



## ASRS Primer

Beginning in FY16, the Arizona State Retirement System (ASRS) will require a new file format for the contributions file submitted by Arizona school districts. ASRS worked with Tyler Technologies to implement this new file format in their IVEE Quarter 2 release (2015.2.xx) which must be installed before the first payroll of FY16 is run.

This document provides information on how to setup employee records to contain the new data required by ASRS. There are essentially three changes that were made to the contributions file:

- Employee Type
- Employee Pay Type
- Hours Worked

If you have any questions about these changes, please contact MCESA Financial Systems Support at [FSS@mcesa.maricopa.gov](mailto:FSS@mcesa.maricopa.gov) or # 602-372-IVEE (4833).

### Employee Type

The Employee Type is used to indicate if the employee works 9, 10, 11 or 12 months each fiscal year. This is based off the time the employee actually WORKS, not how they are paid.

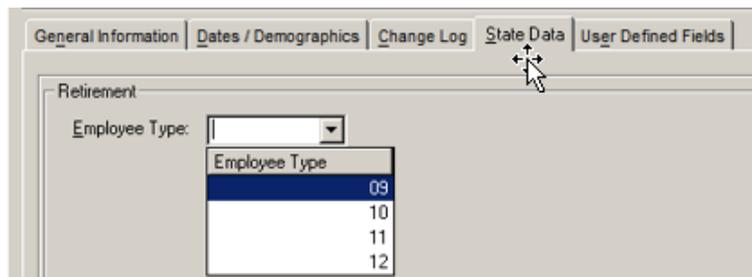
*Example 1:* A Teacher works 10 months within the fiscal year, but has elected to be paid over 12 months instead of receiving a lump sum payment at the end of the school year. This should be an Employee Type of 10.

*Example 2:* A Football Coach works only as a coach for the district during the football season. This season is less than 9 months, but since this is a REQUIRED field you should select 9 as the most appropriate Employee Type. This may be updated in the future.

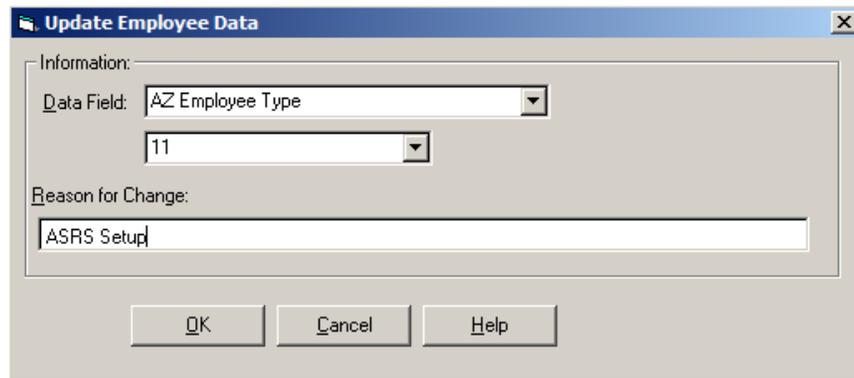
This field has been implemented so ASRS can analyze the contribution and accrual rates of school district employees. There are no plans at this point to make any changes due to the information being gathered. It is currently only being used to get a better idea of how employees from school districts affect the ASRS system and its sustainability.

### How to Use Employee Type in Visions

The new Employee Type field is located in **PR/HR > Employees > Employee Maintenance**. When adding or editing an employee record, there is a new required field located under the State Data tab. You must select one of the valid Employee Types from the drop down box.



To help with your initial update, the AZ Employee Type field is available in **Actions > Shortcuts > Mass Update Records**. Filter your grid as much as possible to the employee type, then use this utility within Employee Maintenance to mass update.



## Employee Pay Types

The Employee Pay Type is used to define WHY the employee is getting this pay. This change is being made to help facilitate any Payroll Verification done by ASRS. This is a time consuming process for ASRS but it is relatively easy to implement a more proactive solution by including the Pay Types in the Contributions File.

### Employee Pay Type Definitions

The nine pay types are described below. First is the ASRS Description and then any MCESA comments as applicable.

**01=Base Pay/ Leave Pay:** Base pay means the fixed gross amount paid to a member as salary or wages for services rendered to or for an employer, typically every two weeks or other consistent periodic basis, including amounts that are subject to deferred compensation or tax sheltered agreements or that would have been paid to a member except for the member's election or a legal requirement that all or part of the gross amount be used for other purposes. *MCESA comments:* Leave Pay means any currently *compensated* absence from work including Vacation and Sick leave plans. This Pay Type will also include most stipends (or other Supplemental Pays) such as Coaching, Extra Duties, Tutoring, Prop 301 Adjustments (Fund 011 & 013 ONLY), etc.

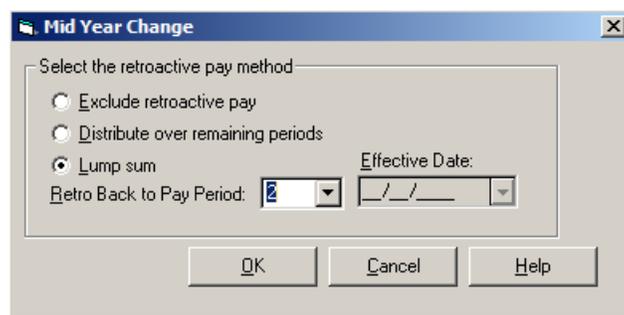
**02=Overtime Pay** means the additional amounts paid to a member as salary or wages whose employment position qualifies to receive such pay. This is for non-exempt (overtime eligible) employees only who are entitled to pay equal to time-and-a-half of their normal pay rate when working over 40 hours in one week. *MCESA comments:* Most of your Certified employees are not typically eligible for this Pay Type. Unless your district reports overtime on a separate supplemental pay (or position) you may not be able to use this Pay Type. Our hope is to have Tyler refine the process that creates the ASRS Contribution Records to include Overtime as it appears in Employee Time Card Entry as its own separate record.

**03=Leave of Absence Partial Pay** means payments made by employer to a member at an amount less than the employee's regular salary or wages paid during an approved leave of absence.

**04=Non Standard Pay** means payments other than Base pay or any of the other defined pay types. *MCESA comment:* This Pay Type use should be rare so please check with your ASRS Liaison before using.

**05=Balance of Contract Pay** means the last payment of the fiscal year that represents the remaining portion/balance of the member's salary or wages in accordance with the member's written request with respect to the frequency (number of pay periods) over which the member wishes to receive that fiscal year's contact salary. *MCESA comments:* Since the Balance of Contract ("Lump Sum") is generated within the existing position, this Pay Type is currently difficult to report unless someone at your district updates the Pay Type before running the BOC pay period. Our hope is to have Tyler refine the creation of the ASRS Contribution Records to split the pay from BOC payrolls into its own record without intervention.

**06=Retroactive and Claim Resolution Pay:** "Retroactive pay" means payments made in a lump sum by an employer to an employee but which represent payments that would normally have been paid in connection with prior, separate pay periods but for a delay in granting a pay increase or other failure to timely pay amounts due to an employee. "Claim resolution pay" means payments designated as salary or wages and paid by an employer to an employee pursuant to court or administrative order, or by settlement, in connection with any grievance or claim filed by an employee. *MCESA comments:* The most common reason to use this Pay Type is due to a retroactive salary increase paid out in a single pay period. In Employee Positions & Pay, if you use **Actions > Mid Year Change** and select a Lump sum amount, that pay period would qualify as a 06 Pay Type. This is another area that we would like to see Tyler make the change to update the Pay Type without intervention.



**07=Performance, Bonuses, Longevity and Stability Pay:** "Performance pay" means "bonus pay" or other monetary awards paid by an employer to an employee to reward the employee for performance over a prior period of time, and which are typically paid annually. "Bonus pay" means compensation over and above the amount of pay specified as base pay or hourly rate of pay. Bonus pay may be distributed randomly or as specified by contract and is usually tied to achievement of a pre-determined business objective within a specific time frame. "Longevity pay" means payments made by an employer to an employee that are typically paid annually and are based on the period of time that the employee was employed by the employer, but are not attributable to any specific pay period. "Stability pay" means payments made by an employer to an employee that are typically paid annually or at termination of employment, are based on the period of time that the employee was employed by the employer, and are attributable to specific pay periods or months of employment. *MCESA comments:* This Pay Type includes Prop 301 (Fund 012) monies.

**08=Termination Incentive** means payment the employer provides to or on behalf of an employee that is conditioned on the employee's termination from employment. Such pay is considered compensation for pension purposes only for employees hired before January 1, 1984.

**09=Termination Pay** means payments made by an employer to an employee, whether the payments are made in one payment or by installments over a period of time, and whether paid before, after, or both before and after termination, due to termination of employment, including 1) pay for accumulated vacation or annual leave, sick leave, or compensatory time, including payments spread over a period of months prior to termination but paid only on the employee's representation that the employee will terminate on or before a date certain, 2) pay for an employee's agreement to terminate employment, 3) any other form of payment made due to termination of employment.

### Employee Pay Type Scenarios

*Example 1:* A Teacher at your district is receiving money specified in his contract as a Base Salary increase (Fund 011). If his teacher position is split funded to include this Fund 011 account there is no additional change needed because this should already be Pay Type 01. If that money is paid on a separate supplemental pay then both the supplemental pay and the teacher position should be a Pay Type 01.

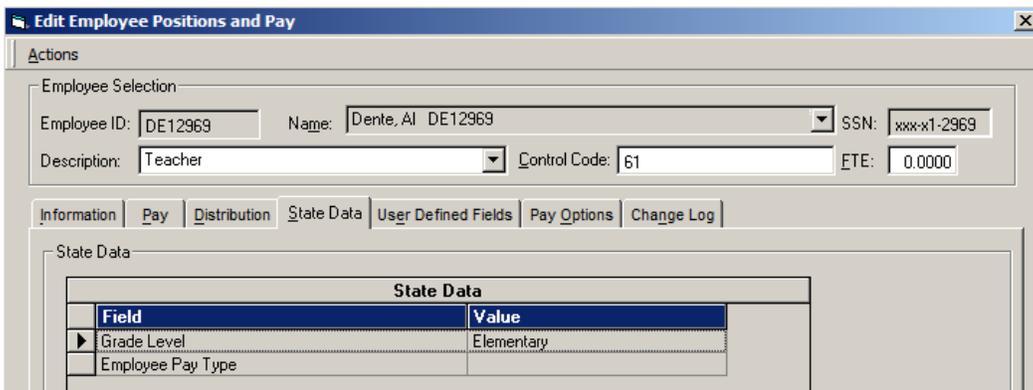
*Example 2:* A Custodian has worked 45 hours in one week as part of his position. If your district tracks overtime on a separate supplemental pay then this custodian position would be Pay Type 01 and the overtime supplemental would be Pay Type 02. If you do not have a separate supplemental position for overtime, then for now, you will still report the wages under his custodian position as Pay Type 01 until Infinite Visions can be updated to split this pay out automatically.

*Example 3:* A Principal is terminating her employment with your district and you are preparing her final pay. For this situation you should simply deactivate both the employee's ASRS deductions before calculating any final disbursements. Termination pay is not ASRS eligible and in order to not withhold money for this deduction you have to deactivate it, which has the effect of removing the employee for the creation of the Contribution Records. You should still put in a Pay Type 09 since the field is required on all positions, but be aware that the record will never be sent to ASRS because the deduction is inactive.

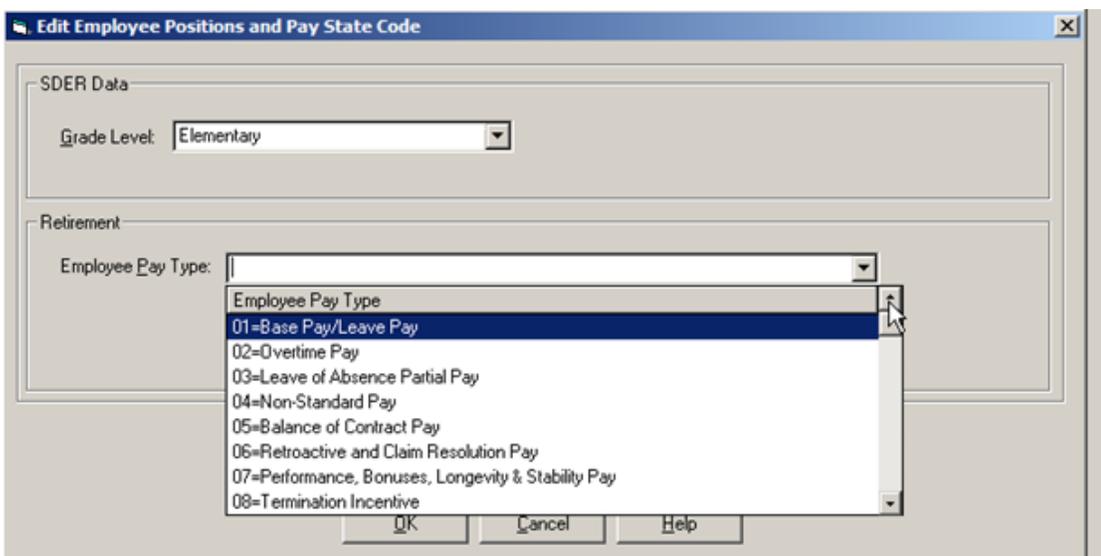
*Example 4:* A Teacher has completed her primary position for the school year but has elected to teach over the summer. This additional position (whether a position or supplemental) should either be a timecard position where hours are recorded or a salary position with a valid Hrs/Day setup. Even though this is not the Teacher's primary position it is still considered Pay Type 01.

### How to Use Employee Type in Visions

The Employee Type field is located in **PR > Employees > Employee Positions & Pay**.



When adding or editing a position, the Employee Pay Type is a new required field under the State Data tab. Double-click on the Employee Pay Type within the State Data grid and select one of the 9 valid Employee Pay Types.



To help with your initial update, the AZ Employee Pay Type field is available in **Actions > Shortcuts > Mass Update Records**.

Note: To use this option you must enable the “Allow mass EE Position & Pay update” within **Security > Workflow Configuration > Payroll User Roles**. See instructions at end of this document to enable this option.

Once the mass update option is enabled go to **Employee Positions & Pay**. Filter your grid as much as possible to the employee pay type. Go to **Actions > Shortcuts > Mass Update Records**. Then select AZ Employee Pay Type as the Data Field to update all the records showing on your current grid.

The screenshot shows a dialog box titled "Update Position Data". It contains the following fields:

- Information:**
  - Data Field:** A dropdown menu with "AZ Employee Pay Type" selected.
  - Reason for Change:** A text box containing "ASRS Setup".

At the bottom of the dialog box are three buttons: "OK", "Cancel", and "Help".

## Hours Worked

The Hours Worked is collected by Employee Pay Type and will be used to indicate the number of compensated hours in the pay period that you are submitting to ASRS. This requires no changes on the surface because the information is pulled automatically from Employee Time Card Entry and requires no special field to update.

However, for instances where hours are not reported accurately in a position or supplemental pay, you should work to transition these to a more accurate position setup.

*Example 1:* A Football Coach stipend is being paid to an employee. If this stipend is set up as a Salary – Work Agreement, then you should input an estimated number in the Hrs/Day field. Ideally it would be best to convert this position to a Time Card position to track hours more accurately.

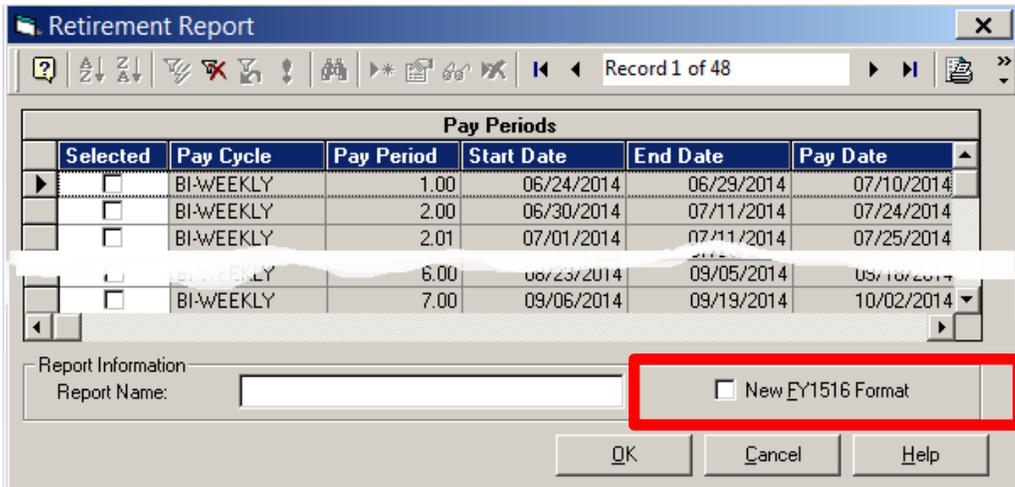
*Example 2:* A Substitute is paid at your district at a rate of \$100 per day. Ideally this is set up as an hourly position paying \$12.50 an hour for an 8 hour day. However, since many of these positions are short-term and you know they will not be eligible for ASRS, their hours will not be reported on the Contributions File until they are either hired permanently or meet the hours requirement for ASRS withholdings. Until that time you would either not have the ASRS deduction attached to the employee or have the deductions deactivated, both of which will not generate an ASRS record. So while it would be a good practice to move away from paying a daily rate at this point, unless the substitute becomes eligible for ASRS during the year it is not required.

## ASRS Record Creation

In **PR > Reports > AZ – ASRS Retirement Reporting** there is a new field that appears when using **Actions > Create Retirement Records**. It is “New FY1516 Format” checkbox.

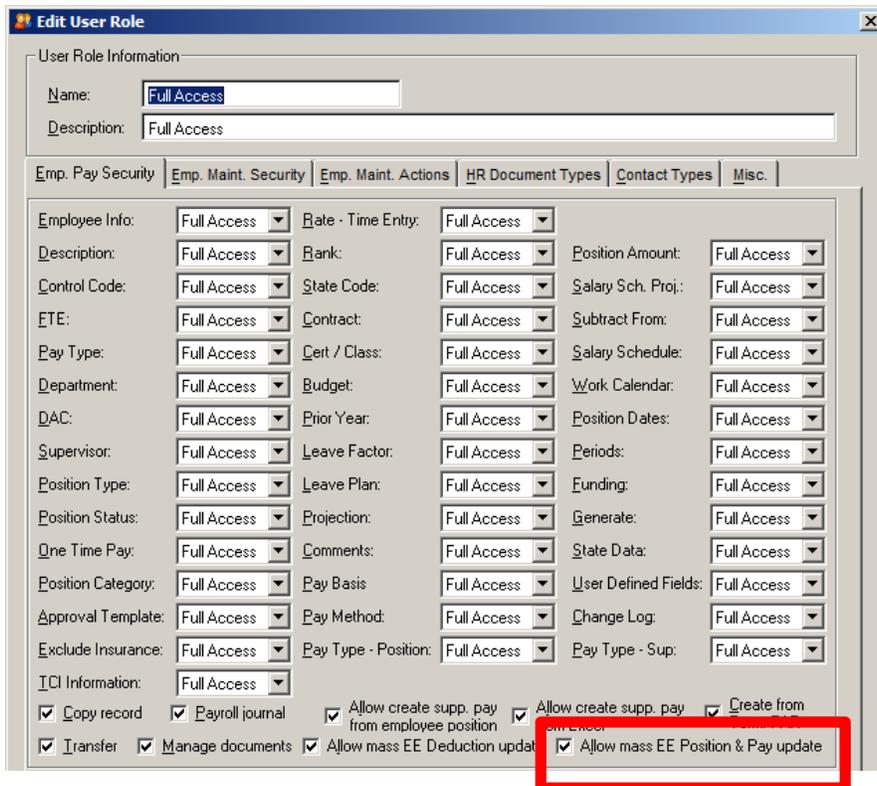
- This field will default as selected for any pay period paid on or after July 1<sup>st</sup>, 2015.
- This box should ONLY be selected for payrolls run from your FY1516 year.

- If you are generating records in your FY1415 year you should DESELECT this box. This applies regardless of the pay date because the time worked was on or before June 30<sup>th</sup>, 2015.



### Allow Mass EE Position & Pay Update

The ability to update Employee Pay Type for multiple employees has been provided in Visions. To use this option you must first have the option selected for “Allow mass EE Position & Pay update” within **Security > Workflow Configuration > Payroll User Roles**. Make this selection for each Payroll User Role that will perform the mass updates.



## Summary

At this point there are a few things that we are still discovering about the changes and how it affects various districts throughout Arizona. There are changes that MCESA will continue to push for within Infinite Visions to accommodate what ASRS requires and some case-by-case clarification that will be needed as new scenarios are encountered.

If you have any questions, please feel free to contact your ASRS Liaison, MCESA Financial Systems Support, or Tyler Technologies as appropriate. As more information becomes available we will work to share it with those affected.

This document applies to Release 2015.2.xx of Tyler Technologies, Inc. Infinite Visions Enterprise Edition software. The data used to illustrate any screens and reports are examples only. All names of persons or places are fictitious; any similarities to actual names are coincidental.

Portions of this document contain excerpts from Arizona State Retirement System documents.