

ENROLL AND MAINTAIN EMPLOYEES

EMPLOYER MANUAL

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A new employee should be enrolled in myVRS Navigator on or before his scheduled start date. When an employer enrolls a new employee, he provides the employee's demographic data, the annual salary, contract start date, contract period and the number of months the employee will be paid. myVRS Navigator uses these figures to calculate the employee's creditable compensation and to determine when to post creditable compensation and service credit based on the date employment starts. In addition, myVRS Navigator checks to see if the new employee has an existing service record and places him in the proper plan. Once he is enrolled, VRS sends the new employee a welcome message. As a member moves through his career, he will have salary changes, employment changes and demographic changes that need to be maintained in his record.

CREDITABLE COMPENSATION AND SERVICE

myVRS Navigator uses business rules to calculate creditable compensation, service and contributions. These rules ensure consistency in posting to an employee's record based on the effective date of the change.

VRS uses creditable compensation and service credit to calculate retirement benefits. Creditable compensation is the basis for the employee's average final compensation for retirement benefit calculations. Creditable service is the amount of time the employee worked in a covered position. For every month of creditable compensation and service credit for an employee, the employer must collect the full member contribution. For an explanation of how contributions are paid, see the Membership Chapter of the Employer Manual.

CREDITABLE SERVICE

An employee earns creditable service for each month he is reported in a covered position. Creditable service may also include credit for prior service the employee may have purchased or for additional service granted by an employer. Creditable service is calculated using the following formula: $(\text{monthly creditable compensation} \div \text{annual salary}) \times 12$.

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A 12-month employee receives one credit per month. An employee who works 9, 10 or 11 months per year through a contract earns service credit in proportion to the amount of his contract completed each month. The following table shows the amount of creditable service an employee earns by month in contracts of various lengths.

Contract Period	Service Credit*	Total Service Credits Per Year
9 months	1.3333	12
10 months	1.2000	12
11 months	1.0909	12
12 months	1.0000	12

* Service credit accrues each month creditable compensation is posted

CREDITABLE COMPENSATION

Creditable compensation is the member's annual salary not including overtime, extraordinary or bonus pay; housing, travel, vehicle or cell phone allowances; termination pay for annual or sick leave; non-permanent shift differentials; payment of a temporary nature; or payments for extra duties, such as pay for teachers who provide coaching or act as an adviser for special activities.

myVRS Navigator uses the Annual Salary field to calculate monthly creditable compensation. Creditable compensation is equal to the portion of the employee's annual salary earned in a given month, not the amount that he is paid during the month. myVRS Navigator calculates creditable compensation based on the annual salary the employer enters.

Note: This same creditable compensation applies to the defined contribution component of the Hybrid Retirement Plan. The mandatory and voluntary employee and employer contributions to the defined contribution component should be based on this creditable compensation.

For most employees, monthly creditable compensation is determined by dividing annual salary by 12 months.

Example: A Plan 2 member works 12 months per year at an annual salary of \$36,000. His monthly creditable compensation is \$3,000 ($\$36,000 \div 12$).

For a contract employee under a 9-, 10- or 11-month contract, creditable compensation is determined by dividing the annual salary by the contract length.

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Example: A Plan 2 member works 10 months per year at an annual salary of \$36,000. His monthly creditable compensation is \$3,600 ($\$36,000 \div 10$).

If the employee's annual salary exceeds the 401(a)(17) compensation limit, myVRS Navigator automatically calculates creditable compensation and contributions using the limit. Employers should report the employee's actual salary. The employer should not withhold the member contribution on the excess salary from the employee but instead, pay it to the employee as wages.

CONTRIBUTION BASIS

An employer with contract employees remits contributions based on a contribution basis that may be different than the creditable compensation earned. The contribution basis is determined by dividing the employee's annual salary by the number of months he is paid and myVRS Navigator uses this amount to calculate the contributions to be paid each month.

If the contract is paid over the contract length, the contribution basis is the same as the creditable compensation posted to the employee's record and the contributions are paid over the employee's contract period only; no contributions are paid during the off-contract months.

Example: A Plan 2 member's annual salary is \$54,000 and his contract is for nine months paid over nine months. His monthly creditable compensation is \$6,000 ($\$54,000 \div 9$).

If the contract is paid over 12 months, the contribution basis is lower than the creditable compensation posted to the employee's record. The contributions paid for the employee will be lower each month than for those employees whose contract is paid over the contract length; however, the contributions will continue to be paid over the employee's off-contract months. On the snapshot, these contributions are shown as deferred contributions.

Example: A Plan 2 employee works nine months, paid over 12 months, and his annual salary is \$54,000.

Nine-month employee paid over 12 months		
Monthly creditable compensation	Annual salary	\$54,000
	Length of contract	$\div 9$
		\$6,000
Monthly contribution basis	Annual salary	\$54,000
	Number of months paid	$\div 12$
		\$4,500

SUBMITTING INFORMATION TO VRS

The process of submitting employment information is different for political subdivisions, school divisions and decentralized state employers than it is for state agencies that use the Department of Human Resource Management's Personnel Management Information System (PMIS).

NON-STATE EMPLOYERS AND DECENTRALIZED STATE AGENCIES

Political subdivisions, school divisions and decentralized state employers enroll and maintain employees directly in myVRS Navigator or via a batch file with multiple records. An employer who has a smaller stable workforce with minimal turnover is encouraged to use the online functionality to enroll and maintain employees. For step-by-step instructions about how to enroll and maintain members, view the *Enroll and Maintain Employees Course* located in VRS University.

An employer who has a significant number of enrollments or monthly changes may elect to submit records via batch. The employer must be certified for batch submission prior to using this method. Employers who are interested in becoming a batch submitter should email VRS at BatchSubmissionRequest@varetire.org. An employer who submits batch files to myVRS Navigator should create and submit batch files frequently. myVRS Navigator can accept one batch file each business day of the month. For step-by-step instructions about batch processing, view the *Enrolling and Maintaining Employees Using Batch Processing Process Guide* located in VRS University.

STATE AGENCIES USING PMIS

State agencies enroll and maintain employees in myVRS Navigator systematically through a daily feed from the PMIS to myVRS Navigator. When an employee's information changes, the employer must make the change in PMIS. The change will be reflected in myVRS Navigator one business day after it is keyed in PMIS.

If myVRS Navigator cannot process the PMIS record due to an error with the record, the complete transaction is cancelled and is listed with the reason on the cancelled record report. An employer who uses PMIS must review the cancelled record report in myVRS Navigator on a daily basis and update the system that is indicated on the report. The cancelled record report is available in the Report Repository. For step-by-step instructions about how to download reports, view the *Introduction to myVRS Navigator Course* located in VRS University.

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Note: Because myVRS Navigator is driven by the effective date, when an employer makes a change in PMIS that has the same effective date as a previous transaction, it will not update in myVRS Navigator. The employer must manually enter the change in both PMIS and myVRS Navigator.

Example: On March 27, the employer keys a salary change in PMIS of \$50,000, effective April 1. In reviewing his edits on March 28, he realizes the salary should have been \$55,000. When he makes the change in PMIS to \$55,000 (effective April 1), that information is not transmitted to myVRS Navigator. He must manually update the employee's salary amount in myVRS Navigator.

ROLES ASSOCIATED WITH ENROLLING AND MAINTAINING RECORDS

Role-based security is a feature that enables an employer to manage access to myVRS Navigator and VRS data based on the work an employee performs. This serves to protect personal information. Roles define the data a person can view, create and update. An employer authorizes an employee to access VRS data and systems and assigns the appropriate role for each employee. The following roles are associated with enrolling and maintaining employee records:

Employer Roles Associated with Enrolling and Maintaining Employee Records	
Person Account Processor	Enrolls new employees and maintains demographic information for existing employees
Advanced Person Account Processor	Informs VRS of Social Security number, contribution and coverage errors; submits mass updates for multiple people at the same time and manages enhanced benefits
Employment Processor	Manages employment-related data and creates service purchase agreements
Batch Submitter	Submits batch files of data to enroll new employees and update information for existing employees

For a complete list of roles, see the *Employer Roles and myVRS Navigator Security Access Job Aid* in VRS University.

ENROLLMENT CONSIDERATIONS

A new employee should be enrolled in myVRS Navigator on or before his scheduled start date. This is particularly important when enrolling a Hybrid member so he can elect a voluntary contribution percentage at his earliest eligibility. Enrollment files are sent from myVRS Navigator

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to ICMA-RC daily; however, ICMA-RC requires two to three business days to establish a new account after the employee is successfully enrolled in myVRS Navigator.

An employer needs the following information to enroll an employee in myVRS Navigator:

- Name;
- Social Security number;
- Date of birth;
- Gender;
- Address;
- Start date;
- Employment type;
- VRS job name;
- Employee ID;
- Annual salary.

In addition, if the employer is enrolling a teacher, faculty member or contractual support staff, he must provide the following:

- Contract start date;
- Contract period;
- Number of months paid.

For more detailed instructions about how to enroll an employee, view the *Enroll and Maintain Employees Course* in VRS University.

Once an employee is enrolled, myVRS Navigator will check to see if the new employee has an existing service record and will place him in the proper plan. If a batch reporter needs to set up an employee payroll record and retirement plan deductions prior to enrolling him in myVRS Navigator, the employer can use the Plan Determination Tool. This tool is available for individual searches or by batch file.

For state central payroll users (Commonwealth Integrated Personnel and Payroll System (CIPPS)), VRS sends a plan enrollment file to the Department of Accounts (DOA) on the first of each month, or the next business day if the first falls on a weekend or holiday. This file establishes the appropriate retirement plan enrollment and deduction in CIPPS and will ensure that the deduction begins in the appropriate month. See the *DOA Payroll Bulletin 2014-02* for additional information.

SOCIAL SECURITY NUMBERS

Generally, an employee's Social Security number is only used at the time of enrollment for security purposes. The Advanced Person Account Processor is the only role that may see an employee's Social Security number after enrollment. After enrollment, the employee is identified by an employee ID (if the employer was already assigning employee IDs when myVRS Navigator was launched) or he will be assigned a VRS customer ID (if the employer was not already assigning employee IDs) when the new enrollment is saved. State agencies use the Commonwealth of Virginia (COVA) ID.

myVRS Navigator uses the Social Security number, date of birth and name as key indicators to determine an existing service record. If two of the three indicators match a record in myVRS Navigator, the employer may receive a message to validate the non-matching indicator and the employee will not be enrolled. If all information is correct, the employer should contact VRS for assistance. Existing records may need to be corrected.

OPTIONAL RETIREMENT PLAN (ORP) ELECTIONS

Newly hired Optional Retirement Plan (ORP)-eligible employees will need to elect an ORP or a VRS plan.

If an employee is eligible for an Optional Retirement Plan for Higher Education (ORPHE), he will be able to elect an applicable ORP, or VRS plan based on his membership date. The employee will use his myVRS account to make his election once the employer enrolls him in myVRS Navigator. If an ORPHE-eligible employee elects the ORP, he will also need to select a provider in myVRS. ORPHE-eligible employees who do not make an election within 60 days will default to the Hybrid Retirement Plan or applicable VRS defined benefit plan, based on their hire date. If an employee is unable to log in to myVRS to make an election, email orphe@varetire.org.

If an employee is eligible for an Optional Retirement Plan for Political Appointees (ORPPA) the employer must complete the Certification of Eligibility to Participate in Optional Retirement Plan for Political Appointees (VRS-65B) and mail it to VRS. The employer will also enroll the political appointee in myVRS Navigator with the correct job name. VRS will certify the employee's eligibility to participate in ORPPA in myVRS Navigator, and the employee will receive an eligibility packet which directs him to use his myVRS account to elect either an ORP or a VRS plan. ORPPA-eligible employees who do not make an election within 30 days from the

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certification of their eligibility by VRS will default to the Hybrid Retirement Plan or applicable VRS defined benefit plan, based on their hire date. If an employee is unable to log in to myVRS to make an election, email orppa@varetire.org.

Once ORPHE-eligible and ORPPA-eligible employees have made a choice between the ORP or VRS plan, the employer must acknowledge each employee's election using myVRS Navigator. See the *Employer Acknowledgement of Employee's ORP Plan and Provider Process Guide* in VRS University for more information. The acknowledgements should be completed as soon as possible to ensure contributions begin in a timely manner before payroll deductions take effect.

If an employee is eligible for the Optional Retirement Plan for School Superintendents (ORPSS), the employer must complete the Certification to Participate in the Optional Retirement Plan for School Superintendents (VRS-71A) and mail it to VRS. The employer will also enroll the school superintendent in myVRS Navigator with the correct job name. VRS will certify the school superintendent's eligibility to participate in ORPSS, and he will receive an eligibility packet that includes an Election to Participate in the Optional Retirement Plan for School Superintendents (VRS-71), and directs him to elect either the ORP or VRS plan. Should the employee elect to participate in ORPSS, he will complete the VRS-71, an ORPSS enrollment form and beneficiary designation form and mail to VRS in the pre-addressed envelope provided in the eligibility packet. ORPSS-eligible school superintendents who do not make an election within 30 days from the certification of their eligibility by VRS will default to the Hybrid Retirement Plan or applicable VRS defined benefit plan, based on their hire date. The school superintendent will receive written communication from VRS of the missed deadline that indicates the default to the applicable VRS plan, and a copy of the information provided to the employer's payroll office to begin remittance of contributions to VRS.

MAINTENANCE CONSIDERATIONS

There are two types of processes that the employer may use to maintain an employee record: changes and corrections. These two processes are different and impact the employee's record differently. The processes for implementing changes and corrections are outlined in the sections below.

CHANGES

The most common maintenance is to change an employee's record for new activity. A change adds new information to a myVRS Navigator record. Changes can include a change in salary, a change in employment status, a change in current year contract or a change in VRS job name. A new start date that corresponds to the change must be entered.

CORRECTIONS

A correction revises existing information in a myVRS Navigator record. The correction is typically not the most recent entry. The start date will not change for corrections; however, corrections may have significant impact on an employee or employer because they can change benefit eligibility, create retroactive adjustments or change earned service. Corrections should be entered in myVRS Navigator cautiously.

EMPLOYMENT START DATE

myVRS Navigator determines when to post creditable compensation and service to the employee's record based on the effective date, as described below.

Event	myVRS Navigator data element	Change is effective <u>on</u> or <u>before</u> * the first business day of the month	Change is effective <u>after</u> * the first business day of the month
Employment	Employment start date	Posts a full month of creditable compensation and service in the current month	Posts no creditable compensation and service in the current month but posts a full month of creditable compensation and service in the following month

* Saturdays, Sundays and banking holidays are not business days.

Example: An employee begins work on August 12 and his employer enters the employment start date as August 12. Since the employment start date is after the first business day of the month, myVRS Navigator does not post creditable compensation for August but posts a full month of creditable compensation and service for September.

If the employer requires an employee to complete a probationary period before he is eligible for benefits, his employment start date in myVRS Navigator is the date that he is considered eligible (after completion of his probationary period).

An employer may implement management policies based on business needs to be used in conjunction with these business rules. The VRS employment start date does not need to be the

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exact date of the employee's first day of work; however, the employer must apply management policies consistently to all employees.

Example: The employer may use the first day of the month as the myVRS Navigator employment start date for all employees hired and paid in the first payroll of the month, as long as the policy is applied consistently to all employees.

MYVRS NAVIGATOR CONTRACT START DATE

myVRS Navigator determines when to post creditable compensation and service to the employee's record based on the effective date, as described below.

Event	myVRS Navigator data element	Change is effective <u>on or before</u> * the first business day of the month	Change is effective <u>after</u> * the first business day of the month
New contract	Contract start date	myVRS Navigator posts a full month of creditable compensation and service in the current month	myVRS Navigator posts no creditable compensation and service in the current month but posts a full month of creditable compensation in the following month

* Saturdays, Sundays and banking holidays are not business days.

myVRS Navigator uses the contract period the employer entered during enrollment to determine the amount of creditable compensation and creditable service that an employee earns monthly. The myVRS Navigator contract period must be in whole months. If the terms of the contracts do not equate to exactly 9, 10 or 11 months, the employer should choose the one that best matches the actual term of the contract to use for reporting to VRS. Generally, the employer should round up or down to the nearest whole month. However, the employer should consider the factors below to determine if he should adjust that number to more accurately reflect creditable compensation accruals for employees:

- Contract start date:
 - If the employee starts on or before the first business day of the month, he earns a month of creditable compensation in the current month;
 - If the employee starts after the first business day of the month, he begins to earn creditable compensation in the following month;
- Retirement date:
 - To ensure a retiring employee has the full contract year in his retirement benefit, the retirement date will be the month following the final month of his contract;
- Consistency:
 - Employees with the same contract start and end dates should have the same contract period.

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An employer may implement management policies based on business needs to be used in conjunction with these business rules. The VRS employment start date does not need to be the exact date of the employee's first day of work; however, the employer must apply management policies consistently to all employees.

Example: A school system hires employees on 10-month contracts; however, the school year starts on September 5. The employer may use a myVRS Navigator contract start date of September 1 for 10-month contracts.

MYVRS NAVIGATOR CONTRACT START DATE FOR MID-YEAR EMPLOYMENT

If a contract employee is hired after the start of a normal contract period (i.e., a mid-school-year hire), myVRS Navigator automatically calculates the appropriate creditable compensation and service for the remaining contract period. The employer should enter the employee's employment start date, the standard contract start date for the position and the employee's full annual salary. The employer should not prorate the salary entered in myVRS Navigator.

Example: A teacher was employed starting January 10 on a 10-month contract paid over 10 months. The school year contract begins on September 1. His salary would have been \$50,000 had he worked a full contract. His employer enters an employment start date of January 10, a contract start date of September 1 and a salary of \$50,000. myVRS Navigator calculates the creditable compensation of \$5,000 per month for February through June (a total of \$25,000 for the year) and creditable service of six months (1.2 x 5 months).

VRS JOB NAME

Each organization is assigned VRS job names based on the employer type. The VRS job name selected will determine the plan and benefits to which an employee is entitled. The VRS job name is not intended to be the specific title of his position with the organization. The majority of employees participating in the VRS plan will have the job name "employee". Some VRS job names allow the employer to designate the employee as contractual or non-contractual (e.g., "administrative support" and "administrative support – contractual"). In myVRS Navigator, the "contractual" designation is specific to employees who are employed on a 9-, 10- or 11-month contract. Vendors, third parties and other workers who an employer contracts services from, are not covered by VRS.

An employer who uses the contractual job names must establish a contract each fiscal year. Contracts are automatically renewed each year in myVRS Navigator for 12-month employees.

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Example: An employer must establish a contract for “administrative support -- contractual” but does not establish a contract for the “administrative support” job name since that is assumed to be a 12-month position.

If an employee changes positions, the employer must record the job name change in myVRS Navigator. In some cases, a VRS job name change may result in a change to the retirement plan or a change to the employee’s contributions paid, creditable compensation and service. myVRS Navigator determines how to implement the change based on the date the change occurs, as described below.

Event	myVRS Navigator data element	Change is effective <u>on or before</u>* the first business day of the month	Change is effective <u>after</u>* the first business day of the month
VRS job name change	Job name	myVRS Navigator recognizes the impact of the change on creditable compensation and service in the current month	myVRS Navigator recognizes the impact of the change on creditable compensation and service in the following month

* Saturdays, Sundays and banking holidays are not business days.

VRS JOB NAME CHANGES

VRS job name changes are recorded on the Employment tab in myVRS Navigator. The change can be added to myVRS Navigator in the current reporting period, with an effective date 60 days in advance, or with an effective date that has passed (retroactive change). If the change is in the current reporting period, myVRS Navigator calculates benefits in the current snapshot. If the change occurs in the future, myVRS Navigator calculates benefits in the effective month. If the effective date has passed, myVRS Navigator calculates adjustments in the current snapshot for benefits for each of the affected reporting periods. For details, see the table in the VRS Job Name section of this chapter.

Note: The employer must contact VRS for retroactive changes greater than three years.

Example: An employee is hired on January 4 with a VRS job name of “employee.” On April 3, his VRS job name changes from “employee” to “police officer.” Since the effective date of the change is after the first business day of the month, myVRS Navigator recognizes the impact of the change on creditable compensation in May. myVRS Navigator will charge contributions and determine creditable compensation based on his new VRS job name in the May snapshot and charge contributions based on the previous VRS job name in the April snapshot. As a result of the job change, the employee’s retirement plan changes from “VRS” to

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“VRS hazardous duty.” The hazardous duty indicator appears in the person record with a coverage start date of May 1.

VRS JOB NAME CORRECTIONS

A VRS job name correction is a change that goes back to the employee’s initial employment start date with the organization. In certain circumstances, myVRS Navigator will display an error message and the employer must contact VRS to correct the record. Some VRS job name corrections may result in adjustments in the current snapshot for the affected months and may change the end date of the previous record. Since the corrections may impact employee benefits to varying degrees, the employer should contact VRS with questions.

RETIREMENT PLANS AND MEMBERS

When enrolling a new employee, the job name selected will automatically enroll the employee in the correct retirement plan. The retirement plan, the representative organization code and the correlating member groups are listed below.

Retirement Plan	Code	Members
Judicial Retirement Plan	1xxxx	Justice or judge of a court of record of the Commonwealth of Virginia; judge of a district court of the Commonwealth of Virginia other than a substitute judge; commissioner of the State Corporation Commission or commissioner of the Virginia Workers’ Compensation Commission
State Police Officers’ Retirement Plan	2xxxx	Virginia state police officers
Virginia Retirement System		State employees, including employees of institutions of higher education; but excluding Justices, judges, state police officers and State employees covered under VaLORS
State Agencies	3xxxx	
School Divisions (VRS-T)	4xxxx	Teachers, teacher’s aides, instructional aides, administrative personnel and computer technologists, safety/security guards, nurses, clerical personnel and supervisors and managers of non-professional staff employed by public school boards
School Divisions (VRS-N)	5xxxx	Other school employees employed by a public school board (e.g., bus drivers, custodial, cafeteria and maintenance workers)

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Political Subdivisions	5xxxxx	Employees of local governments and other entities such as water authorities and sanitation districts; this includes hazardous duty positions such as local police officers; sheriffs; sheriff's deputies; full-time firefighters; emergency medical technicians (EMTs); regional jail superintendents; and jail officers of regional jails, farms or jail authorities
Virginia Law Officers' Retirement System	7xxxx	State hazardous duty employees such as Capitol Police officers, campus police officers, conservation police officers of the Department of Game and Inland Fisheries, ABC special agents, marine resources officers, state correctional officers, state juvenile correctional officers, state parole officers and commercial vehicle enforcement officers employed by the Virginia Department of State Police

DEMOGRAPHIC INFORMATION

Demographic information in myVRS Navigator includes the employee's name, address, date of birth, marital status, citizenship, gender, phone number and email address. The employer should enter this information at enrollment and can change or correct it during the member's employment.

If the employee has updated his mailing address through myVRS within the past two years, the employer will receive an error message in myVRS Navigator and will not be allowed to make an address change. The employer should then instruct the employee to access myVRS to make the address change himself.

However, an address change made through a batch file or PMIS will overwrite the most current mailing address. All addresses in myVRS Navigator are verified against the U.S. Postal Service's database.

For more detailed instructions about how to enroll an employee or make demographic changes and corrections, view the *Enroll and Maintain Employees Course* in VRS University.

Note: To change an employee's Social Security number, the employer must initiate the change in myVRS Navigator. The employer will then receive a message to contact VRS to complete the process.

SALARY INFORMATION

Salary is a component of determining creditable compensation and is required when enrolling an employee. When an employee receives a salary increase, the employer should update the new salary as soon as possible in myVRS Navigator with the effective start date. Salary changes and corrections trigger a change in an employee’s creditable compensation and contributions (retirement and other benefits). myVRS Navigator determines how to implement the change based on the effective date, as described below.

Event	myVRS Navigator data elements	Change is effective <u>on or before</u>* the first business day of the month	Change is effective <u>after</u>* the first business day of the month
Salary change	Salary amount and start date	myVRS Navigator recognizes the impact of the change on creditable compensation and service in the current month	myVRS Navigator recognizes the impact of the change on creditable compensation and service in the following month

** Saturdays, Sundays and banking holidays are not business days.*

SALARY CHANGES

Salary changes are recorded on the Salary History tab in myVRS Navigator. A salary change is a new salary, which can be added to myVRS Navigator in the current reporting period, with an effective date 60 days in advance or with an effective date that has passed (retroactive change). The employer should not prorate the salary entered in myVRS Navigator.

If the change is in the current reporting period, myVRS Navigator calculates benefits in the current snapshot. If the change occurs in the future, myVRS Navigator calculates benefits in the effective month. If the effective date has passed, myVRS Navigator calculates adjustments in the current snapshot for benefits for each of the affected reporting periods. For details, see the table in the Salary Information section of this chapter.

Example: Today is August 15 and an employee has a current salary of \$50,000. His employer enters his new salary of \$55,000 with an effective date of October 5. Since this is less than 60 days in advance and October 5 is after the first business day of the month, myVRS Navigator accepts this change and calculates creditable compensation and contributions based on \$55,000 in the November snapshot. Based on the rules above, deductions from the new salary do not begin until November. However, if the employer enters the new salary with an effective date of August 15, deductions from the new salary begin in September.

An employer who is planning changes for a large number of employees may submit the Salary Report Template, available in the Report Repository in myVRS Navigator.

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SALARY CORRECTIONS

A salary correction is a change to an existing salary line in the employee’s salary history. It results in adjustments in the current snapshot for the affected months and may change the end date of the previous record.

Example: The screen shots below are created with fictitious data. The employee’s salary history record appears as:

<input type="checkbox"/>	Organization Name	Annual Salary	Start Date	End Date
<input type="checkbox"/>	Henrico County	\$81,862.12	06/23/2018	
<input type="checkbox"/>	Henrico County	\$79,466.32	06/24/2017	06/22/2018
<input type="checkbox"/>	Henrico County	\$77,528.11	07/23/2016	06/23/2017

The employer realizes the 2017 salary change should have been effective 5/24/17. The employer can select the record, correct the start date and save it. The record then appears as:

<input type="checkbox"/>	Organization Name	Annual Salary	Start Date	End Date
<input type="checkbox"/>	Henrico County	\$81,862.12	06/23/2018	
<input type="checkbox"/>	Henrico County	\$79,466.32	05/24/2017	06/22/2018
<input type="checkbox"/>	Henrico County	\$77,528.11	07/23/2016	05/23/2017

The current snapshot then includes an adjustment for the creditable compensation and contributions for May 2017.

EMPLOYMENT STATUS INFORMATION

When an employee is enrolled, his employment status is Active. If an employee goes on leave, returns from leave or separates, the employer must update his employment status in myVRS Navigator as soon as possible. Employment changes and corrections trigger a change in an employee’s creditable compensation. myVRS Navigator determines how to implement the change based on the date the change occurs, as described below.

Event	myVRS Navigator data element	Change is effective on or before* the first business day of the month	Change is effective after* the first business day of the month
Employment	Employment	myVRS Navigator recognizes	myVRS Navigator recognizes the

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change (e.g., unpaid leave**)	status***	the impact of the change on creditable compensation and service in the current month	impact of the change on creditable compensation and service in the following month
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* Saturdays, Sundays and banking holidays are not business days.

** Start date of unpaid leave acts like a separation of employment. End date of unpaid leave acts like a hire/contract start.

*** Use the specific employment status (e.g., birth/adoption leave, educational leave) if it is known.

EMPLOYMENT CHANGES

Employment changes are recorded on the Employment tab in myVRS Navigator. An employment status change can be added in the current reporting period, with an effective date 60 days in advance, or with an effective date that has passed (retroactive change). If the change is in the current reporting period, myVRS Navigator calculates benefits in the current snapshot. If the change occurs in the future, myVRS Navigator calculates benefits in the effective month. If the effective date has passed, myVRS Navigator calculates adjustments in the current snapshot for benefits for each of the affected reporting periods. For details, see the table in the Employment Status Information section of this chapter.

Example: A 12-month employee earning an annual salary of \$42,000 takes FMLA leave effective March 15. Since the effective date of the change is after the first business day of the month, myVRS Navigator recognizes the impact of the change on creditable compensation in April. myVRS Navigator charges contributions on a full month of creditable compensation in the March snapshot and will not charge any contributions in the April snapshot.

Note: An employer must contact VRS for retroactive changes greater than three years.

EMPLOYMENT CORRECTIONS

An employment correction is a change to an existing employment line in the Employment tab. It results in adjustments in the current snapshot for the affected months and may change the end date of the previous record.

Example: The screen shots below are created with fictitious data. The employment record appears as:

<input type="checkbox"/>	Organization Name	Employee ID	Job Name	Employment Type	Employment Status	Start Date	End Date	Notes
<input type="checkbox"/>	Amherst County		EMT	Full-time Salaried	Separation	08/31/2018	08/31/2018	
<input type="checkbox"/>	Amherst County		EMT	Full-time Salaried	Leave without Pay	08/01/2016	08/31/2018	
<input type="checkbox"/>	Amherst County		EMT	Full-time Salaried	Active	07/01/2011	07/31/2016	

The employer realizes the employee's leave without pay should have been effective 9/1/16. The employer can select the record, correct the start date and save it. The record then appears as:

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<input type="checkbox"/>	Organization Name	Employee ID	Job Name	Employment Type	Employment Status	Start Date	End Date	Notes
<input type="checkbox"/>	Amherst County		EMT	Full-time Salaried	Separation	08/31/2018	08/31/2018	
<input type="checkbox"/>	Amherst County		EMT	Full-time Salaried	Leave without Pay	09/01/2016	08/31/2018	
<input type="checkbox"/>	Amherst County		EMT	Full-time Salaried	Active	07/01/2011	08/31/2016	

The current snapshot then includes an adjustment for the creditable compensation and contributions for August 2016.

WORKERS' COMPENSATION

When an employee is paid in part by workers' compensation and in part by the employer, the employee and employer must continue to make retirement contributions and pay group life insurance premiums. Contributions and premiums are paid based on the full creditable compensation in effect prior to the employee receiving workers' compensation payments.

If the employee is being paid completely by worker's compensation, the employer must report the employee to VRS as being on leave without pay (LWOP). No retirement contributions are paid and life insurance coverage may be maintained for up to 24 months. An employee covered under disability retirement or under VSDP or VLDP short-term disability (or a comparable plan) does not earn service credit. For information regarding service credit for an employee covered under VSDP or VLDP long-term disability, refer to the VSDP Chapter or the VLDP Chapter of the Employer Manual.

Note: An employee may be eligible to purchase service credit not earned while on workers' compensation. See the Purchase of Prior Service Credit Chapter of the Employer Manual for more information.

EMPLOYEES ON LONG-TERM DISABILITY

If an employee is on VSDP or VLDP long-term disability, the employee and employer no longer make contributions but the employee earns service under the applicable disability plan. If the employee is a Hybrid member, is totally and permanently disabled and qualifies for Social Security Disability Insurance (SSDI), the employer must continue to make the mandatory 1% employer contribution to the Hybrid 401(a) Cash Match Plan.

MILITARY DIFFERENTIAL PAY

The military differential pay that an employer pays for an employee who is called to active duty military is taxable. The differential pay is the difference between the employee's salary that he

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would have been paid (had he not been called to active duty) and his military pay. This differential pay should not be reported for retirement purposes. The employer should change the employment status to Active Duty Military Leave in myVRS Navigator.

EMPLOYEES WITH MULTIPLE VRS EMPLOYERS

An employee cannot hold more than one active membership in VRS or the plans administered by VRS, including SPORS, VaLORS, JRS and an ORP, unless the employee is also a state senator or delegate to the General Assembly.

If the employer enrolls an employee who is still active with another employer, myVRS Navigator assumes the previous employment ended and generates an end date with the first employer one day prior to the new employment date. The previous employer then certifies separation when he confirms the monthly snapshot. If the employee is continuing to work for the first employer, the first employer should remove the system-generated separation date in myVRS Navigator.

myVRS Navigator will automatically generate an Election of Employer for VRS Reporting (VRS-9) form, which will be sent to the employee, asking which employer is the benefit provider. Enrollment is pending with both employers until a selection is made by the employee and the VRS-9 is received by VRS. Once the enrollment election has been made and updated in myVRS Navigator by VRS, the member's employment status changes and will be reflected in the elected employer's monthly snapshot. For more detailed instructions about how to enroll an employee who is still active with another employer, view the *Enroll and Maintain Employees Course* in VRS University.

If a member is employed by two different employers and one employer is covered under the group life insurance program only; the employee does not have to select an employer; VRS automatically defaults the member to the VRS-covered employer. The insurance-only employer should not report the employee to VRS and all premiums submitted will be credited back to the employer account.

If an employee previously made an election and then separates employment with the elected employer, myVRS Navigator automatically includes the employee in the secondary employer's snapshot.

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If the employee retires, he must cease all employment with both employers and both must separate him in myVRS Navigator.

SEPARATION OF EMPLOYMENT

myVRS Navigator requires a full month of contributions in the month of separation. Whenever possible, the balance of employee contributions needed to comprise a full month of contributions must be taken from the employee's last paycheck. For Hybrid members, this means contributions must be taken for both the defined benefit and defined contribution components.

Event	myVRS Navigator data elements	Change is effective <u>on or before</u>* the first business day of the month	Change is effective <u>after</u>* the first business day of the month
Employment separation (last day worked)**	Employment status and end date	myVRS Navigator posts a full month of creditable compensation and service in the current month	myVRS Navigator posts a full month of creditable compensation and service in the current month

* Saturdays, Sundays and banking holidays are not business days.

** To ensure the employee receives credit for the final month of service, use the first business day of the month as the separation date.

If there are not enough funds available to withhold all the contributions necessary to total the full month's contribution requirement, the employer should report the employee's separation date in myVRS Navigator as the last day of the preceding month. No contributions are due for the current period and the employee does not earn creditable service. The employer must ensure that any partial month's contributions withheld are returned to the employee.

CIPPS reporters should refer to the *DOA Payroll Bulletin 2012-16* for information regarding CIPPS processing when there are insufficient funds for member contributions.

Example: An employee resigns on April 10. Since the effective date of the change is after the first business day of the month, myVRS Navigator posts a full month of creditable compensation in April and the employer withholds the full member contribution from the employee's last paycheck.

REPORTS IN MYVRS NAVIGATOR

A variety of reports are available in myVRS Navigator. The following reports may be useful for employers enrolling and maintaining employees. Reports are available in PDF and Excel

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formats and are found in the Report Repository unless otherwise noted. For step-by-step instructions about how to download reports, view the *Introduction to myVRS Navigator Course* located in VRS University.

Report name	Description	Roles
Active Employees for Employer	This report lists active employees for employer.	Employment Processor, Primary Administrative Authority, Security Administrator, Snapshot Processor 2
Election Acknowledgement Report	This report details ORP election acknowledgements that are pending or completed.	Security Administrator, Person Account Administrator, Employment Processor, Snapshot Processor 2, Advanced Person Account Processor
Employer Batch Record Details	This report details the number of records that are unprocessed or contain errors or warnings.	Batch Corrections Agent, Batch Submitter, Security Administrator
Employer Retirement Report	This is an on-demand report that shows a consolidated view of all employees with pending and approved retirements. Details include the retirement date, retirement type, payout option, application status and employer certification status.	Employment Processor, Person Account Processor
Employer Salary Changes File Error Report	This report details the results of the Salary Changes Inbound File batch job. The report will list all errors and ignore messages for salary change records that did not pass validation rules. The results are grouped by Organization. This report is available under the Generated Reports drop down menu.	Employment Processor, Person Account Processor, Security Administrator
Employment Changes for Monthly Snapshot	This report lists the person employment changes that occurred during the contribution month.	Employment Processor, Primary Administrative Authority, Security Administrator, Snapshot Processor 2

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Report name	Description	Roles
Enrollments for Monthly Snapshot	This report lists the person enrollments that occurred during the contribution month.	Employment Processor, Primary Administrative Authority, Security Administrator, Snapshot Processor 2
Future Dated Enrollment	This report lists people with future-dated employment start dates and active employment status.	Person Account Processor, Security Administrator, VRS Administrator
GASB Report – Validation of Census Data	This report details the changes to the employer's members who are participating in a retirement plan which is included in the contribution confirmation functionality during the period chosen for report. This will include enrollments, separations, leaves, job changes, contract changes and salary updates. This report is for use by the employer and their external auditors. This report runs in the evening and is available to view the next day.	Employer Person Account Processor, Employer Contributions Processor, Employer Employment Processor, Employer Security Administrator
Member Contract Status Report	This report enables employers to easily identify members who are currently active or on leave by contract start date, contract period and times reported. The report is intended to be used by employers to help in ensuring accuracy of their VRS employee records, especially for employees under the Hybrid Retirement Plan.	Employment Processor, Primary Administrative Authority, Security Administrator, Snapshot Processor 2
Off Contract Employees	This report lists the persons who are not in a system administrated contract position and are off contract (i.e., are not within the period between a contract's contract start and end date) for this confirmation month based on their contract period and start date.	Employment Processor, Primary Administrative Authority, Security Administrator, Snapshot Processor 2
ORP Eligible	This report details the eligibility for the Optional Retirement Plan (ORP) election.	Primary Administrative Authority, Security Administrator, Snapshot Processor 2
Pended Enrollment	This report lists the enrollment records that are in a pending status.	Primary Administrative Authority, Security Administrator, Snapshot Processor 2

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Report name	Description	Roles
Plan One Non-Vested Person Details for Org	This report lists active employees who were moved from Plan 1 to Plan 2 effective 1/1/13 as a result of pension reform legislation.	Employment Processor, Security Administrator, VRS Administrator
PMIS Cancelled Record Report	This report shows Error Messages for Cancelled Records from PMIS File Translation.	Employment Processor, Enrollment Processor, Security Administrator
Salary Report Template	This is an on-demand report used by employers to process numerous salary changes for employees in an active status at the time the report is generated. Employer can use the report template to provide a return file with updated salary information to VRS via secure messaging. The file is then uploaded into myVRS Navigator to update salary changes.	Employment Processor, Security Administrator, Snapshot Processor 2
Separate Employees Before Confirming Snapshot	This document defines the report generated to the employer when one or more employees are being reported on a snapshot who either: <ul style="list-style-type: none"> • Have a death date on or before the first business day of the previous month AND they do not have a separation date on or before the death date; or • Have a retirement date on or before the first business day of the current month AND they do not have a separation date on or before the retirement date AND they are NOT a General Assembly member. 	Employment Processor, Primary Administrative Authority, Security Administrator, Snapshot Processor 2
State Funded HIC Billing Report	This report will only be sent to the following three employers and will contain information pertaining to the corresponding State Funded benefit that the employer is paying for. <ul style="list-style-type: none"> • State Board of Elections: HIC-R • Compensation Board: HIC-C • Department of Social Services – HIC-S 	Security Administrator, Snapshot Processor 2
System Initiated Separation	This report is generated to the employer when there are current or retroactive system initiated separations that must be certified by the employer before confirming the snapshot.	Person Account Process, Security Administrator, Snapshot Processor 2
Un-renewed Contract Employees	This report lists those employees not in a system administrated contract position with an active person record but whose new contract periods have not been submitted to VRS.	Employment Processor, Primary Administrative Authority, Security Administrator, Snapshot Processor 2