



# Commonwealth of Massachusetts

## OFFICE OF THE COMPTROLLER

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WILLIAM McNAMARA  
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To: Chief Fiscal Officers, Payroll Directors, and MMARS Liaisons  
From: Kevin McHugh, Assistant Comptroller  
Date: June 3, 2020  
Re: Earnings Code Processing During the Split Year Pay Period

Comptroller Memo FY#2020-19

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### Executive Summary

The purpose of this memo is to inform Departments of the methodology for distributing and recording Payroll charges in HR/CMS and LCM/MMARS during the Split Year payroll period. The Split Year Percentage will be **70% to FY 2020 and 30% to FY 2021** for most payroll charges. All reimbursements will charge to FY 2020 as will the other exceptions discussed in this memo.

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The Office of the Comptroller (CTR), in conjunction with the Executive Office of Technology Services and Security (EOTSS), developed a model to process HR/CMS payroll for LCM processing. The methodology uses HR/CMS summarized posting dates for recording most payroll charges. The Summary Date Model is not exact and requires budget offices to understand the situations in which special calculations are to be considered.

### Split Year

Split Year refers to the period in which one pay period spans two fiscal years. This year the Split Year pay period begins on June 21, 2020 and ends on July 4, 2020. LCM will process HR/CMS payroll based on a 10-workday schedule (Monday – Friday). There are 7 workdays (June 22 – June 26, 2020, June 29 – June 30, 2020) in the Prior Fiscal Year, FY 2020, and 3 workdays (July 1 – July 3, 2020) in the New Fiscal Year, FY 2021.

The Split Year Percentage is **70% to FY 2020 and 30% to FY 2021**. This percentage can be used to describe most Split Year distributions with the exceptions discussed in this memo.

Departments should NOT encumber funds for the Split Year pay period. Payroll Holds (PHs) are not liquidated until the Accounts Payable payroll periods (pay periods ending on July 18, 2020, August 1, 2020 and August 15, 2020). Please make sure that there are available (unencumbered) funds for the Split Year pay period.

### **Exceptions That Will Post to FY 2020**

#### **Prior Period Adjustments**

All Prior Period Adjustments entered during the Split Year pay period will be for activity prior to June 20, 2020. These postings will charge to **FY 2020**.

Note, however, that any Implied Exceptions based on Prior Period Adjustments will not charge 100% to FY 2020. The Implied Exceptions will split 70%-30% between FY 2020 and FY 2021 as do other Additional Pay payments.

#### **Charges Entered in Timesheet for June Pay Period Dates If Combo Code Used**

Combo Codes result in detail day-by-day postings for each day where time is posted.

If, for example, an employee posts time on June 29, 2020 in Timesheet, those charges will post to **FY 2020** if a Combo Code is used to specify labor distribution for **any** day processed during the Split Year pay period (including Prior Period charges) or if a Combo Code is used for an Additional Pay Charge for **any** job for that employee.

When Combo Codes are used, HR/CMS does not summarize payroll charges and sends over charges day by day. Therefore, Timesheet charges for June 29, 2020 will be sent to LCM/MMARS with a Pay Event Begin and End date of June 29, 2020. LCM/MMARS then posts those charges to FY 2020.

If no Combo Codes are used for an employee's payroll charges, time posted on June 29, 2020 in Timesheet will be distributed by the Split Year Percentage along with the other charges for that employee.

#### **Specific Earnings Codes**

Specific earnings codes will always post to **FY 2020** during the Split Year Period. HR/CMS sends the earnings codes to LCM/MMARS with a Pay Event Begin and End date of June 30, 2020.

These earnings codes fall into the following categories:

- **Reimbursements** – Reimbursement earning codes that normally charge to the BB subsidiary (or C98 for Contractors). Departments with Reimbursement payments that must charge FY Year 2021 can do so by either paying from their DYNACash account or by processing the reimbursements in the next pay period.
- **Retro Earnings Codes** – Any Code with Retro in the description.
- **Settlements and Judgments** – All Comptroller Settlement codes. Use of these codes requires prior approval by the Comptroller Legal group.

- **Sick and Vacation Buyouts Entered as Hours** – All sick and vacation buyouts entered as **hours**. Any buyouts that must charge FY 2021 should be processed as amounts or should be processed in the next pay period.
- **Furlough Processing If Applicable**– Furloughs taken during Split Year pay period if the earnings code used is FCT.

A full list of the earnings codes that will post to FY 2020 appears below.

<b>Earnings Code</b>	<b>Description</b>	<b>MMARS Object Code</b>
B01	Travel And Other Expense / Out of State	B01
B02	Travel Expense / In State	B02
B03	Overtime Meals Expense	B03
B04	Tuition / Non-Graduate	B04
B05	Conference and Training	B05
B06	Membership Dues and Licensing Fee	B06
B08	Clothing Allowances	B08
B10	Exigent Job Related Expenses	B10
B11	GIC USE ONLY – Healthcare Reimbursement	B11
B12	CTR USE ONLY – Non Tax Adjustment	B11
B1B	Travel Lodging Expense	B01
B92	Taxable Employee Reimbursement	B92
BAE	Auto Expense Reimbursement	B02
BAF	Training - AFSME Career Ladder Reimbursement	B05
BAG	MIL Basic Housing	B07
BAR	MIL Basic Subsistence	B07
BB1	Travel Airfare Expenses	B01
BB4	Tuition / Graduate	B04
BH7	Housing Allowance	B07
BHR	Housing – Cash – Retirement	B07
BMI	Car Mileage Reimbursement	B02
BMO	Training MOSES Reimbursement	B02
BMV	Moving Reimbursement	B02

<b>Earnings Code</b>	<b>Description</b>	<b>MMARS Object Code</b>
BNA	Training NAGE Reimbursement	B02
BPK	Parking Reimbursement	B02
BQT	Reimbursement – Qualified Transportation	B11
BSE	Training SEIU Reimbursement	B02
BT7	Tangible Asset Allowances	B07
BTL	Toll Reimbursement	B02
BX6	Membership Reimbursement – Unit 6	B05
C98	Travel Expense – Contract Service	C98
CBB	Comp Time Buy Back – Hours	A13
D01	Deficiency Regular	A01, A11, A20
D02	Deficiency Travel Reimbursement	B02 or other BB Object Code or C98
D03	Deficiency Other Pay – Retirement	A01, A06, A07, A11, AA1
D04	Deficiency Vacation in Lieu	A13
D05	Deficiency Sick Buy Back	A12
D06	Deficiency Overtime	A08
DPL	Deceased Employee – Lump Sum – No Retirement	A21 or CC Object Code
DPR	Deceased Employee – Lump Sum – Retirement	A21 or CC Object Code
FCT	Furlough	A01 or CC Object Code
IAR	CTR USE ONLY: Industrial Accident Adjustment	Various
INT	Interest Due – Settlement / Judgment	A11, C11
PAR	CTR USE ONLY: Partial Reversal Adjustment	Various
PCI	Personal Leave Cash In	A13
QPA	Qualified Parking Allowance	B02
QTA	Qualified Transport Allowance	B02
RIP	Retro IPP Pay	D24
ROH	Retro Holiday Pay	A08
ROP	Retro Other Pay	A14
ROR	Retro Regular Pay	A01 or CC Object Code

<b>Earnings Code</b>	<b>Description</b>	<b>MMARS Object Code</b>
ROS	Retro Shift Pay	A07
ROT	Retro Overtime Pay	A08
ROV	Retro Standby – No Retirement	A06
ROW	Retro Holiday Pay – Retirement	A10
ROX	Retro Other Pay – Retirement	A01 or CC Object Code
ROY	Retro Shift Pay – Retirement	A07
ROZ	Retro Overtime Pay – Retirement	A08
S/J	Settlement / Judgment	A11
SBB	Sick Leave Buy Back – Hours	A12
SGL	Serviceman's Group Life Insurance	R13
SJA	Settlement / Judgment – No Withholding	C11
SJB	Settlement / Judgment – Retirement – Contractors	C11
SJC	Settlement / Judgment – Contractors	C11
SJP	Settlement / Judgment – Retirement	A11
SJR	Settlement / Judgment – No Withholding	A11
SJT	Settlement / Judgment – Taxed Annual	A11
TX1	CTR USE ONLY – MEDICARE Refund	T11
VIL	Vacation In Lieu – Hours	A13

**Exceptions That Will Post to FY 2021**

Specific earnings codes will always post to **FY 2021** during the Split Year Period. HR/CMS sends the earnings codes to LCM/MMARS with a Pay Event Begin and End date of July 1, 2020.

These earnings codes fall into the following categories:

**Sick and Vacation Buyouts Entered as Amounts** - All sick and vacation buyouts entered as **amounts**. Any buyouts that must charge FY 2020 should be processed as hours or should be processed with an Accounts Payable Earnings Code in the next pay period.

- **Furlough Processing If Applicable**– Furloughs taken during Split Year pay period if the earnings code used is FUR.

A full list of the earnings codes that will post to FY 2021 appears below.

<b>Earnings Code</b>	<b>Description</b>	<b>MMARS Object Code</b>
CBA	Comp Time Buy Back - Amounts	A13
FUR	Furlough Unpaid	A01
SBA	Sick Leave Buy Back - Amounts	A12
SVP	Sick Vacation Payout	A13
VLA	Vacation in Lieu – Amounts	A13

**Impact of HR/CMS Job Actions**

Job Actions in HR/CMS do not affect the specific earnings codes that post 100% to FY 2020. Job Actions in HR/CMS, however, can affect the 70%-30% Split Year Percentage for other earnings.

- **Midweek Rate Increases** (or Step Progressions) – Only REG hours on or after the Effective Date will be calculated at the increased rate. The Split Year Percentage by dollars will be weighted based on the start of the increase. Additional Pay earnings based on REG hours will follow the related REG hours. Note: Additional Pay earnings NOT based on other earnings (like ADS) will split based on the 70%-30% Split Year Percentage.
- **New Hires** – The Split Year Percentage will be based on the effective date of the Hire action. The total dollars may not split 70%-30%. Hires effective June 30, 2020 or later may charge all dollars to the new Fiscal Year. Hires on or before June 29, 2020 will have some percentage charged to the Prior Fiscal Year.
- **Rehires** – The Effective Date of the Rehire action can affect the Split Year Percentage as with New Hires.
- **Terminations** – Terminations before June 30, 2020 with no Additional Pay will charge to FY 2020.
- **Mid Pay Period Transfer** – Postings in Timesheet will reflect a percentage consistent with the Effective Date of the Transfer action. However, all Additional Pay earnings will charge to the new Chart of Account Distribution.
- **Home Unit/ Object Code** – Changes to the Home Unit or Object Code may reduce the number of workdays used to calculate the Split Year Percentage to the number of workdays on or after the Effective Date of the change. The split may not be 70%-30%.

- **Actions on June 30, 2020**– Any HR action that results in a new LCM time slice with an effective date of June 30, 2020 may result in being assigned to FY 2021 and an overall 100% proration to FY 2021.

### **Processing Terminations or Terminations with Pay**

Terminations (TER) and Terminations with Pay (TWP) Job actions should not be entered in HR/CMS until the next pay period (July 5, 2020 through July 19, 2020).

Follow these guidelines to ensure Split Year proration and finalization of the termination:

- Post daily attendance in Timesheet for the Split Year pay period.
- If appropriate, end date Additional Pay earnings with an effective date of June 20, 2020. This action ensures that the Additional Pay is not paid during Split Period.
- Change the employee's schedule in HR Assign Work Schedule to a Zero Predefined Schedule effective July 5, 2020 to ensure that no hours are entered in future periods.
- View general deductions to determine if the deduction should be taken, ended, or adjusted.
- Additional Pay earnings can be posted in pay period ending July 18, 2020 with Accounts Payable earnings codes.
- During the pay period ending July 18, 2020, use the TWP action if there are additional payments. Otherwise, use the TER Job action. The correct Effective Date should be entered.

### **LCM Distribution**

LCM uses the distribution in effect for an employee (DEPTE) on the Pay Event Begin date to distribute labor charges. Therefore, for those Earnings Codes posting on June 29, 2020 the distribution in effect on June 29, 2020 will be used even if it is a prior period adjustment during the Split Year pay period.

Changes to an employee's distribution (DEPTE) with an Effective Date after June 21, 2020 should be used with caution. A change to the DEPTE may change the Pay Event Begin date for summarized payroll charges to the Effective Date of the DEPTE. Therefore, only the new DEPTE may be used to distribute the payroll charges.

### **Questions**

If you have any questions about HR/CMS, please contact CommonHelp at 866-888-2808. If you have any questions about LCM/MMARS, please contact the Comptroller's Solutions Desk at 617-973-2468.

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cc: General Counsels  
Internal Distribution