



## **Step by Step Process for Determining and Coding Eligible Participants in the Supplemental Retirement Plan (SRP)**

### **Purpose of Process**

The purpose of this process is to assist HR staff with determining and coding newly eligible participants in the supplemental retirement plan (SRP) effective July 1<sup>st</sup> of each fiscal year, as well as any other coding changes needed for the fiscal year.

### **Rules Regarding SRP Deductions**

1. The active assignment of an employee on October 1<sup>st</sup> of each fiscal year determines the bargaining unit coverage of the employee's SRP deductions for that same fiscal year.
  - a. Example: A faculty member takes an administrator assignment on September 1<sup>st</sup>; the employee's SRP deduction code for the fiscal year is based on the administrator assignment. If the employee had taken this assignment on November 1<sup>st</sup> instead, the employee's SRP deduction code for the fiscal year would be based on the previous assignment.
2. If an employee has a bargaining unit covered assignment that is eligible for SRP, and also has another non-unit unclassified assignment at the same or a different institution, the bargaining unit that covers the employee will determine the SRP deduction code to be used for all of the employee's eligible unclassified assignments. There is no SRP deduction limit associated with inclusion in unit 218 (insufficient work time).
  - a. Example: An employee is a full time faculty member covered by unit 210 (MSCF), and also has an adjunct assignment at a state university in unit 218; all unclassified assignments throughout MnSCU must use the code RSCC03 (MSCF, unit 210, SRP deduction code).
3. An employee with multiple unclassified assignments that are covered by different bargaining units must be given the SRP deduction code of the bargaining unit with the greater dollar limit on deductions. This higher dollar limit will satisfy the dollar limit requirements of both union contracts.
  - a. Example: A half-time faculty member in unit 209 (IFO) who is also a half-time faculty member in unit 210 (MSCF) will have the SRP deduction code of RSCC03 for the MSCF unit, as this unit has a greater dollar limit than the IFO unit (based on FY10; MSCF limit of \$2,500 and IFO limit of \$2,250). Check limits for each unit each fiscal year for all employees who have multiple bargaining unit assignments. This deduction code will apply to all unclassified SRP eligible assignments.
4. An employee who is eligible for SRP deductions and who has reduced their work hours to part time remains eligible for SRP. Once an employee is eligible for SRP deductions, the employee remains eligible in all subsequent unclassified assignments until the employee's retirement. If the employee's only assignment is in unit 218, use the deduction code for the employee's residual unit.



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5. Classified assignments and Academic Exam Monitor assignments are never eligible for SRP coverage.
6. Retirees who have begun a distribution from their deferred contribution retirement fund or are receiving an annuity from their defined benefit retirement fund, are no longer eligible for any retirement contributions upon rehire. Supplemental retirement eligibility code must be R and the SRP deduction code must be blank. (Primary retirement code must be AN, or TR if a TRA annuitant.)

### Guidelines for Determining SRP Eligibility

Keep in mind the following detailed guidelines and information on SRP eligibility as you begin to review your spreadsheets.

1. An academic unclassified employee who has completed two (2) years of full time unclassified service is eligible for SRP; eligibility for SRP always starts on July 1st following completion of these two (2) years for newly eligible employees.
  - a. Faculty member service in bargaining units 209 (IFO) and 210 (MSCF) includes the academic year and other non-summer session assignments and must total 1.0 FTE for the fiscal year to count towards the two (2) years. Summer session assignments are NOT included. All unclassified service within MnSCU is added together to determine eligibility. You may add all part-time service at several colleges and universities together to reach the 1.0 FTE needed in a single year. *You may not add together FTE from different years.*
  - b. Other unclassified service must be an appointment of at least 10 months of full time service within the 12 month fiscal year. This is not an accumulation of FTE. The employee must work full time. In order to reach the 10 months or more of service within a fiscal year, multiple full time assignments that occur at different times throughout the fiscal year may be added together. Full time assigned duty days must be equal to or greater than 217 duty days in order to constitute 10 months of full time work so that the year counts towards the 2 year waiting period.
  - c. Time spent on an unpaid Military Leave does count towards SRP eligibility. This is the only unpaid leave that does count towards the 2 year waiting period for SRP.
  - d. Classifications eligible for SRP are the same as those employees who are eligible for IRAP coverage:
    - i. IFO (Unit 209) – all employees
    - ii. MSCF (Unit 210) – all employees
    - iii. MSUAASF (Unit 211) – all employees



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- iv. MAPE (Unit 214) – Unclassified employees in the MnSCU Academic Professional 1 through 6 classes, and the Customized Training Representative classification.
  - v. MMA (Unit 216) – Unclassified employees in the MnSCU Academic Supervisor 1 through 3 classifications.
  - vi. Commissioner’s Plan (Unit 217) – Unclassified employees in the classes listed above under MAPE and MMA.
  - vii. MnSCU Personnel Plan (Unit 220) – Employees in the MnSCU Administrator Range 1 through 14 classes, and the MnSCU President/VC I through VI classes.
2. No classified employee is eligible for SRP deductions on their classified assignment and classified service does not count towards SRP eligibility. This includes unclassified temporary assignments to classified positions (old Rule 10).
  3. Non-status employee appointments in the unclassified service, like MnSCU Academic Exam Monitors (Unit 223), are not eligible for either regular or supplemental retirement deductions.
  4. Once an employee is eligible for SRP deductions, that employee remains eligible for SRP deductions for all future unclassified academic work within all MnSCU institutions, even if that employee works part-time, or if that employee has a break in service and returns to MnSCU employment at the same or at a different college or university. Even if the break in service has been several years, or if the employee withdrew all funds in the SRP account, the employee remains eligible for current SRP contributions. The only status that terminates an employee’s eligibility for SRP contributions is when the employee retires and starts a retirement distribution from his/her defined contribution account or begins collecting an annuity from a defined benefit plan.
  5. Unclassified employees who work full time and who are excluded from regular retirement deductions due to their TRA annuitant status from previous school district or charter school work are not eligible for SRP deductions. (The full time employee must have elected TRA upon becoming eligible for the DCR plan.) These employees should have an SRP eligibility code of R.
  6. SRP eligibility and deduction codes are required for every SEMA4 job record number and will differ on an employee’s classified and unclassified assignments’ job record numbers. (However, deduction codes may not differ on an employee’s unclassified job records within one fiscal year – they must all be coded identically.)
    - a. Example: An employee who is a CLA on SEMA4 job record #0, and a part time faculty member on SEMA4 job record #1, will have an SRP eligibility code of M on record #0 and an SRP eligibility code of N, O, 1, Y or R on record #1.
  7. The year for SRP deductions, and the \$6,000 waiting period before deductions are taken, starts with the first paycheck dated July 1<sup>st</sup> or later for returning eligible employees. The first SRP year for newly eligible employees starts with the paycheck



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that results from the payroll period including July 1<sup>st</sup>, since July 1<sup>st</sup> is the effective date of their initial eligibility.

### Determining and Coding Employees' SRP Eligibility

#### Coding for Unclassified Employees

##### Step 1.

Run the Hyperion reports in the HR Retirement folder that are listed in the SRP Hyperion Report Instructions found on the Campus Retirement Resources Web page in the SRP Section. Download these reports into Excel to make them easier to work with.

##### Step 2.

Review the results of your queries to determine what the [SRP eligibility code](#) should be for each individual employee for the current year based on the following instructions:

- A mid-year hire who works full time who has not yet completed one year of full time service:
  - SRP Code = 0
  - SRP Deduction Code = BLANK
- An employee who works full time who has completed one year of full time service towards the two year waiting period requirement:
  - SRP Code = 1
  - SRP Deduction Code = BLANK
- An employee who works full time who has completed two years of full time service to satisfy the waiting period requirement before becoming eligible for SRP:
  - SRP Code = Y
  - SRP Deduction Code = based on the bargaining unit assignment of the employee's job class as of October 1<sup>st</sup> of the current fiscal year ( See the [SRP Deduction Code listing](#)) See the rules for SRP deductions and eligibility codes for employees with more than one assignment, more than one bargaining unit, and/or changing positions mid-year.
  - All unclassified assignments with a "Y" SRP eligibility code can *never* have a *blank* in the SRP deduction code field.
- Employees who work only part-time and have no years of full time service that count towards the waiting period for SRP eligibility:
  - SRP Code = N
  - SRP Deduction Code = BLANK
- All assignments in bargaining unit 223, Academic Exam Monitor are not eligible for SRP participation
  - SRP Code = N
  - SRP Deduction Code = BLANK
- If the employee is a retiree for retirement fund purposes:



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- SRP Code = R
- SRP Deduction Code = BLANK

### Step 3.

Review the results of your queries to determine what the SRP deduction code should be for each individual employee for the current year based on the following instructions:

- Compare the SRP deduction code listed for each employee in a specific bargaining unit with the [SRP deduction code](#) that is appropriate for that bargaining unit.
- Employees who have assignments in more than one bargaining unit may have an SRP deduction code that belongs to the other bargaining unit – verify if the employee has more than one assignment. There may be multiple assignments at the same institution, or assignments may be at more than one institution – you may need to run the multi-campus report.
- If a returning employee has a change in an SRP deduction code based on bargaining unit changes, the effective date of that change must be the beginning of the payroll period that will generate a paycheck on or after July 1<sup>st</sup> of the fiscal year you are working on. DO NOT effective date a change in SRP deduction code for a current employee with current SRP contributions as July 1.
  - For example: A returning employee has a change in assignment from MMA to a MnSCU Administrator position in January. The SRP deductions code could not be changed in January (since it was after 10/1), but must be changed before the next fiscal year so that the new deduction code applies to all paychecks in the new fiscal year. The first paycheck in the new fiscal year will be received on July 2<sup>nd</sup>. The paycheck is generated by the payroll period ending June 22<sup>nd</sup>. The first day of this payroll period is June 9<sup>th</sup>. A change in SRP deduction codes for this employee must be effective dated June 9<sup>th</sup>.

Step 4. All unclassified MAPE (unit 214), MMA (unit 216), or Commissioner's Plan (unit 217) employees who are eligible for SRP are no longer eligible for a State paid contribution to the Deferred Compensation Plan (DCP).

To ensure that these employees do not receive the State matching contributions to the DCP, special coding is required for the salary authority fields in SEMA4.

An effective dated row must be added to both position management and job data for each newly eligible employee. The effective date of newly SRP eligible employees is always July 1<sup>st</sup>. The salary authority codes to be used are:

MAPE positions – MPM

MMA positions – MMM

Commissioner's Plan positions – CEM

In position management, the position reason must be SAC. In employee management job data, the action reason must be Position Change/SAC.

NOTE: Prior to becoming eligible for SRP, unclassified employees in MAPE, MMA and the Commissioner's Plan may have regular salary authority coding in SEMA4 and they are eligible for any bargained State paid DCP matching contributions.

### Coding for Classified Employees

- If the employee has always had and currently has a classified assignment



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- SRP Code = M
- SRP Deduction Code = BLANK
  
- If the employee has both a classified assignment and an unclassified assignment:
  - Classified assignment:
    - SRP Code = M
    - SRP Deduction Code = BLANK
  - Unclassified assignment
    - SRP Code and SRP Deduction Code = follow unclassified coding structure based on length of service and FTE of service
  
- If the employee has only a classified assignment at this time, but previously had an unclassified assignment and had been either eligible for SRP or had completed a full year of full time unclassified service towards the waiting period, you will want to keep track of the employee's eligibility in case they ever move again to the unclassified service.
  - If the employee has accumulated one full time year of unclassified service towards SRP eligibility :
    - SRP Code = 1
    - SRP Deduction Code = BLANK
  - If employee has accumulated two years of full time unclassified service towards SRP eligibility OR previously was SRP eligible and is currently a classified employee:
    - SRP Code = 2
    - SRP Deduction Code = BLANK
  
- If the employee is a retiree for retirement fund purposes:
  - SRP Code = R
  - SRP Deduction Code = BLANK

**All Newly Eligible Employees must be provided with the ["Welcome to SRP" letter](#) available on the MnSCU HR Retirement web site.**

### **Coding Employee Changes to Interface with SEMA4**

All changes in SRP eligibility code and/or SRP deduction codes must interface with SEMA4 to affect eligible employees' pay. Questions on the bi-weekly interface process and/or schedule should be directed to the HR Helpdesk.

### **Verifying Coding in the HR Web Application with SEMA4 Data**

- The HR7010 report will show any discrepancies in data between SCUPPS and SEMA4; run, review and change data as appropriate.
- The SEMA4 On-Demand Report FIHU1650 will retrieve information from SEMA4 on employees with the Deferred Compensation State Match who are also coded with eligibility for SRP. All employees that appear on this report have discrepancies that must be corrected as an employee cannot receive both SRP contributions and the State match for deferred compensation contributions.



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### **Need Help?**

All questions on SRP should be directed to the HR Helpdesk; [hr.helpdesk@so.mnscu.edu](mailto:hr.helpdesk@so.mnscu.edu)

If you locate any errors in your SRP eligibility or deduction coding, please contact the HR Helpdesk immediately for assistance with correctly coding the employee's records and the process for determining the applicable back charges or refunds and the process for implementing them.