



SEPARATION ACTION RETIREMENT REASON

PER

JOB AID PER-46 | TRANSACTION ZPAA076

The purpose of this job aid is to explain the steps to be taken when an employee files for retirement.

Process the employee's Separation Action for Retirement Reason 60 days prior to the retirement health plan effective date in order for the active health plan to be terminated.

HR should complete retirement actions 30-45 days prior to the retirement effective date.



Information

IMPORTANT: Employees must tell the agency at least 60 days prior to their retirement date.

See the table below for an example of an employee with an August 1st retirement date.

Employee needs to inform Agency by:	Retirement Action must be completed by:	Retirement Date	Retirement Health Plan Effective Date
June 1, 2014	July 1, 2014	August 1, 2014	September 1, 2014

Vacation Payouts

The agency can choose when to payout the vacation/bonus leaves--either the last active payroll or the payroll following the retirement.

In the example dates above, July is the last active payroll for a monthly employee. If the IT0416 payouts are entered before the July payroll is finalized, the payment will occur in July.

If they are processed after the Integrated HR/Payroll System finalizes the July payroll, the payouts will be paid to the employee in August.



Information

The effective date of the 416 record must be when the employee is active.

Longevity

A prorated longevity payment will be made in the July payroll since the retirement action is completed prior to the July payroll.

One-time Deferrals

If the vacation payouts are processed after the last active payroll, employees wishing to defer their longevity pay and their leave payouts to their 401K/457 Savings plans will need to submit two one-time deferral forms:

- one form for the longevity pay in July, and
- one form for the leave payout in August.

If the payouts are paid in the last active payroll, only a single one-time deferral form is required.

Rescinding a Retirement Action

If an employee does not retire on the date entered, the action will need to be deleted. Agencies need to follow the established process for deleting actions. If longevity was paid, this payment will be recouped in the next payroll and the employee will receive their longevity in their regular schedule anniversary month.

The employee's health plan and other benefit plans will need to be reinstated as an active employee.