

SECTION 14: EMPLOYER/EMPLOYEE VERIFICATION

Verification of Salary & Service

INTRODUCTION

Verifications are requested and completed for a variety of reasons and requests can be initiated by the employee, the Division of Retirement & Benefits or outside sources. Retirement service verifications include **all** eligible service and salary a member has in retirement eligible positions and other claimed credit for the State of Alaska. Other verifications are related to an employee's status and leave accruals.

Types of Verifications

Different types of verifications of salary and service for employees are listed below according to who is responsible for completing the form/request.

Verifications completed by the Agency HR Office include:

- **Leave Accruals:** Verify service time to establish leave accrual base dates on the A2 screen for a re-hired employee
- **Temporary Service:** Verify temporary service time to be purchased for credit in the retirement system.
- **Service Time:** To verify and correct an employee's retirement service time with Retirement & Benefits.
- **Military LWOP Service:** To claim military LWOP under USERRA for active and in-active training duty for retirement service credit.
- **High Year Salaries:** Verify an employee's three-high year salaries for Tier I & II, and five-high year salaries for Tier III in preparation for retirement.
- **Unemployment Verification:** Provide employment verification for a previous state employee claiming unemployment insurance benefits.
- **Workers' Compensation LWOP Claims:** Verify dates of workers' compensation LWOP segments/hours purchased for retirement service credit.

Verifications completed by the Division of Finance (DOF):

- **Retirement Verifications - Final Year Salary:** To verify final year service and salaries for employees who are retiring – completed by the Division of Finance (DOF).

Verifications initiated by the Employee and verified by the Division of Retirement & Benefits:

- **Military Service Credit:** To verify eligibility of an employee claiming military service time for retirement. The indebtedness record for those employees selecting to pay through payroll deductions is set up in AKPAY by the payroll human resource office.

Verifications completed by the Employee Call Center or Agency HR Office:

- **Financial Institutions:** Requests from financial institutions for employment status and salary.

Salary and service type verification forms are located on the Retirement & Benefits web page. Employees can download forms and fax or mail to their payroll human resource office for verification. Other forms are found on the Division of Personnel web page. Each request must be completed timely and ensure the employer sections are completed in full (additional forms may be necessary to ensure all service / salary is verified).

Upon completion of any State of Alaska verification form, in addition to sending the form to Retirement & Benefits and the employee (where appropriate), forward a copy to DOF to be placed in the employee's permanent file. Make a notation at the top of the form, "Employee File Copy Only".

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PROCEDURES

When conducting any kind of salary or service verification, several factors concerning the type of employee and their status must be taken into consideration.

Sources for Service Verifications:

- AKPAY history screens (201) from May 1990 to present.
- DOF payroll files for employees still active or those who have been terminated within the past two years plus the current year.
- Employee records from AAA Archives and Records Storage Center. Stored records can be requested through DOF, Payroll Section. Make copies of the documentation if needed as files may *not* be removed from DOF.
- Employees who worked for Legislative Affairs (Dept. 31), Marine Hwys (Dept 25) or Court System (Dept 41) in JRS retirement, may have incomplete files in DOF. Contact the appropriate agency to verify the employee's prior status.
- Employee Information System (EIS) LWOP Report: To determine LWOP hours prior to AKPAY, contact DOF to produce a report of LWOP hours from the EIS pay system for years 1983 – May 15, 1990.
- Microfilm/fiche Records: Pay records for time prior to May 1990 must be verified by researching microfilm payroll registers located at DOF. Microfilm records are available from May 1960 forward to May 1990. W-2 records are available from 1959 forward.

Note: When researching on microfilm/fiche, note that salaried employees were paid on a monthly basis with an optional mid-month draw in the system prior to AKPAY. Hourly employees were paid twice a month. Payroll periods were from the 16th of one month to the 15th of the following month. Pay was reported in the month in which the pay period ended. For example, the January 1989 payroll register is reporting pay from 12/16/88 - 01/15/89. An hourly employee will have two warrants listed, the first entry would be for 12/16 - 31/88 and the second entry for 01/01 - 15/89.

Note: Microfilm records prior to July 1, 1985 are sorted by the employee's labor distribution code. Between July 1, 1985 and May 15, 1990 the sort is by the organizational routing code.

Definitions

Status Codes on the 10 screen or PA valid for:

Prior retirement service credit:

PR, PE, PX, PV, EX

Prior service for leave accrual rates:

PR, PE, PX, PV, PJ, PS, PG, PT, EX

Status codes that DO NOT count towards prior service for leave base dates:

NG, NJ, NS, NT, TE, TG, TJ, TS, TT, OS, EM, GU

Seasonal Indicators – 10 screen or PA:

FR	Full time regular	FS	Full time seasonal
PR	Part-time regular	PS	Part-time seasonal

Occupational Codes – A1 screen or PA:

A = all others, P = Peace Officer, F = Firefighter, E = Elected Official, J = JRS (+15), R = JRS (-15), T = TRS, S = Military LWOP, M = IBU, C = MMP, W = Waiver All others, Y = Waiver Police & Fire, Z = LWOP, N = Not covered.

LDW – Last Day the employee worked or was in pay status.

Full Time (FT) Service

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Alaska Statute 39.5.680 (31) defines a full time employee as one working 30 hrs or more a week. The employee must be scheduled and in pay status at least 30 hours per week on a regular basis for full time service. Segments of full time work are recorded beginning with the first day worked and ending with the last day worked. For service after May 15, 1990, beginning dates should correspond with the A1 screen OCC code dates. Ending dates should be the day before the OCC code Z or N date.

Full time service is recorded as segments of time worked, reduced by periods of LWOP. Accumulated scattered LWOP hours exceeding 10 days per calendar year reduces retirement service credit. Scattered hours less than 10 days do not reduce retirement service credit.

Part-Time (PT) Service

Alaska Statute 39.5.680 (32) defines a part- time employee. An employee must work at least 15.0 hours, but less than 30 hours per week for part-time retirement service. Those employees regularly working less than 15.0 hrs do not qualify for retirement credit. Service is credited based on a 1,560-hours work year (30 hours x 52 weeks). Part-time service is recorded as actual hours worked in a calendar year.

PT hours are reported on a calendar year basis on the **Retirement Verification of Salary & Service** form. Hours may also be reported on a monthly basis on the **Retirement Part-time Hours & Salary Verification** form.

Legislative Service

Per AS 39.35.680(39) legislative employees may be exempt from the minimum 15.0 hour rule for retirement eligible service time performed during a legislative session. Contact the Legislative Affairs Agency, Personnel Office for further information regarding specific employees.

Retro Payments

Salaries must be posted in the year they were earned, not in the year they were paid. Make a note of possible retro pay where payment may cross calendar years. This includes overpayments collected as NET in a subsequent year. Codes to look for in AKPAY include, but are not limited to: E101, E103, E104, E119, V061.

PERS/JRS Retirement Year - salaries and service for a calendar year **earned**, 01/01/xx to 12/31/xx.

TRS Retirement Year - salaries and service for a contract year **earned**, 07/01/xx to 06/30/xx.

Tax Reporting Year – salaries for a calendar year **paid** between 01/01/xx to 12/31/xx.

Prior Service Verification

A Prior Service Verification is completed for an employee re-hired into a leave accruing position. The accrual rate for personal leave is based on the length of cumulative leave-accruing service the employee has with both the Territory and State of Alaska. Note: Time worked under the Alaska State Housing Authority (ASHA) or the Alaska Housing Financing Commission (AHFC) does **not** count as leave-accruing service for the State of Alaska. Nor does time worked for PERS employers other than the State of Alaska, such as University of Alaska or a Municipality.

Completing Verification Forms

Prior Service Record Form – Leave Accrual Rate

Access the 20 screen in AKPAY for time from May 1990 to present, or PA's from employee records. Record full time (FT), part-time (PT), and leave of absence (LWOP) segments on the **Prior Service Record** form. Verify hours for part-time employees only. On the form, begin by entering the appointment and separation dates using the actual first and last day worked, to and from LWOP or to and from layoff dates. Dates from one segment to another should not overlap or end and start with the same date.

Enter the Status Code from the 10x screen, the Department number and the bargaining unit. Also note the seasonal indicator and the rate frequency, semi-monthly or hourly.

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Calculate the Total Prior Service Time

Full Time service: For each period of full-time service, subtract the beginning service date from the ending service date to arrive at the total length of service. For example, the employee was appointed February 25, 1984 and separated December 31, 1990:

1990y	12m	31d	Separation date (day after LDW)
-1984y	02m	25d	<u>Appointment date</u>
=	06y	10m	06d
			Total Service Time

Enter the calculated total service time in the creditable service column on the form. Continue recording and calculating each work segment. Once all work segments are calculated add the service time together in years, months and days. Subtract increments of 30 from days and add the number of increments to the month column. Subtract increments of 12 from months and add the number of increments to the year column. The sum total is the amount of creditable service time for that employee.

Example showing how to “borrow” when subtracting:

1990y	02m	16d	Separation date (day after LDW)
-1984y	12m	26d	<u>Appointment date</u>

Subtracted as:

1990y	02m	16d	
-1 y	+12m		
	-01m	+30d	
-1984y	12m	26d	
=	05y	1m	10d
			Total Service Time

LWOP Bumps: Leave base dates are systematically moved one month forward for every 172.5 hours of accumulated scattered LWOP in a payroll year, 12/16/xx-12/15/xx. Once all FT work segments are documented, look for LWOP bumps by paging through the 201 screens in AKPAY or by looking for LWOP bumps on PA’s prior to May 1990. When looking for LWOP bumps, ensure LWOP entered to cause a service bump is not already included in an LWOP segment. E953, E954, E961, E962, E963 will accumulate together and create a base date bump for every 172.5 hours in a payroll year. Hours not accumulating to 172.5 hours at payroll year end (12/15/xx for SEMI) are forgiven.

Care must be taken when verifying prior service for seasonal employees. Entry of LWOP hours for forwarding base dates has not always been consistent in AKPAY. LWOP hours while on SLWOP were totaled and base dates were manually moved for every increment of 172.5. Hours might have been added using E953 or E961, all hours on SLWOP may have been added, hours not totaling 172.5 may have been added. Beginning in 2003, E961 is used when an employee returns from SLWOP to add any *current* year remaining hours not totaling a bump to AKPAY. Care must be taken to ensure LWOP entered to cause a service bump is not already included in an LWOP segment.

Prior Service Calculation/Part-Time Hours Form

Part-time service: For each period of part-time service, the total number of actual hours worked must be determined. Complete the **Prior Service Calculation/Part-Time Hours form**.

Research microfilm payroll registers located in DOF for service prior to May 1990. Locate the employee on microfilm using the routing code listed on the PA’s. Use AKPAY or CHEQ history for service after May 1990. The hours can be located using the B4 – Payroll Earnings screen. Look for all earnings codes representing hours worked/pay status (E100, E105 or E249 – see note, E165, E250, E251 hours etc.). Do not include other premium pay codes as they do not represent additional hours worked.

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Note: When including E249, it is necessary to review the actual warrant detail with the E105 & E249 hours. Only E105 *or* E249 hours are included for each holiday worked; whichever is greater. Example: The employee worked 3.5 hours on a holiday, the E105 hours are 7.5 hours and the E249 hours are 3.5 hours. Only include the E105 hours as they are greater. However if the employee worked 10 hours on a holiday, the E105 7.5 hours is less than the E249 10.0 hours; only the E249 hours are included.

Record the hours worked in the appropriate month they were earned (see above note on reading payroll registers prior to AKPAY). Add all the hours and divide by 162.5 to arrive at the number of whole months plus a remaining fraction of creditable service. Convert the remaining fraction of a month to days by multiplying the fraction by 22 days (average number of work days in a month).

Example: an employee had 210 part-time hours, the creditable service would be:

$$\begin{array}{rcl} \text{Total hours worked} & \underline{210.0} & \\ \text{Hours in a month} & 162.5 & = 1.292 \text{ months} \end{array}$$

.292 x 22 = 6.424 days or Total creditable Service = 1 month and 6 days

Add all the lines in the Creditable Service column to arrive at the grand total prior service. Then calculate the leave base date per *AKPAY Manual, Section 12, Leave Accrual*.

Distribution: Once the form is complete, forward the original to Retirement & Benefits. Place a copy in the employee's file in the payroll human resource office, send a copy to the employee and forward a copy to the DOF, marked "Employee File Copy Only".

Verification of Salary & Service Form

This form is used to verify salaries and retirement service. It is used to verify the three-high year salaries for Tier I & II, and five-high year salaries for Tier III. It is also used for verifying and correcting salaries and service previously reported to Retirement & Benefits.

Section I – Personal Data

Complete all boxes.

Section II - Salary Verification

Retirement & Benefits requires reporting of PERS salaries for a **calendar year earned**, 01/01/xx to 12/31/xx. It is very important to enter the proper dates and salaries for the retirement year being reported. The form defines a payroll year as beginning the first pay period ending in January – which is SEMI pay period 02 and ending with the last pay period in December – which is pay period 01 of the next year.

The State of Alaska's payroll year is based on the IRS year of **calendar year paid**, 12/16/xx of one year through 12/15/xx of the following year. The year-to-date amount in the accumulators in AKPAY are based on the payroll year amounts paid and must be adjusted before reporting the correct retirement salary.

Note: The TRS service year is based on the contract year from 07/01/xx to 6/30/xx.

Steps to verify an employee's retirement salary:

1. On the AKPAY **B81** screen get the total year to date gross amount for the year to be verified. This will give total gross paid –everything paid to an employee for 12/16/xx – 12/15/xx.
2. On the **A91** screen or CHEQ history, pull up the warrant for pay period 01 of the year being verified and **subtract** the total gross amount.
3. Pull up the warrant for pay period PP01 of the following year and **add** in that amount.
4. On the **B41** screen page through and identify pay codes in the year in question not subject to retirement contributions and subtract from the yearly gross. Common earnings codes to be **excluded** are:

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- Leave cash-ins (E406/407 and other 400 level leave cash in codes).
 - Retroactive wages earned in another year (E101 – check line dates, E104).
 - Uniform, cleaning or tool allowances (E355-E358, etc.).
 - Severance or Settlement Pay (E360 or E365).
 - Non- retirement codes such as E075 or E076 – the code does not necessarily indicate no retirement, check the employee status to determine eligibility.
 - Employees working less than 15 hours/wk regardless of the pay code.
 - Per Diem, travel, electronic listed property and other expenses paid through payroll (E345 and higher codes).
 - Check the Include/Exclude for verification of other code exclusions – see Rule RETIRE.
5. On the **B61** screen page look for code V061 indicating a prior year salary overpayment recovery. Determine the year of the overpayment and if it will affect the year being verified. Research the employee's file in the department's payroll office or DOF for the specific information. While this code is the NET amount recovered, the GROSS amount is the amount to be subtracted from the total gross in the year being verified.

Note: When adding or subtracting individual earning code amounts from B4 and B6 accumulators, remember the entire pay period 01 has already been added or subtracted as appropriate. The individual code amounts in pay period 01 should not be added or subtracted twice.

Example: Verify the salary for 1998

B8 YTD 1998 Gross	\$24,534.56	
A9 PPE 12/31/97	- \$978.00	
A9 PPE 12/31/98	+ <u>\$1006.00</u>	
Total 1998 Gross	\$24,562.56	
Less: E407	- \$435.50 (subtract amounts not in PP01)	
Less: E104	- \$253.15 (subtract amounts not in PP01)	
Less: E378	- <u>\$175.00</u> (subtract amounts not in PP01)	
Total 1998 PERS Gross	\$23,698.91	01/01/1998 - 12/31/1998

Section III - Service Verification Section

Segments of full time and part-time service and LWOP segments must be identified individually on the form. If verifying service time against that listed in Member Services on the Retirement & Benefits web page, only use the time worked for the State of Alaska, identified as employer number "101".

Retirement & Benefits maintains retirement accounts for many employers other than the State of Alaska. All retirement time worked for all employers counts toward the employee's total retirement service time. For example, time worked for the University of Alaska or City and Borough would count for retirement time under the PERS program, but they would not count as service time for leave accruals for the State of Alaska.

Full Time (FT) Service Verification

On the form, verify service time with actual beginning work date and the last day worked or in pay status. A correctly reported example:

GGU employee in a full time position in an "all others" retirement type.
Appointment date: 04/03/1998
Separation date: 06/05/2005 (10 screen date)

Record as:

FT 04/03/1998 through 06/04/2005 OCC Code A

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Part-Time (PT) Service Verification

Hours must be reported on a calendar year basis, January 1st – December 31st.

Example: GGU employee in a PT position working 3 hrs/day in “all others” retirement type.

Appointment: 08/03/1994

Separation: 10/16/1994 LDW (10 screen date)

Record as

PT 159.0 hrs 08/03/1984 through 10/15/1984

OCC Code A

Section IV - Leave of Absence (LWOP) Section

LWOP which exceeds 10 days per calendar year is not creditable in PERS. LWOP may be sporadic throughout the year. The hours of LWOP totaling 10 days or more in a calendar year and not already reported in an LWOP segment, must be reported. Review the B4 screen for all LWOP codes for scattered hours including E953, E954 and E956 and add them together. Do not include E955 – Maternity LWOP hours or E961 non-scheduled LWOP hours in the scattered hours for the 10 days of LWOP accumulation. They are not reported to Retirement & Benefits. Identify workers’ compensation LWOP (E963) separately on the form.

The year-to-date amounts in the LWOP accumulators on the B4 screen in AKPAY must be adjusted to report the correct LWOP hours for the calendar year. Subtract out PP 01 LWOP hours of the year being verified and add PP 01 hours of the following year. If the employee is working less than 30.0 hours, only the positive hours worked or in pay status are reported. If the employee works 30.0 hours or more on a regular basis, this is considered full time and is recorded as segments of time worked.

Contact DOF for assistance with LWOP hours for years prior to AKPAY, 1983 – 05/15/1990. For years prior to 1983, research the employee’s file, or leave records on fiche in DOF.

If an LWOP segment has already been reported in the Service verification section, do not list it under the total scattered LWOP per year. For example, a person is placed in LWOP on the 10 and A1 screens. This time is reported on the verification form in Section III as an LWOP segment. This same employee defaulted into scattered LWOP (E953) throughout the year, totaling 77.5 hours. As this is more than 10 days LWOP, it should be listed in Section IV of the form. LWOP hours and reported by calendar year.

Distribution: Once the form is complete, forward the original to Retirement & Benefits. Place a copy in the employee’s file in the payroll human resource office, send a copy to the employee and forward a copy to the DOF, marked “Employee File Copy Only”.

Workers’ Compensation (WC) LWOP Form

An employee may be eligible to buy-back periods of workers’ compensation LWOP. Workers’ compensation is classified and credited as part-time service.

An employee wishing to claim periods of Workers Compensation LWOP as credit for retirement must complete the **Workers’ Compensation and LWOP Claim and Verification form**. The employee completes the top portion of the form, signs it and forwards the form to their payroll human resource office to complete the bottom section of the form.

Identify periods of workers’ compensation by researching timesheets, leave slips and workers’ compensation and Department of Labor Compensation Reports. Enter the actual date the employee went out on WC and the last date the employee was off work. Enter a separate line for each segment of time on WC. Enter the employee’s annualized hourly rate of pay for each time segment on WC. Add the employee’s regularly scheduled hours per week and the number of hours on WC LWOP. The 3-day initial waiting period is not covered by WC and is not reported on the verification form unless the time loss exceeds 28 days. Then the 3-day waiting period would retroactively be adjusted to be covered by WC and would be reported on the verification form.

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Example:

An employee is injured 5/10. The 3-day waiting period is 5/10-12 with a total number of hours on WC (E963) of 49.80 hours. The employee returns to work 5/24. Salary for the period is \$2500.00, the employee normally works 37.5 hours/wk and is covered for 83% WC pay.

Time entered is as follows:

<u>05/13/20xx</u>	to	<u>05/23/20xx</u>	<u>\$30.77</u>	<u>37.5</u>	<u>49.80</u>
Date WC Began		Date WC Ended	Hourly Rate of Pay	Sched Hours per Week	Hours on Workers' Compensation (E963 total hours)

Note: If the employee has a 10 screen rate change while on a WC segment, split the segment into two separate lines on the form showing the two different annualized hourly rates and the corresponding E963 hours.

Distribution: Once the form is complete, forward the original to Retirement & Benefits. Place a copy in the employee's file in the payroll human resource office, send a copy to the employee and forward a copy to the DOF, marked "Employee File Copy Only".

Temporary Service Verification Form

An employee may submit a request to Retirement & Benefits to buy full time temporary time. Only vested (five paid-up years of retirement service) employees may buy temporary service. The employee should complete the **Temporary Service Verification Request** form and send it **to the agency where the temporary time occurred**. Determine begin and end dates of the temporary time. Forward the completed form to Retirement & Benefits. The employee may elect to purchase the time through a post-tax V040 PERS Indebtedness deduction on the A7 screen in AKPAY, set up by the payroll human resource offices. The time may also be purchased directly through Retirement & Benefits.

Military Service Verifications

Buying Service Credit for Active Military Duty

To receive retirement credit for military service prior to State of Alaska employment, the employee must be vested (five paid-up years of retirement service) and complete the **Application for Military Service Credit**. The form cannot be submitted until after the vesting year has passed. The employee must provide legible copies of military separation (DD, GG 214 or other documentation) for verifying the beginning and ending dates of active duty and proof of an honorable discharge. Only active duty time can be purchased.

The form is completed by the employee and submitted to Retirement & Benefits for computation. Once the information is verified and approved, the employee may elect to purchase the time through a post-tax V040 PERS Indebtedness deduction on the A7 screen in AKPAY, set up by payroll human resource offices. The time may also be purchased post tax directly through Retirement & Benefits or pre-tax through Retirement & Benefits and set up in AKPAY by the Division of Finance.

Military LWOP Service Verification

Time spent for military active and inactive training duty for current State of Alaska employees is considered service time under USERRA. Once the employee returns from military LWOP, the payroll human resource offices should contact Retirement & Benefits and provide the dates of additional service time.

Provide the Benefits Section with the dates the employee was on military LWOP along with a copy of the honorable discharge papers. The begin date should correspond with the A1 screen OCC code S date and the end date should be the day before the return to work OCC code date. The employee is required to send a signed letter requesting the time be credited for retirement.

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Unemployment Verification

The Department of Labor and Workforce Development may request the State to provide employment verifications for a previous state employee claiming UI benefits. The payroll human resource staff completes the **Request for Separation Information** form by answering the questions regarding employment status if the information provided by the separated employee is not correct.

The Department of Labor and Workforce Development may also request the following forms for information regarding reasons for terminations or separations. These forms should be forwarded to the Management Services Team Leader or Human Resource Manager for completion. Completed forms should be returned to the UI Claim Center listed on the form

Discharge Statement – Employer

Notice of Appeal

Notice of Determination

Notice of Telephonic hearing

Notice of Liability

SUMMARY

Verifications of salaries and service must be carefully researched and completed in a timely manner. Any errors can adversely affect an employee's retirement eligibility and pay. Any questions regarding the correct completion of a verification should be addressed immediately.