

**Office of Operations
2013 Fall Conference
November 6-7**

Back to Basics

**Processing Salary Payments pursuant to Court
Orders, Awards, and Settlement Agreements
(Formerly Back Salary Awards)**

Bill Sellman, Cindy Kopacz



New York State Office of the State Comptroller
Thomas P. DiNapoli, Comptroller

Office of Operations

John Traylor, Executive Deputy Comptroller

Division of Payroll, Accounting and Revenue Services

Christopher Gorka, Deputy Comptroller

Dave Hasso, Assistant Comptroller

Robin Rabii, Director, Bureau of State Payroll Services

SETTLEMENT AGREEMENTS

- Objectives
 - Discuss the origin of Settlement Agreements
 - Discuss the processing of awards and the responsibilities of agencies and OSC
 - OSC Legal Review
 - Correcting Pay Serv history, entering payments
 - Unemployment Insurance Recovery
 - Garnishment and Tax Treatment



SETTLEMENT AGREEMENTS

- Types of Settlements
 - Court Order
 - Awards
 - Administrative Agency - Human Rights Decision
 - Arbitration Decision
 - Settlement Agreements
 - Judicial Settlement Agreement – after court proceeding has begun
 - Administrative Settlement Agreement
 - By Administrative Agency
 - By individual authorized to resolve a grievance under a collective bargaining unit
 - Pre-Adjudicatory Settlement Agreement – before any type of court or administrative agency, or proceeding under a collective bargaining agreement (i.e., grievance) has begun.



SETTLEMENT AGREEMENTS

- Agencies must provide OSC with a copy of the Agreement as soon as possible.
 - Agreements may have to be paid by a certain date or interest may need to be paid.
- The Agreement will be reviewed by OSC Legal Services as required.
- OSC will check with the Department of Labor for possible Unemployment Insurance recovery.
- OSC will provide instructions to the agency for processing of the payment.



PROCESSING SETTLEMENT AGREEMENTS

- Agencies must submit transactions to correct the employee's Job Data Record, using the appropriate Action/Reason code. (Refer to Payroll Bulletin 1217)
- If the transaction is retroactive and subsequent rows exist on Job Data or Additional Pay, agencies must request a Data Change/Cor Hist.



PROCESSING SETTLEMENT AGREEMENTS

- Time Entry Codes to Use
 - Refer to Payroll Bulletin 1217 for Earnings Codes.
- Additional Pay
 - Agencies must also restart Additional Pay records of the employee. Adjustments need to be made for employees if they were not active on the payroll during the time period being processed. The retro process will not pay these employees.



GARNISHMENTS

- OSC will calculate any retroactive garnishment(s) owed by an employee for the time period being paid and make the necessary deduction.
- Refer to Bulletin #559, issued 4/18/2005 for Deduction Priority Schedule details.
 - Taxes
 - Retirement Contributions/Arrears
 - SS/Medicare Deficiency
 - Garnishments
 - Strike Fines/Unemployment Owed
 - State/CUNY Health Insurance/Health Care Flex Spending
 - Loans
 - Parking/Maintenance/Fingerprint Fees/Union Insurances
 - Union Dues/Agency Shop Fee
 - Dependent Care
 - Transit Programs (GOER and CUNY)
 - Voluntary Loans/Contributions/Savings
 - Voluntary Organization Memberships
 - SRA/TDA
 - Deferred Compensation Plan



RECOVERING UNEMPLOYMENT BENEFITS

- OSC will contact the Department of Labor to determine whether the employee received Unemployment benefits during the same time period as the Award. No double dipping.
- If the employee did receive Unemployment benefits, the agency will be instructed by OSC to submit a deduction (code 433) to recover the Unemployment monies that are owed to the Department of Labor.



RECOVERING UNEMPLOYMENT BENEFITS

- When recovering the Unemployment benefits, we must leave the employee enough monies equal to a normal paycheck if the employee is still active on the payroll.
- If there is not enough to recover all of the Unemployment, the following pay period the agency must enter Deduction Code 433 and set it up to recover 10% per pay period until the balance is fully recovered.



TAXES

- Taxes for Settlement Agreements will be calculated using the employee's current tax information on the Federal, State, or Local Tax Data page unless the employee provides the agency with a new W-4 and/or IT-2104 that reflects a change in the tax marital and/or withholding status.
- Agreements will be reported as wages in the year that it is paid. The agency must contact the appropriate Retirement System to ensure that the employee is given retirement service credit for the proper time period.



SUMMARY OF REQUIREMENTS

SUMMARY OF REQUIREMENTS FOR SALARY PAYMENTS PURSUANT TO COURT ORDERS, AWARDS AND SETTLEMENT AGREEMENTS

	EMail Electronic Copy of appropriate provisions to Payroll Services Salary Award Mailbox	Indicate the Amounts or Portions that are Taxable or Non-Taxable	Identify payment details (e.g., front pay, back pay, interest, compensatory damages, etc.) if not identified in final decision	Include rationale for front pay, if part of Settlement Agreement	Submit Certification Form AC-3300-S Signed by General Counsel or Agency Head	Maintain Documentation On file for six years	CODES		
							REASON	TIME ENTRY*	
								Front Pay	Back Pay
Court Order	X	X	X				COU	FPO	BPO
Award	X	X	X				AWD	FPA	BPA
Judicial Settlement Agreement	X	X	X	X			JSA	FJS	BJS
Administrative Settlement Agreement	X	X	X	X			ASA	FAS	BAS
Pre-Adudicatory Settlement Agreement	X	X	X	X	X	X	PSA	FPS	BPS

Payment Type

* The above Time Entry codes are to be used to replace Earnings Code BSA. Agencies must continue to use RGS wherever appropriate.



? QUESTIONS ?

Questions?

Questions may be emailed to the
Payroll Salary Awards mailbox:

payrollsalaryawards@osc.state.ny.us

