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To: Chief Fiscal Officers, Payroll Directors, and MMARS Liaisons

From: Andrew W. Maylor, Comptroller

Date: June 13, 2019

Re: Earnings Code Processing During the Split Year Pay Period

Comptroller Memo FY#2019-25 Revised

Executive Summary

The purpose of this memo is to inform Departments of the methodology for distributing and recording Payroll charges in HR/CMS and LCM/MMARS during the Split Year payroll period. The Split Year Percentage will be **50% to FY 2019 and 50% to FY 2020** for most payroll charges. All reimbursements will charge to FY 2019 as will the other exceptions discussed in this memo.

The Office of the Comptroller (CTR), in conjunction with the Executive Office of Technology Services and Security (EOTSS), developed a model to process HR/CMS payroll for LCM processing. The methodology uses HR/CMS summarized posting dates for recording most payroll charges. The Summary Date Model is not exact and requires budget offices to understand the situations in which special calculations are to be considered.

Split Year

Split Year refers to the period in which one pay period spans two fiscal years. This year the Split Year pay period begins on June 23rd and ends on July 6th. LCM will process HR/CMS payroll based on a 10–workday schedule (Monday – Friday). There are 5 workdays (June 24 – June 28) in the Prior Fiscal Year, FY 2019, and 5 workdays (July 1 – July 5) in the New Fiscal Year, FY 2020.

The Split Year Percentage is **50% to FY 2019 and 50% to FY 2020**. This percentage can be used to describe most Split Year distributions with the exceptions discussed in this memo.

Departments should NOT encumber funds for the Split Year pay period. Payroll Holds (PHs) are not liquidated until the Accounts Payable payroll periods (pay periods ending on 7/20, 8/3, and 8/17). Please make sure that there are available (unencumbered) funds for the Split Year pay period.

Exceptions That Will Post to FY 2019

Prior Period Adjustments

All Prior Period Adjustments entered during the Split Year pay period will be for activity prior to June 23, 2019. These postings will charge to **FY 2019**.

Note, however, that any Implied Exceptions based on Prior Period Adjustments will not charge 100% to FY 2019. The Implied Exceptions will split 50%-50% between FY 2019 and FY 2020 as do other Additional Pay payments.

Charges Entered in Timesheet for June Pay Period Dates If Combo Code Used

Combo Codes result in detail day-by-day postings for each day where time is posted.

If, for example, an employee posts time on **6/29/2019** in Timesheet, those charges will post to **FY 2019** if a Combo Code is used to specify labor distribution for **any** day processed during the Split Year pay period (including Prior Period charges) or if a Combo Code is used for an Additional Pay Charge for **any** job for that employee.

When Combo Codes are used, HR/CMS does not summarize payroll charges and sends over charges day by day. Therefore, Timesheet charges for 6/29 will be sent to LCM/MMARS with a Pay Event Begin and End date of 6/29/2019. LCM/MMARS then posts those charges to FY 2019.

If no Combo Codes are used for an employee's payroll charges, time posted on 6/29/2019 in Timesheet will be distributed by the Split Year Percentage along with the other charges for that employee.

Specific Earnings Codes

Specific earnings codes will always post to **FY 2019** during the Split Year Period. HR/CMS sends the earnings codes to LCM/MMARS with a Pay Event Begin and End date of 6/30/2019.

These earnings codes fall into the following categories:

- **Reimbursements** – Reimbursement earning codes that normally charge to the BB subsidiary (or C98 for Contractors). Departments with Reimbursement payments that must charge Fiscal Year 2020 can do so by either paying from their DYNACash account or by processing the reimbursements in the next pay period.
- **Retro Earnings Codes** – Any Code with Retro in the description.
- **Settlements and Judgments** – All Comptroller Settlement codes. Use of these codes requires prior approval by the Comptroller Payments group.

- **Sick and Vacation Buyouts Entered as Hours** – All sick and vacation buyouts entered as **hours**. Any buyouts that must charge FY 2020 should be processed as amounts or should be processed in the next pay period.
- **Furlough Processing If Applicable**– Furloughs taken during Split Year pay period if the earnings code used is FCT.

A full list of the earnings codes that will post to FY 2019 appears below.

Earnings Code	Description	MMARS Object Code
B01	Travel And Other Expense / Out of State	B01
B02	Travel Expense / In State	B02
B03	Overtime Meals Expense	B03
B04	Tuition / Non-Graduate	B04
B05	Conference and Training	B05
B06	Membership Dues and Licensing Fee	B06
B08	Clothing Allowances	B08
B10	Exigent Job Related Expenses	B10
B11	GIC USE ONLY – Healthcare Reimbursement	B11
B12	CTR USE ONLY – Non Tax Adjustment	B11
B1B	Travel Lodging Expense	B01
B92	Taxable Employee Reimbursement	B92
BAE	Auto Expense Reimbursement	B02
BAF	Training - AFSME Career Ladder Reimbursement	B05
BAG	MIL Basic Housing	B07
BAR	MIL Basic Subsistence	B07
BB1	Travel Airfare Expenses	B01
BB4	Tuition / Graduate	B04
BH7	Housing Allowance	B07
BHR	Housing – Cash – Retirement	B07
BMI	Car Mileage Reimbursement	B02
BMO	Training MOSES Reimbursement	B02
BMV	Moving Reimbursement	B02
BNA	Training NAGE Reimbursement	B02
BPK	Parking Reimbursement	B02
BQT	Reimbursement – Qualified Transportation	B11
BSE	Training SEIU Reimbursement	B02
BT7	Tangible Asset Allowances	B07
BTL	Toll Reimbursement	B02

Earnings Code	Description	MMARS Object Code
BX6	Membership Reimbursement – Unit 6	B05
C98	Travel Expense – Contract Service	C98
CBB	Comp Time Buy Back – Hours	A13
D01	Deficiency Regular	A01, A11, A20
D02	Deficiency Travel Reimbursement	B02 or other BB Object Code or C98
D03	Deficiency Other Pay – Retirement	A01, A06, A07, A11, AA1
D04	Deficiency Vacation in Lieu	A13
D05	Deficiency Sick Buy Back	A12
D06	Deficiency Overtime	A08
DPL	Deceased Employee – Lump Sum – No Retirement	A21 or CC Object Code for Contractor
DPR	Deceased Employee – Lump Sum – Retirement	A21 or CC Object Code for Contractor
FCT	Furlough	A01 or CC Object Code for Contractor
IAR	CTR USE ONLY: Industrial Accident Adjustment	Various
INT	Interest Due – Settlement / Judgment	A11, C11
PAR	CTR USE ONLY: Partial Reversal Adjustment	Various
PCI	Personal Leave Cash In	A13
QPA	Qualified Parking Allowance	B02
QTA	Qualified Transport Allowance	B02
RIP	Retro IPP Pay	D24
ROH	Retro Holiday Pay	A08
ROP	Retro Other Pay	A14
ROR	Retro Regular Pay	A01 or CC Object Code for Contractor
ROS	Retro Shift Pay	A07
ROT	Retro Overtime Pay	A08
ROV	Retro Standby – No Retirement	A06
ROW	Retro Holiday Pay – Retirement	A10
ROX	Retro Other Pay – Retirement	A01 or CC Object Code for Contractor
ROY	Retro Shift Pay – Retirement	A07
ROZ	Retro Overtime Pay – Retirement	A08
S/J	Settlement / Judgment	A11
SBB	Sick Leave Buy Back – Hours	A12

Earnings Code	Description	MMARS Object Code
SGL	Serviceman's Group Life Insurance	R13
SJA	Settlement / Judgment – No Withholding	C11
SJB	Settlement / Judgment – Retirement – Contractors	C11
SJC	Settlement / Judgment – Contractors	C11
SJP	Settlement / Judgment – Retirement	A11
SJR	Settlement / Judgment – No Withholding	A11
SJT	Settlement / Judgment – Taxed Annual	A11
TX1	CTR USE ONLY – MEDICARE Refund	T11
VIL	Vacation In Lieu – Hours	A13

Exceptions That Will Post to FY 2020

Specific earnings codes will always post to **FY 2020** during the Split Year Period. HR/CMS sends the earnings codes to LCM/MMARS with a Pay Event Begin and End date of 7/1/2019.

These earnings codes fall into the following categories:

- **Sick and Vacation Buyouts Entered as Amounts** - All sick and vacation buyouts entered as **amounts**. Any buyouts that must charge FY 2020 should be processed as hours or should be processed with an Accounts Payable Earnings Code in the next pay period.
- **Furlough Processing If Applicable**– Furloughs taken during Split Year pay period if the earnings code used is FUR.

A full list of the earnings codes that will post to FY 2020 appears below.

Earnings Code	Description	MMARS Object Code
CBA	Comp Time Buy Back - Amounts	A13
FUR	Furlough Unpaid	A01
SBA	Sick Leave Buy Back - Amounts	A12
SVP	Sick Vacation Payout	A13
VLA	Vacation in Lieu – Amounts	A13

Impact of HR/CMS Job Actions

Job Actions in HR/CMS do not affect the specific earnings codes that post 100% to FY 2019. Job Actions in HR/CMS, however, can affect the 50%-50% Split Year Percentage for other earnings.

- **Midweek Rate Increases** (or Step Progressions) – Only REG hours on or after the Effective Date will be calculated at the increased rate. The Split Year Percentage by dollars will be weighted based on the start of the increase. Additional Pay earnings based on REG hours will follow the related REG hours. Note: Additional Pay earnings NOT based on other earnings (like ADS) will split based on the 50%-50% Split Year Percentage.
- **New Hires** – The Split Year Percentage will be based on the effective date of the Hire action. The total dollars may not split 50%-50%. Hires effective 6/30 or later may charge all dollars to the new Fiscal Year. Hires on or before June 29 will have some percentage charged to the Prior Fiscal Year.
- **Rehires** – The Effective Date of the Rehire action can affect the Split Year Percentage as with New Hires.
- **Terminations** – Terminations before 7/1/2019 with no Additional Pay will charge to FY 2019.
- **Mid Pay Period Transfer** – Postings in Timesheet will reflect a percentage consistent with the Effective Date of the Transfer action. However, all Additional Pay earnings will charge to the new Chart of Account Distribution.
- **Home Unit/ Object Code** – Changes to the Home Unit or Object Code may reduce the number of workdays used to calculate the Split Year Percentage to the number of workdays on or after the Effective Date of the change. The split may not be 50%-50%.
- **Actions on 6/30** – Any HR action that results in a new LCM time slice with an effective date of 6/30/2019 may result in 6/30 being assigned to FY 2020 and an overall 100% proration to FY 2020.

Processing Terminations or Terminations with Pay

Terminations (TER) and Terminations with Pay (TWP) Job actions should not be entered in HR/CMS until the next pay period (7/7/2019 through 7/20/2019).

Follow these guidelines to ensure Split Year proration and finalization of the termination:

- Post daily attendance in Timesheet for the Split Year pay period.
- If appropriate, end date Additional Pay earnings with an effective date of 6/22/2019. This action ensures that the Additional Pay is not paid in the following pay period.
- Change the employee's schedule in HR Assign Work Schedule to a Zero Predefined Schedule effective 7/07/2019 to ensure that no hours are entered in future periods.
- View general deductions to determine if the deduction should be taken, ended, or adjusted.

- Additional Pay earnings can be posted in pay period ending 7/20/2019 with Accounts Payable earnings codes.
- During the pay period ending 7/20/2019, use the TWP action if there are additional payments. Otherwise, use the TER Job action. The correct Effective Date should be entered.

LCM Distribution

LCM uses the distribution in effect for an employee (DEPTE) on the Pay Event Begin date to distribute labor charges. Therefore, for those Earnings Codes posting on 6/30/2019, the distribution in effect on 6/30/2019 will be used even if it is a prior period adjustment during the Split Year pay period.

Changes to an employee's distribution (DEPTE) with an Effective Date after 6/23/2019 should be used with caution. A change to the DEPTE may change the Pay Event Begin date for summarized payroll charges to the Effective Date of the DEPTE. Therefore, only the new DEPTE may be used to distribute the payroll charges.

Questions

If you have any questions about HR/CMS, please contact CommonHelp at 866-888-2808. If you have any questions about LCM/MMARS, please contact the Comptroller's Help Desk at 617-973-2468.

cc: General Counsels
Internal Distribution