

How to Enter Retirement Contribution Amounts Either Owed To or Owed By the Employee and Deferred Compensation Adjustments in HRMS

Adjustments in HRMS for Retirement contributions owed by the employee:

If the employee is paying the amount owed over several pay periods:

Steps 1 and 3 can be skipped if there is a reason that a retro should be avoided.

If steps 1 and 3 are skipped you will need to JV the funds to DRS.

1. Correct the master data on IT0169. This will probably cause a retro. (Note: if this step is not done, skip step #3.)
2. Create WT3789 on IT0014 Recurring Payments for the per pay period amount the employee has agreed to. This WT will prompt you to enter the total balance being paid back (on WT3889). These WTs are tax deferred. (If for some reason the amounts should not be tax deferred, use WT3787 on IT0014. It will prompt for total amount in WT3887.) The money for all four of these WTs goes to GL5199.
3. If step #1 was skipped then skip this step. Create WT2989 on IT0015 with a (-) negative amount for the total amount that the employee is paying back. This will take the amount from GL5199 to offset the total retirement deduction. If you used non-tax deferred WTs 3787/3887 in step two, use WT 2987 here.
4. To avoid a negative balance in GL5199, create a receivable and use a journal voucher to move the money that is paid back each pay period. Agencies should speak with OFM for any additional information regarding the accounting transactions.
5. Agencies should check with DRS on adjustments which may be needed in the DRS WBET System.

If the employee owes and no payment plan is requested (they will pay all at once):

1. Correct the master data on IT0169 and allow the system to take the full amount on the next payroll.

OR

If a retro needs to be avoided, enter the entire amount on IT0015 using WT2989 with a positive amount; this will put the money in the General Ledger and the agency will have to JV the funds to DRS. The agency will also have to JV the ER share (if appropriate).

2. If the employee is paying by check rather than payroll deduction, also enter the check amount on IT0015 using a negative amount and WT3100. This will give the EE credit for the check and will offset the positive WT2989 or the retro from the master data correction entered in step 1.

Adjustments in HRMS for retirement contributions owed to the employee (refund).

Use the following wage type if the employee has contributed too much into retirement and is owed a refund.

1. Create WT2989 on IT0015 for the entire amount as a (-) negative amount.

Do not use WT1055 – because it takes Social Security and Medicare again.

Do not use WT3100 – because it wouldn't take withholding tax from the refund.

The refund is subject to withholding tax but not subject to Social Security or Medicare (these two taxes were taken already).

2. Agencies should check with DRS on adjustments which may be needed in the DRS WBET System.

Adjustments in HRMS for Deferred Compensation owed to the employee (refund).

Use the following wage type if the employee has contributed too much into their Deferred Compensation account and is owed a refund.

1. Create WT2256 on IT0015 for the entire amount as a (-) negative amount.
2. Agencies should check with DRS on adjustments to Deferred Compensation accounts.