Reference Guide 5

Understanding the Service Correction Codes

June 13, 2017

This reference guide will help you better understand the use of Service Correction codes.

This reference guide assumes you already know how to:

- Log in to MyTRS

- Navigate the Deduction Report Editor

For additional information and troubleshooting please contact
your district's assigned ESU representative or EmpSup@trb.state.ma.us

MTRS
MASSACHUSETTS TEACHERS'
RETIREMENT SYSTEM

How service credit is applied

Since service correction codes can alter the amount of service credit applied to a member's account, it is important to have an understanding of how service credit is earned per pay period. To determine the amount of service that is credited to a member for any given pay period, MyTRS looks at a member's base salary, FT% and pay frequency.

- **Example**: A full-time member who has a pay schedule of 26 will receive 1/26 of a year's credit for each record posted. At the end of the school year, they will have received 26/26 pays, totaling one full year of service credit.

When you need to use a Service Correction code

If a member's base salary does **not** equal 1/Pay Frequency (1/26 in the example above), the system will not know how to provide service credit; accordingly, you need to enter a Service Correction code so that the member's service credit is accurate.

Why Service Correction codes are so important

It is imperative that you select the proper Service Correction code to ensure that the member receives the correct amount of service credit per check.

- **Example**: John Smith is a full-time employee with an annual salary of $52,000 and is on a 26-pay schedule. His normal base pay is $2,000 per check.

  When John is paid his normal base pay of $2,000, he receives 0.038461 year of service credit per check (1/26 of a year).

  John goes on an unpaid leave and receives a final adjusted check before he stops being paid. This final check is for $3,400.

  For the Service Correction code on his final check, if you enter:

  - The **correct** code **(Payout),** John will receive 0.065385 year of service credit for this pay period ($3,400/$52,000).

  - The **wrong** code **(Unpaid Admin Leave),** John will only receive 0.038461 year of service credit for this pay period (1/26). **As a result, John will lose 0.026924 year in service credit.**

Just FYI...

Depending on the situation, service credit may be prorated

As detailed in the Service Correction Codes table below, service credit will be prorated in some situations, and not in others. If service is prorated, it is equal to the member's base pay divided by the full annual salary.

- Service credit **will not** be prorated when a member:
  - has base pay recalculated due to annual salary changes, or
  - has a brief unpaid leave lasting no longer than one pay period and does not miss a check (e.g., the member is docked 2 days of pay because they have run out of sick time).
- Service credit **will** be prorated when a member:
  - changes FT%,
  - changes Pay Frequency,
  - starts the school year late,
  - leaves before the end of the school year, or
  - misses an extended period of time due to an unpaid leave.

Service Correction (SC) Codes

MyTRS offers a variety of Service Correction Codes within the Deduction Report Editor to help explain why a member's base pay is different than expected. If a record requires a Service Correction code, be sure to add a corresponding comment providing further explanation.

Service Correction Code	Use this when...	When this SC code is used, the service for this period is...
UL – Unpaid Admin Leave	A member is docked pay for a day or two. This code is not used if the member is on a prorated leave or an extended unpaid leave that lasts longer than one pay cycle.	Not prorated
SD – Unpaid Snow Day	A member is docked pay due to an unpaid snow day.	Not prorated
DL – Disciplinary Leave	A member is docked pay for a disciplinary action (i.e., suspension without pay). Note: If the member is being investigated for a possible crime, it is the school's legal obligation to notify the MTRS.	Not prorated
ST – Unpaid Strike Day	A member is docked pay due to a strike.	Prorated

Service Correction Code	Use this when...	When this SC code is used, the service for this period is...
SC – Salary Change Mid-Period	▪ A member's pay has been recalculated due to a change in their annual salary and/or position during the school year without any change to the member's full-time percentage. Do not use this code if the pay is recalculated due to missed days or a leave of absence. ▪ A member has accidentally been overpaid or underpaid, and the correction EITHER will be made in a future pay period OR is being made on this pay period.	Not prorated
MT – Mid-Year Termination or Death	A member resigns, retires, is fired or passes away prior to the end of the school year and the final payment is prorated.	Prorated
MH – Mid-Year Hire	▪ A member starts the school year after the first day of school, and has their pay prorated as a result. ▪ A member is doubled-up on a check due to missing a previous payroll (e.g., when a member is doubled-up on the second check of the year due to missing the first payroll). ▪ A member's FT% changes during the year. ▪ A member's pay frequency changes during the year.	Prorated
PO – Payout	A member is paid out the balance of their contract prior to going on an unpaid leave of absence.	Prorated

PL – Prorated Paid Leave	▪ A member's pay is being prorated due to an unpaid leave either:
	  □ While the member is physically on leave, or
	  □ In advance, while the member is still working.
	
	Note: Do not use this code after the member returns from leave—even if their pay remains prorated (use RL – Return from Leave).
	
	▪ A member is on a partially paid sabbatical.
	
	▪ A member is receiving Workers' Compensation payments while still being partially paid by the school.
		Prorated

RL – Return from Leave	A member's pay has been recalculated after they have physically returned to work from an unpaid leave.	Prorated