Payroll Reporting through ORBIT

Reporting Monthly Salary and Contributions to the Retirement Systems

North Carolina
Total Retirement Plans

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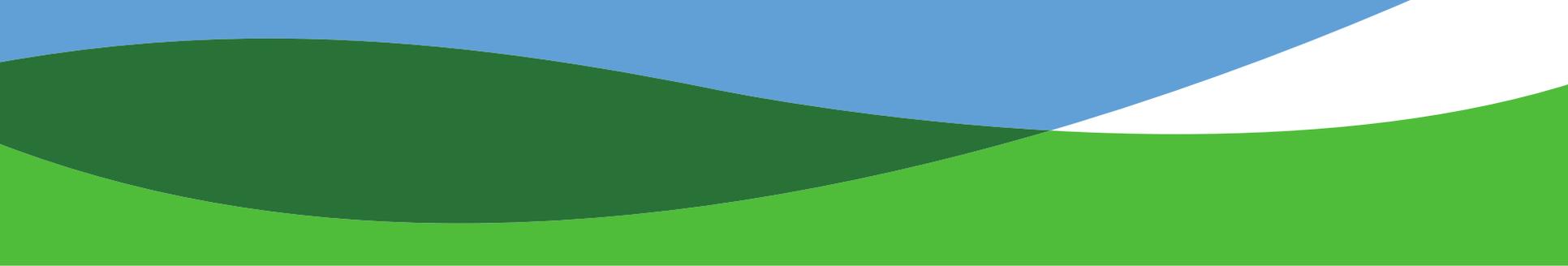
Agenda

- Processing the Monthly Report through ORBIT
- File Rejects: Load and Fail Errors
- Edit Errors and Error Reports
- Definition of TSERS General Employee
- Definition of LGERS General Employee
- Reporting Correct RSP Types and RSP Dates
- Proper Pay Type Reporting
- Reporting Adjustment Records
- Reporting Teacher Licensure Pay and Worker's Comp
- Salary Not Subject to Contributions
- Importance of Data on ORBiT Payroll Report
- Return-to-Work Retirees (TSERS and LGERS)
- Touch Points Review
- Employer Invoices
- ORBIT Security and Navigating ORBIT Self-Service
- Resources for Employers

Processing the Monthly Report

Step 1: Submit Details Report

- Reports 36 data items on each member detail record
- Reports employment dates and termination dates
- Generates member service credit accrual through pay periods, Retirement Service Period (RSP) dates, RSP types and salary reported
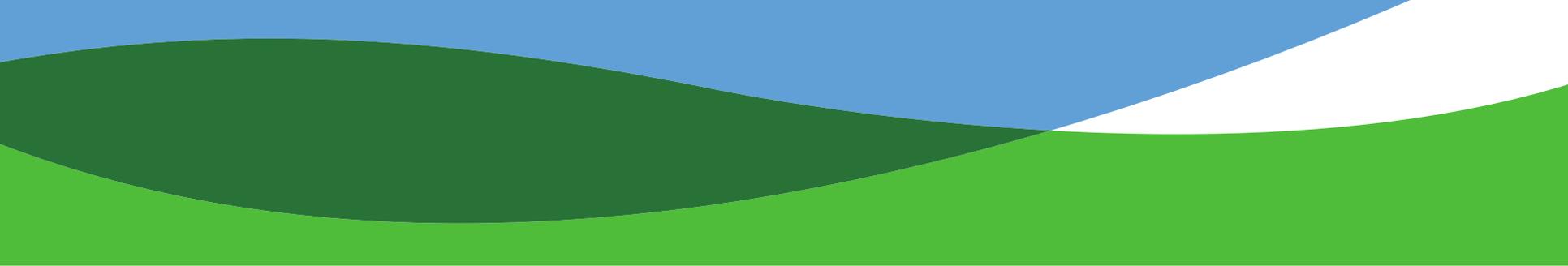
Processing the Monthly Report

Step 2: Submit CSI Report

- Reports EE salary and contribution totals for the member detail records reported.
- Reports ER contribution totals
- Must be submitted by the 4th business day of the month to post by the 5th business day to avoid a late penalty

Processing the Monthly Report

Step 3: Submit Contributions

- Ensure that funds are made available through your agency's prearranged method of banking in the ORBIT system

File Errors and Edits

LOAD Errors - Files rejected due to improper format:

- Missing header or footer in the file

- Incorrect formatting of the 36 data fields in wrong columns

- Incorrect file extension: Must be .CNT

- A new file must be submitted if a file fails for load error

FAIL Errors - Files rejected if missing or invalid data in any required data fields regardless of the file size:

- Missing job classification codes, plan codes, pay period end dates, RSP end dates, missing DOB, invalid agency numbers or invalid characters

- Contributions totals in header and footer do not match or the total number of records in the file is incorrect

File Errors and Edits

Edit Reject -

- Member detail records must pass 140 edits to comply with Retirement Systems laws and the Administrative Code

- Member detail records that do not pass all of these edits are moved to an "error" status

- Each file submitted is subject to an error record tolerance level based on the number of records in the file. This is to ensure file validity before loading the file in the system:

        1-99 records in the file = 10% tolerance level

        100-1,000 = 5%

        1,001-200,000 = 2%

Edit Errors on Reports

- Once a file is loaded, balanced and posted in the system, most member detail records in the file will be posted in the ORBIT system.

- Member detail records that do not pass the 140 edits are moved to an error status.

- Records in error status appear on reports that are reviewed and researched by staff members of the Employer Reporting Team to identify the types of corrections needed for posting.

- Error record reports generated by report month or calendar year are sent to each agency with requests for further information so that error records can be corrected and posted in the system.

STG - State General Employee

- N.C. G.S. 135-1(10) - employees required to be contributing members in the Teachers and State Employees' Retirement System (TSERS)

- Employed in a permanent position on a recurring basis

- Employed in a position required to work 30 or more hours per week over a period of 9 or more months per calendar year

LOCG – Local General Employee

- N.C. G.S. 128-21(10) (18a)- employees required to be contributing members in the Local Governmental Employees' Retirement System (LGERS)

- Employed in a permanent position on a recurring basis

- Employed in a position that requires at least 1,000hrs of work in a calendar year

Reporting RSP Types and Dates

- Retirement Service Period (RSP) Type – the number of months, full or partial, in a 12-month period that a member is expected to report to work.

- Retirement Service Period (RSP) Dates – the beginning and end dates of the RSP period. RSP begin and end dates should correspond to the number of full or partial months provided in the RSP Type.

- 10 month RSP Type - the member is expected to work from August – May. Service is accrued as 0.1000/month up to a total of 1.0000.

- 11 month RSP Type - the member is expected to work from August – June. Service is accrued as 0.0909/month up to a total of 1.0000.

- 12 month RSP Type – the member is expected to work 12 calendar months. RSP dates do not need to be reported for 12 month RSP Types.

- When a member is reported less than a 12 month RSP type but is paid over 12 months, the installment pay can be reported as regular pay with the same RSP dates or as summer pay.

- Installment pay records do not accrue additional service credit.
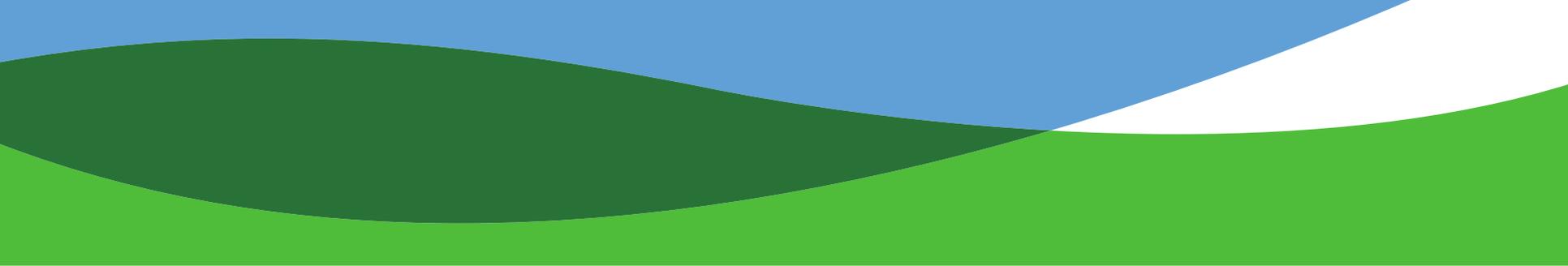
Pay Types

- REG - Regular pay (can include installment pay)

- BONUS - ABC bonus, performance based bonus, service based bonus, bonus leave payout

- ANNLONG - Longevity pay

- ANNLEAVE - Lump sum annual leave payout (can include Comp Time payout)

- OVERTIME - Overtime pay

Pay Types

- WORKCOMP- Workers compensation periods are reported (salary and contributions are zero)

- LEAVEPAY- Leave without pay, not exhaustion of leave (salary and contributions are zero)

- Summer Pay - can be used interchangeably as follows:
  - Summer school pay
  - Extra duty pay
  - Installment pay - paid in summer months.
  - Escrow pay - installment pay balance paid to terminated employees
  - Supplemental pay – if not paid on a monthly basis
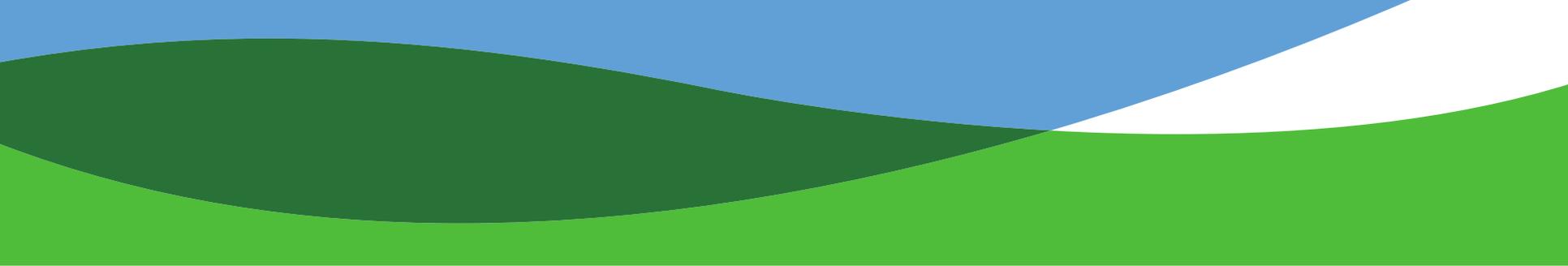
Salary Adjustments

RETRO-Active Adjustments

- A RETRO-active adjustment is used to report a complete omission of salary for a past pay period.

- Omissions of salary can be reported on the monthly ORBIT report up to 90 days after the omission (Current report month plus 90 days).

- Omissions of salary older than 90 days, may be purchased by completing a Form 466, if the member chooses to do so.

Salary Adjustments

PRIOR Period Adjustments -

Partial adjustments to previously reported records. The pay type and pay period dates of the adjustment records need to correspond to the record being adjusted.

Positive adjustments must follow the 90-day rule for omitted salary.

Negative adjustments (overpayments, over-reported salary, pay types reported in error) can be reported on any monthly report within the same calendar year.
Exception: Negative adjustments can be reported on a January report only to correct records on December reports with December pay periods.

Older negative adjustments for prior calendar year records need to be reported on a Form 316. The salary will be adjusted in the system and the EE contributions returned to the member.

Negative adjustment records reported for terminated members who have received a refund of contributions will be deleted.
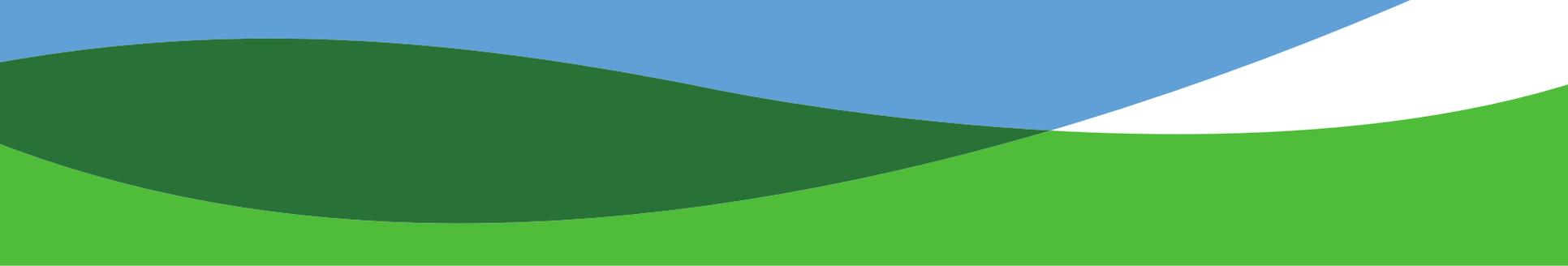
Reporting Licensure Pay

Retro Licensure Pay

- Salary increases for pay periods in the current report month plus 90 days prior should be reported through ORBIT reports.

- Salary increases for pay periods older than 90 days cannot be reported through ORBIT reports. These salary increases can be purchased using Form 466, "Purchasing Contributions for Underreported Salary," if the member chooses to do so.

Reporting Worker's Comp

Worker's Compensation

- If a member is on an employer approved leave of absence, the pay type should be WORKCOMP and salary and contributions should be zero.

- One-third sick leave payments to members should NOT be reported.

- If a member has returned to work in a position which meets the definition of an "employee" while in receipt of W/C benefits, salary and contributions may need to be reported. Contact the Retirement Systems for further information.

Salary **NOT** Subject to Contributions

- Supplements/allowances provided to an employee to purchase additional benefits such as health, life, or disability coverage

- Travel supplements/allowances

- Employer contributions to eligible deferred compensation plans

- Lump-sum payouts of sick leave

- Sign-on bonuses (are not considered earnings or wages)

- Employer-provided fringe benefits

- Reimbursements of uninsured medical expenses

- Reimbursements of business, personal, or moving expenses

- Incentive payments for early retirement

- Contract buyouts or severance pay

Importance of Data on ORBIT Payroll Report:

Service Credit
- Service is credited according to dates of Regular (REG) contributory salary
- REG pay period dates = dates worked to earn this Regular salary (and/or leave used to cover regular hours in lieu of working)

Salary for Average Final Compensation (AFC)
- Assign salary to correct work period
- Annual Leave (Vacation Leave) payout is treated as part of last month's salary (pay period end date matching last work day)

Employment Status

State
- General employee (STG), Full-time Law Enforcement Officer (STL)
- Gaps in contributory employment
  - Leave-without-Pay (LEAVEPAY)
  - Workers' Comp periods (WORKCOMP)
- Retiree working in a non-contributory position (STRS)

Local
- General employee (LOCG), Full-time Law Enforcement Officer (LOCL), Firefighter or Rescue Squad Worker (LOCF)
- Gaps in contributory employment
  - Leave-without-Pay (LEAVEPAY)
  - Workers' Comp periods (WORKCOMP)
- Retiree working in a non-contributory position (LOCRS)

Reporting Return-to-Work Retirees For TSERS

- The current waiting period for TSERS retirees who to return to work in the TSERS system is 6 months.

- Retirees who return to work in positions which require membership, must notify the Retirement Systems to suspend their benefits.

- These retirees must be reported as contributing members once again, under plan code "STG" or "STL" including salary and contributions.

- Retirees who return to work in temporary, interim, part-time or any position which does not require membership, are subject to a yearly earnable allowance.

- These retirees must be reported under the plan code "STRS" with salary only. Their benefits are not suspended.

- Employers are now subject to penalties for failing to report return-to-work retirees on the monthly ORBIT reports, which is 10% of the unreported compensation. Reference House Bill 642 – Effective July 1, 2009.

Reporting Return-to-Work Retirees For LGERS

- The current waiting period for LGERS retirees who to return to work in the LGERS system is the first month of retirement.

- Contributory Employment
  - Retirees who return to work in positions which require membership, must notify the Retirement Systems to suspend their benefits.
  - These retirees must be reported as contributing members once again, under plan code "LOCG", "LOCF" or "LOCL" including salary and contributions.

- Non-Contributory Employment
  - Retirees who return to work in temporary, interim, part-time or any position which does not require membership, are subject to a yearly earnable allowance.
  - These retirees must be reported under the plan code "LOCRS" with salary only. Their benefits are not suspended, unless they exceed the Earnable Allowance Limit.

- Employers are now subject to penalties for failing to report return-to-work retirees on the monthly ORBIT reports, which is 10% of the unreported compensation. Reference House Bill 642 – Effective July 1, 2009.
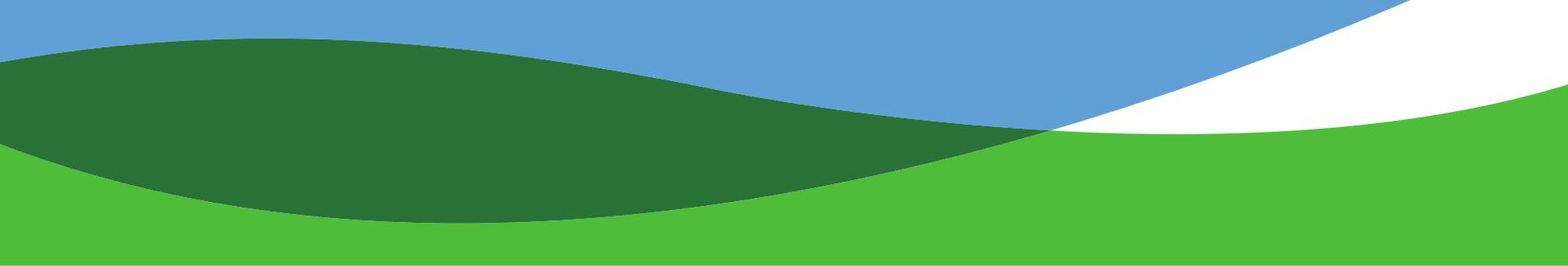
Touch Points

Employment date:
- The date on which the employee is first reported to the Retirement Systems.

Termination Reporting:
- Termination reporting must include both the date and the reason for termination.
- Pay period end dates in the final payout records should end with the same date as the termination date.
- Termination date should be the last date on which the employee reported to work.

Lump-Sum Payouts:
- Should be coded with proper pay types. Payouts should not be lumped under one pay type code.
- Regular, Annual Leave, Bonus Days should all be reported as separate line items on the ORBIT file.

Touch Points

Back Pay vs. Omitted Service/Salary:

- Back Pay often involves a legal settlement or agreement and should not be reported through ORBIT.
- Omitted Service/Salary- salary/contributions omitted through error.

Service Accrual:

- Determined by Pay Type, Pay Periods, Retirement Service Period (RSP) Type, Retirement Service Period (RSP) Dates.
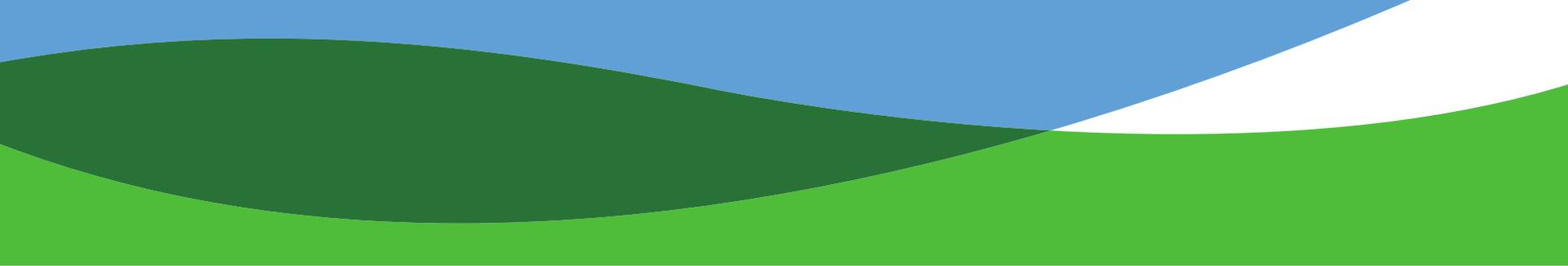
Types of Invoices

Contribution Summary Adjustment (CSA)

- Generated by the balancing report process
  - Include underpayments/overpayments of Employee and Employer contributions on the CSI
  - May be the result of rounding differences
  - May include credits/debits due to error correction completed during the balancing process

Adjustment Invoices

- Generated through the error correction process
  - Result when corrections to records include changes to plan types
  - Result when records are deleted
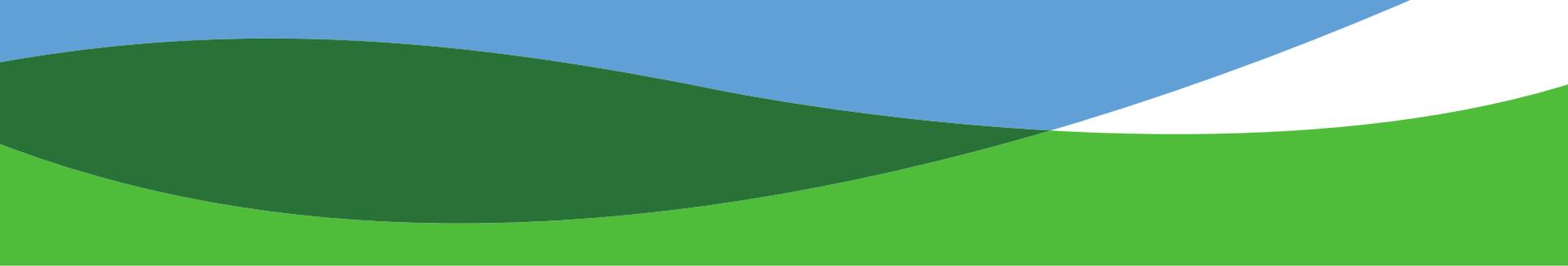
Types of Invoices

Variance Invoices

- Generated when records which have already been posted require corrections

CSI Penalty Invoices

- Generated when monthly payments (CSI Reports) are submitted after the monthly due date
- Reference N.C. G.S. 135-8(f)(3) - penalty equal to the greater of 1% of the total contributions due or $25

Manual Invoices

- Generated for miscellaneous issues when necessary

ORBIT System Security

The Retirement Systems and all agencies are expected to do their best to protect the security of all member information.

<u>Authorized users</u>:

When agency personnel contact the Retirement Systems for assistance with ORBIT reporting issues, their authorization to do so is verified. It is recommended that your agency contact the Retirement Systems twice a year to ensure that your contact information in our system is kept current.

<u>Functions</u>:

- Payroll
- HR
- Finance
- IT
- General

Only ONE User/Password administrator should be assigned at each agency and one person should manage access to ORBIT. Authorized users at each agency should not use the same login credentials.

Written authorization on agency letterhead is required for updates to agency access.

ORBIT Self-Service NEW Login Screen

Navigating Self-Service & Resources

Navigating ORBIT Self-Service

Reporting
Submit Report
Submit CSI
View Invoices
Download Member ID
Death Notice
Missing Beneficiary Designations
Agency Admin
View Member Info ▶
Check Retired Status
Report Viewer
Click he

Functions of each option:

- Submit Report - uploads the monthly employee detail file

- Submit CSI - totals and submits both EE and ER contributions to the Retirement Systems

- View Invoices - review debit/credit invoices generated on prior monthly reports

- Download Member ID - captures a list of member IDs for active employees

- Death Notice - report the death of an active employee

Navigating ORBIT Self-Service

| Reporting |
| --- |
| Submit Report |
| Submit CSI |
| View Invoices |
| Download Member ID |
| Death Notice |
| Missing Beneficiary Designations |
| Agency Admin |
| View Member Info ▶ |
| Check Retired Status |
| Report Viewer |

Click he...

Functions of each option:

- Missing Beneficiary Designations - verify if a new employee has designated beneficiaries with the Retirement Systems

- Agency Admin - add, remove or change user IDs and passwords for the authorized users of this site within each agency

- View Member Info - view account history or account summary for members

- Check Retired Status - verify an employee's status as a retired member subject to reporting

- Report Viewer - retrieve various reports on agency employees

Resources for Employers

Resources for Employers (Cont.)

Resources for Employers (continued)

Resources for Employers

www.myncretirement.com

ORBIT Information for Employers
- File Format Requirements
- Schedule for Submitting Contributions
- Reference Materials
    - New User Guides
    - Reporting Checklist
    - Employer Reporting Updates
    - Invoices
    - FAQ's
    - Compensation and Pay Data
    - Email: OER@nctreasurer.com
    - Toll Free Number: 1-877-627-3287 – Ask for Employer Reporting, or choose the Employer Reporting Option (Prompts: #4, #6, #2, #4 {from sub menu #2})

North Carolina
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Questions?