



# State of North Carolina

## Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

December 6, 2005

MEMORANDUM NO.PYR2005-023

**TO:** All Agencies Served by the Central Payroll Division  
Chief Fiscal Officers and Payroll Officers

**FROM:** Edith Cannady  
Central Payroll Division Manager

**SUBJECT:** Retroactive Retirement Rate Adjustments

Senate Bill 622 Section 29.24(b) legislated changes in specific employer retirement rates that were effective July 1, 2005. The rate changes are detailed in OSC Memorandum PYR2005-019, dated September 8, 2005. The timing of this legislation requires a retroactive adjustment to employer retirement costs for all payrolls processed on the Central Payroll System from July 1 through September 8. This includes all payrolls processed in July and August and the first Cancellation and Rewrite payroll paid on September 8. All agencies and universities served by the Central Payroll System are required to record the adjusted retirement costs and to remit to the OSC those costs associated with the retroactively applied retirement rate adjustments.

To facilitate the posting of the retirement adjustment costs, the OSC has developed reports that detail the total cost adjustment for each unit and the accounting distributions against which the adjustments should be recorded. The adjustments incorporate federal grant year indicators and split funded retirement costs processed in July, August, and September. The reports are located in Systemware under the report title, OSCPX RETRO RETIREMENT ADJ DET, located in the OSC/PXA/ subdirectory. The information provided in each report is detailed below:

<b>Report Name</b>	<b>Description of Report</b>
Summary Retirement Adjustments by Unit (UNITSUM)	This report provides the total adjustment amount for each retirement category by budget code and by unit. It also identifies amounts due to Central Payroll by budget code and unit.
Posting Retirement Adjustments by Unit (UNITDET)	This report provides the accounting distribution (company/account/center) against which the summarized adjustment amounts should be recorded.

The retirement rate adjustments should be recorded with a December effective date and the amounts due to the Central Payroll Division requisitioned through the Cash Management Control System (CMCS) by December 15.

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LOCATION  
3512 Bush Street  
Raleigh, NC

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All universities and state agencies that **do not** participate in the NCAS Central Payroll interface must record the retroactive retirement adjustments manually:

- Interface entities will record the retirement costs in their source financial system and send the transactions to the NCAS via their normal interface process.
- Non-interface entities must manually record the costs in NCAS using a Budgetary Control (BC) journal voucher.

Universities and agencies should use the "Posting Retirement Adjustments by Unit" report listed previously to record these costs.

For agencies that **do** participate in the NCAS Central Payroll interface, the adjusted retirement costs will be programmatically generated and posted to the NCAS during the December 7 nightly production cycle. These transactions will post as follow:

DR	Employer Retirement Contributions Account
CR	Central Payroll Clearing Account, 211240

The adjusted retirement costs remitted to the Central Payroll Division in the CMCS should be recorded as follow:

DR	Central Payroll Clearing Account, 211240
CR	Cash (111260 or 111270)

It is important to note that the transactions presented in the "Posting Retirement Adjustments by Unit" report are based on those processed in July through September 8. Any errors associated with the original transactions (e.g., invalid accounting distributions) may occur again and require manual adjustments by the agencies or universities to correct improperly applied costs or suspended transactions. Fiscal staff members that are responsible for General Ledger payroll cost transactions may need to contact their agency or university payroll staff to access the OSC/PXA/ Systemware reports referenced above.

Using the amounts indicated in the "Summary Retirement Adjustments by Unit" report, all agencies are required to remit to the Central Payroll Division the total cost of the retroactive retirement adjustments by **December 15**. Payment must be processed through the CMCS and not by paper check. Please refer all questions related to the retirement adjustments to the OSC Help Desk at 875-4357.

Cc: Agency Fiscal Staff Members