

**Office of Operations
2015 Fall Conference
December 8-9**

Partners in Excellence

Retroactive Payments Over One Year Old



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Retroactive Payments Over One Year Old

- Background
- Although it is not always possible for agencies to complete their required processing steps by the effective date for all transactions, agencies are encouraged to submit earnings in the payroll system as timely as possible.
- There is no time limit on the correction of payroll errors (e.g., failure to pay performance advances, longevity payments, contractual salary increases to eligible employees, correction of additional salary factors and miscellaneous time entry payments).



Retroactive Payments Over One Year Old

- Due to the increased frequency of statewide retroactive transactions with an effective date greater than one year old, OSC is in the process of revising the submission procedures to ensure that any necessary documentation has been received by OSC and that agencies have received prior approval by the Bureau Director of OSC Payroll Services before submitting these transactions.



Pre Approval

- All transactions that are retroactive a year or more must have prior approval by the Bureau Director of OSC Payroll Services before they are submitted. Transactions retroactive a year or more which do not have prior approval will be denied.
- If a transaction is denied, the Agency will be contacted or a comment will be submitted on the Correction Sheet for Agency to review.



Back Salary Awards

- Back Salary awards are handled by a separate Payroll Earnings Team. If a Retroactive payment is a result of the criteria below, the request should be submitted to the payrollsalaryawards@osc.state.ny.us mailbox.
- Retroactive transactions that result from the terms of a Court Order, Arbitrator's Award, Human Rights Decision, GOER or Grievance Settlement or Civil Service Commission Action must follow established Back Salary Award procedures. Refer to Updated Payroll Bulletin 1217 (Feb. 2015) for processing procedures.



Agency Responsibility

- OSC reserves the right to require agencies to provide an explanation and/or documentation to substantiate specific transactions when warranted. In particular, transactions correcting payroll records with an effective date going back a year or more raise internal control concerns. Therefore, when agencies seek to correct such records, the written request must address the following concerns:



- ❑ What caused this payment/adjustment not to be processed in a timely manner? (Correspondence to/from the agency's payroll or human resources office may help support the explanation). How was the discrepancy discovered?
- ❑ What has the agency done to ensure there are no other employees affected? For example, has a query been run to identify other possible employees with the same improper payments? Where a query is not feasible, what kind of audit has been performed?



- What measures has the agency taken to prevent this from happening again? Has a system been implemented to track when payments should be made? Share any information you have about a system or new procedures that have been deployed to minimize future retroactive transactions.
- Provide supporting documentation and a summary spreadsheet including dates and amounts of payment.



- ❑ If an agency is conducting an audit for a specific earnings category or group of employees, and there is the potential for multiple retroactive requests, the agency should submit the requests as a group in one letter to OSC at the completion of the audit. To assist agencies in complying with these requirements, OSC will be introducing a Retroactive Earnings Transaction Request Form. This form will be explained in a forthcoming revised bulletin on this topic.



- Answers to these questions and supporting documentation should be transmitted to PayrollRetroPayments@osc.state.ny.us.
- Do NOT submit the retro transaction until approval has been given by OSC.



Benefit to Employee and Agency

- As a result of the standardization of the required questions posed to Agencies, OSC has observed an increase in
 - Opportunities for Agencies to identify systemic issues and improve their processes and procedures
 - Agency awareness of staff training needs
 - Creation and Use of Tracking tools like spreadsheets and Queries
 - Opportunities to avoid grievances and prevent internal and Federal audits



Contact Information

- Retroactive payment requests over one year old – send email to payrollretropayments@osc.state.ny.us
- Retroactive payments over 9 pay periods late but less than one year old – send email to the attention of your auditor at payrollearnings@osc.state.ny.us
- Back Salary Awards/Grievances/Settlement Agreements – send email to payrollsalaryawards@osc.state.ny.us

