13	J						Airfare/Travel Pay (DOH Kalaupapa)				X	
14	K								Emergency Pay Differential		X	
15	L											DOE will report this pay type under Pay Code "B". Per UH: Pay Code "L" is no longer in use
16												
17	M						Meals				X	
18	N								Night Shift Differential		X	

	A	B	C	D	E	F	G	H	I	J	K	L
3	Pay Code	REG Pay	Vac Pay	Retro Pay	WC Pay	Sab Lv Pay	Other Pay	Diff Pay Recurring	Diff Pay Non Recurring	ERS Comp	Non-ERS Comp	Comments and Instructions
19	O						Ordinary Overtime				X	All Depts to report under Pay Code "O" for regular overtime, retro overtime, and TA overtime
20	P						Holiday Overtime				X	
21	Q											DOE to report this pay type under Pay Code "R" (Retro Pay)
22	R			Retroactive Adjustment						X (base pay adj only)		Per DAGS: This Pay Code is to be used only for BASE PAY retroactive adjustments. Any overtime retro adjustments should be coded as Pay Code "O". This applies to both pre-07/2012 and post-06/2012 employees.
23				Extra Pay During Summer (DOE)						X		DOE to report this pay type under Pay Code "R" (formerly Pay Code "Q")
24	S						Stand-By Pay				X	

	A	B	C	D	E	F	G	H	I	J	K	L
	Pay Code	REG Pay	Vac Pay	Retro Pay	WC Pay	Sab Lv Pay	Other Pay	Diff Pay Recurring	Diff Pay Non Recurring	ERS Comp	Non-ERS Comp	Comments and Instructions
3	T							Temporary Assignment		X (base pay adj only)		Per DAGS: Depts to use this code only for the BASE PAY while on TA. Any OT earned as TA should be coded as Pay Code "O". This applies to both pre-07/2012 and post-06/2012 employees. DAGS to report Pay Code "T" under "Diff Pay Recurring" to ERS.
25												
26	U						24 Hour Pscychiatric Service Pay				X	
27	V		Vacation Pay								X	Pending futher discussion with DAGS due to issue on recovering overpayment of earnings.

	A	B	C	D	E	F	G	H	I	J	K	L
3	Pay Code	REG Pay	Vac Pay	Retro Pay	WC Pay	Sab Lv Pay	Other Pay	Diff Pay Recurring	Diff Pay Non Recurring	ERS Comp	Non-ERS Comp	Comments and Instructions
	W				Workers Comp					X		Workers compensation is reportable for both pre-07/2012 and post-06/2012 employees. Any retirement contributions from WC pay are treated as Post Tax and currently reported via DAGS PRD401R report. Follow the same reporting procedure for both pre-07/2012 and post-06/2012 employees.
28												
29	X											
	Y							Differential Pay		X (only SD & 12-Mo)		Depts to report only SHORTAGE DIFFERENTIALS & DOE 12-MONTH DIFFERENTIAL pay types under Pay Code "Y".
30												
31	Z											
	1						Retro Pay with xx% Tax Computation			X		DAGS: Central Payroll Approval Required Prior to Use.
32												

	A	B	C	D	E	F	G	H	I	J	K	L
	Pay Code	REG Pay	Vac Pay	Retro Pay	WC Pay	Sab Lv Pay	Other Pay	Diff Pay Recurring	Diff Pay Non Recurring	ERS Comp	Non-ERS Comp	Comments and Instructions
33	2						Sick Pay Exclusion				X	DAGS: Pending research on pay type
34	3						Increase In Pay (DOE)				X	DAGS will report as "Other Pay" to ERS
35	4											
36	6						Scheduled Overtime (DOT Firefighters)				X	
37	8											