



Office of the State Comptroller  
**PAYROLL BULLETIN**

Subject New Workers' Compensation Supplemental Program for PS&T Employees (NU 05) Effective July 1, 1993	Bulletin No. P-782
	Date September 9, 1993

This bulletin provides additional information, effective in Payroll Period 14L, on the Workers' Compensation Program for PS&T Employees (NU-05) for accidents on or after July 1, 1993. Refer to Bulletin P-774 for the transaction codes used to remove and reinstate employees who are covered under the Workers' Compensation Leave with Percentage Supplement Program.

I. SUPPLEMENTAL PAYMENTS

Eligibility for Supplemental Payments

Employees who participate in the Medical Evaluation Program may be eligible to receive a supplemental payment while on Workers' Compensation Leave if the statutory payment received from the State Insurance Fund is less than 60% of their pre-disability gross wages. The pre-disability wages are gross wages, defined as the sum of the base annual salary, location pay, geographic differential, shift differential and inconvenience pay, received as of the date of disability.

To qualify for a supplement, the employee must be between 51%-100% disabled as determined by the State Insurance Fund and must be within the first nine months (39 weeks) of disability. Once an employee is determined to be 50% or less disabled by the State Insurance Fund or has been absent for more than nine cumulative months, the employee is no longer eligible for supplemental payments except as provided under the Mandatory Alternate Duty Policy.

Processing of Supplemental Payments

The State Insurance Fund will notify OSC, via magnetic tape, when statutory payments commence provided the degree of disability is 51%-100%. The agency must submit an AC2753 Workers' Compensation Supplemental Payment Form (Attachment #1) to start supplemental payments. The PEF Statutory Benefit Processing Schedule (Attachments #2 and #3) must be used by both SIF and agencies to insure that the SIF tape transaction and the agency's AC2753 Supplemental Payment Form are received by OSC in the same payroll period. The supplemental payment will be calculated automatically by OSC.

SIF will continue to notify OSC of ongoing statutory payments to employees who remain 51%-100% disabled. The agency will be required to submit an AC2753 form during periods of ongoing payment only to report changes affecting the normal biweekly on which the supplement is based.

The agency must submit an AC2753 form to delete an employee from the supplemental payment system when the employee is no longer eligible to receive a supplemental payment.

#### Initial Supplemental Payments

The agency is required to submit an AC-2753 form to start supplemental payments for all employees who are 51%-100% disabled. This form is required regardless of the employee's gross salary.

Unlike the current Award and Supplement Program there is no correlation between the payroll period in which the Workers' Compensation Leave (WC PT SUP) is reported and the payroll period supplemental payments commence. The agency must submit an AC2753 form after receipt of the C-6 form (Notice That The Payment Of Compensation Has Begun Without Awaiting Award Of The Workers' Compensation Board) from the State Insurance Fund. The C-6 form will provide the agency with pertinent information to be used in completing the initial AC-2753 form.

Any questions regarding the SIF C-6 form should be directed to your State Insurance Fund representative.

#### AC2753 Preparation for Initial Supplemental Payment

Complete lines 1-16 as follows:

1. Agency Code
2. Social Security Number
3. Period Number - Using the SIF statutory check date from the SIF C-6 form find the corresponding line on the PEF Supplemental Payment Processing Schedule (Attachments #2 & #3) to determine the payroll period in which the AC2753 must be submitted to OSC. Administration agencies use Attachment #2-Institution agencies use Attachment #3.
4. Line Number - Enter the employee's line number as it appears on the last payroll register.
- 5-7. Employee Name
8. Claim Number - Enter the claim number as it appears on the SIF C-6 form.
9. Current Pass Days - Enter the employee's pass days as of the date of accident.

ADD TRANS - CHECK (✓) the box.

10. Pay Basis Code - Enter the employee's Pay Basis Code if other than ANN.
11. Normal Gross - Enter the employee's normal biweekly gross for the disability dates covered in the initial payment.
12. Normal Days Worked - Enter the number of days of retirement service credit the employee normally earns on a biweekly basis.
13. Date of Accident - July 1, 1993 or later

Have Leave Credits Been Recredited? - Leave blank.  
Late Reporting - Leave blank.

Disability Dates Covered - 1st Payment

14. From - Enter the first disability date to be supplemented for the initial payment (from the SIF C-6 form).
15. To - Enter the last disability date to be supplemented for the initial payment (from the SIF C-6 form).
16. Number Days Supplemental - Enter the number of disability days to be supplemented in the initial payment (from the SIF C-6 form).

Ongoing Supplemental Payments

Once the initial supplemental payment has been processed, OSC will automatically process additional supplemental payments, as long as the SIF continues to report to OSC statutory payments for employees who are 51%-100% disabled.

Deleting Employees From the Supplemental Payment System

An employee must be deleted from the Supplemental Payment System when no longer eligible for a supplemental payment. The agency is required to submit an AC2753 Form in the same payroll period SIF deletes the employee from the OSC tape or in the same payroll period SIF provides OSC with a transaction for less than ten days for employees who are 51%-100% disabled.

SIF will notify the agency via the SIF C8 Emp/Info Form when statutory payments are stopped or when the degree of disability is 50% or less. The agency must use the information on this form to determine the last disability date for which the employee is eligible to receive a supplemental payment. The PRG-22 Workers' Compensation Transaction Report which OSC currently provides to the agency will now identify all employees receiving supplemental payments under both the Award and Supplement and the new PS&T systems. This biweekly report includes the disability dates of the supplemental payment calculated by OSC. Employees covered under Award and Supplement will be identified by a '1' in the 'SUPP FLAG' column. Employees covered under the new PS&T system will be identified by a '2' in the same column. The agency must use the information on the PRG-22 report in conjunction with the SIF C8 Emp/Info Form to determine the payroll period in which the AC2753 delete transaction must be submitted to OSC for processing.

Any questions regarding the SIF C8 Emp/Info Form should be directed to your State Insurance Fund representative.

AC2753 Preparation to Delete From Supplemental Payment System

Complete lines 1-9, and 19-23 as follows:

DEL TRANS Check () the box.

Disability Dates Covered-Last Payment

19. From - Enter the first disability date to be supplemented for the final payment.
20. To - Enter the last disability date to be supplemented for the final payment.
21. Number Days Supplemental - Enter the number of disability days to be supplemented for the final payment. Enter 0 if no supplemental payment is due.
22. Has employee returned to work? If yes, enter the date the employee returned to work. If the employee has not returned to work or there is a lapse between the last date supplemented and the return to work date, the agency must provide, in the Remarks Block, the reason the employee is being deleted from the Supplemental Payment System.
23. Has employee exhausted 39 weeks of disability for this accident? If yes, give date 39 weeks of disability was exhausted.

Supplemental Payment Change Transactions

a. Change in Normal Gross

An employee's supplemental payment is calculated based on the normal gross that is in effect for the disability period being supplemented. The agency must submit an AC2753 Form to reflect any change in an employee's normal gross in the same payroll period the effective date of the change is being supplemented. The agency must check () the CHG TRANS block on the AC2753 Form and enter on line 17 the biweekly gross for that payroll period. If the amount on line 17 is not a "normal" biweekly gross the agency must submit another change transaction in the following payroll period.

b. Change in Percentage of Time Worked

If an employee receives a change in percentage of time worked while absent on Workers' Compensation leave the agency must submit an AC2753 Form to reflect the change in normal days worked. The AC2753 Form must be submitted in the same payroll period in which the effective date of the change in percentage is being supplemented. The agency must check () the CHG TRANS block on the AC2753 Form and enter the number of days retirement service credit due on line 18.

Submission of AC2753 Forms

The AC2753 form is currently being revised to accommodate both the Award and Supplement and new PS&T supplemental payment transactions. Until the revised form becomes available, the agency must designate in the Remarks Block, the benefit under which the employee is covered (WC SUP or WC PT SUP).

AC-2753's must be batched separately for WC SUP and WC PT SUP. Each batch must have an AC2753A transmittal form attached. The agency must note either WC SUP or WC PT SUP on each AC2753A transmittal form. The forms must be submitted with the payroll.

II. CALCULATION OF SUPPLEMENT

The biweekly supplement is calculated automatically by OSC based on the normal gross salary and the amount of the SIF Biweekly Award using the following method:

10-Day Payment

- a. Multiply the normal biweekly gross by 60%.
- b. Subtract the SIF Biweekly Benefit from the total to equal the Supplemental Gross.

More Than 10-Day Payment

Multiply the 10-Day Supplemental Gross from above, times the number of biweeklies, plus the number of days at the Supplemental Gross daily rate ( $\text{Supp Gross} \div 10$ ) to equal the actual Gross Supplement.

Less Than 10-Day Payment

Multiply the Supplemental Gross daily rate, ( $\text{Supp Gross} \div 10$ ), by the number of days to equal the actual Gross Supplement.

III. CALCULATION OF WITHHOLDING TAXES ON SUPPLEMENT

The withholding taxes on the Supplemental Gross are calculated from the Tax Tables using the current marital status, number of exemptions and non-taxable amounts in the employee's master file.

If an employee is receiving a regular payment in addition to a supplemental payment, the taxes will be calculated separately, each from the Tax Tables. The two tax amounts will be added together and displayed on the payroll register as one amount.

#### IV. DEDUCTIONS FROM SUPPLEMENTAL PAYMENT

In addition to taxes, Social Security and Medicare, all deductions previously deducted from the regular paycheck will be retained and deducted from the supplemental check if the gross is sufficient to do so.

If, after percentage deductions are taken, the employee's gross salary is insufficient to cover all fixed deductions, the negative net procedure will be followed. The order of cancellation of deductions is as follows:

1. Credit Union
2. SUNY Foundation Fund
3. Political Contributions
4. Bonds
5. Retirement Loans
6. Federated Funds
7. IRA's Tax Deferred Annuities,  
Deferred Compensation
8. Organizational Dues
9. Taxable Maintenance
10. Non-Taxable Maintenance
11. Repayment of State Loans
12. General Insurance - Code 3XX, PEF Legal Fees,  
UUP Legal Fees, Traffic Fines
13. Retirement Arrears (Voluntary)
14. Retirement Contributions (Voluntary-W.C.)
15. Repayment of Unemployment Insurance
16. Garnishees
17. Wage Assignment
18. Wage Earners
19. Court Orders
20. Fines-Disciplinary or Strike
21. Social Security/Medicare Adjustment
22. Social Security/Medicare Deficiency
23. Mandatory Retirement Arrears
24. Mandatory Retirement Contributions
25. State Health Insurance Adjustments
26. State Health Insurance

#### V. DIRECT DEPOSIT

Direct Deposit will continue for employees reported as WC PT SUP for all supplemental payments processed.

VI PR-75 REPORTING

In addition to the new transaction codes established for the new Workers' Compensation Program for PS&T Employees (refer to Bulletin P-774) the following information will assist you in reporting transactions for employees covered under this benefit.

Intermittent Lost Time

Intermittent lost time for full day absences and absences of less than ten days that occur after an employee returns to work must be reported as lost time in Blocks 55-58 on the PR-75.

Employee Returns to Work on a Part-Time Basis Due To Workers' Compensation

If an employee has received approval from the State Insurance Fund to return to work only on a part-time basis due to a continuing workers' compensation disability, the agency must submit a PR-75 using the transaction code REI PT SUP in Block 07 and the part-time percentage in Block 25. The Remarks Block must contain the following statement: "Employee is on WC PT SUP While Working Part-Time/To Be Reported To the Employee's History Record by OSC".

Employee Not Disabled and Doesn't Return To Work

If the State Insurance Fund finds an employee is no longer disabled and the employee does not return to work, the agency must submit a PR-75 to change the employee's payroll status. The transaction code LV OUT must be reported in Block 07 on the PR-75. The employee remains in regular leave without pay status for the period under dispute until the claim is resolved by the Workers' Compensation Board.

If the period of regular leave without pay is subsequently determined by the Workers' Compensation Board to be compensable, the employee's status must be changed retroactively. The agency must submit a PR-75 using the transaction codes WC PT SUP and COR HIST.

Nine Cumulative Months Maximum (39 Weeks)

The benefits provided by the Workers' Compensation Leave with Percentage Supplement Program (accrual of biweekly leave credits, continuous service credit, retirement service credit and health insurance benefits) have a cumulative nine month maximum. After nine cumulative months of absence due to the same occupational injury the agency must submit a PR-75 to change the employee's payroll status. The transaction code SICK LV must be reported in Block 07 on the PR-75.

Controverted Claims

If the State Insurance Fund controverts a claim because it is alleged that the injury or disease did not occur on the job, the employee is eligible to use available leave credits and, if eligible, to be granted sick leave at half-pay pending resolution by the Workers' Compensation Board.

If the controverted claim is subsequently resolved in favor of the employee, the agency must submit a PR-75 based on one of the following procedures.

AGENCY PROCEDURE

1. If employee is currently absent and charging leave credits. Submit PR-75 using the transaction code WC PT SUP. The effective date should be the first date for which the employee has not already been paid.
2. If employee is currently on sick leave with half pay or sick leave without pay. Submit PR-75 using the transaction code WC PT SUP. The effective date is retro-active to the date the employee was placed on sick leave with half-pay or sick leave without pay, whichever occurred first. If the employee was on sick leave with half-pay the following statement must be entered in the Remarks Block on the PR-75 "WC PT SUP While On Sick Leave With Half-Pay, To Be Reported to The Employee's History Record by OSC".
3. If employee is currently working and has since been returned to payroll. Submit PR-75 only if employee had been previously placed on Sick Leave With Half-Pay and/or Sick Leave Without Pay pending the Workers' Compensation Board decision. Use the transaction code CS INFO and enter the following statement in the Remarks Block "WC PT SUP While On Sick Leave (With And/Or Without Pay) To Be Reported To The Employee's History Record by OSC".

Processing of Supplemental Payments for Controverted Cases Awarded by the Workers Compensation Board

If a controverted claim is determined by the Workers' Compensation Board to be compensable, the SIF will credit NYS for compensable disability periods in which the employee received full pay while charging leave credits. For periods of sick leave at one-half pay, the SIF will credit NYS at the compensation rate up to the amount the employee received while on sick leave at one-half pay. If the compensation rate is higher than sick leave at one-half pay, the SIF will pay the employee the difference between the compensation rate and the half pay rate.



An employee may be entitled to receive a supplemental payment for disability periods previously reported as sick leave at one-half pay when the degree of disability, as determined by the Workers' Compensation Board, is more than 50%. The SIF will fax to OSC all Notices of Decision where there is an award of compensation (Degree of disability 51%-100%) for periods in which the employee received sick leave at one-half pay. OSC will notify the agency if a supplemental payment is due.

If an employee was on sick leave without pay for a disability period that is subsequently determined by the Workers' Compensation Board to be compensable, the SIF will prepare the statutory compensation payment and send a C8 Emp/Info Form to the agency.

An employee who was on sick leave without pay is eligible for a supplemental payment if the degree of disability on the C8 Emp/Info Form is 51%-100%. The agency must submit an AC2753 Workers' Compensation Supplemental Payment Form using the information provided on the C8 Emp/Info Form. To determine the payroll period in which to submit the AC2753 Form to OSC, the agency must use the SIF statutory check date from the C8 Emp/Info Form (Date Most Recent Payment Mailed) and the PEF Supplemental Processing Schedule (Attachments #2 and #3).

#### VII. RETIREMENT CREDIT AND DEDUCTION

Employees on WC PT SUP are entitled to receive full retirement service and salary credit for up to 9 cumulative months of absence. This credit will be reported to Retirement by OSC for all periods of time for which the employee is eligible to receive a supplement (Employee is 51%-100% disabled). Agencies are responsible for reporting salary and service credit for employees placed on WC PT SUP when the employee's degree of disability is 50% or less.

Normal Retirement Contributions will be calculated at a percentage of the normal gross rather than the supplemental gross. If the supplemental gross is insufficient to take a full normal contribution, as much as possible of the contribution will be deducted.

Any questions relating to Retirement for affected employees should be directed to the Employees' Retirement System Information Office at (518) 474-7736.

#### VIII. HEALTH INSURANCE

While on WC PT SUP, employees remain covered by State Health Insurance for up to 9 cumulative months of absence unless the employee formally takes action to discontinue their health insurance during the period of leave.

1. Premiums not deducted for the period of time between the reporting of the leave and the time supplemental payments commence will be deferred and recovered by the Department of Civil Service in accordance with HBA Memo, NY 93-26, when the employee returns to work.

2. Normal Health Insurance deductions will be taken when supplemental payments begin.
3. If the supplement is insufficient to deduct the full Health Insurance normal deduction, it will be dropped and not restarted. In accordance with the instructions previously provided by the Department of Civil Service, HBA Memo, NY 93-26, agencies will be required to process return-to-work transactions to restart deductions when the employee returns to work.
4. OSC will assist Civil Service in monitoring employees who separate from State service while on WC PT SUP so that all or part of the deferred premiums may be recovered from any lump sum or SALARY LSP which may be due upon separation. (See Department of Civil Service HBA Memo, NY 93-26.)

Agencies will be required to notify the Employee Benefits Division in the Department of Civil Service as soon as they become aware that any employee who is retaining health insurance coverage while on WC PT SUP will be separated. Employee Benefits will calculate the retroactive payment due. They will provide the agency with the appropriate Plan Code, normal deduction amount and adjustment amount. (The normal deduction amount plus the adjustment should equal the total amount due.) The agency will be required to complete an AC-1040 using the information provided by Civil Service and forward it to OSC as an addition (under separate cover) in the same period in which the lump sum and/or SALARY LSP is submitted.

The information should be entered in Section 3-Insurances on the AC-1040. Code 317 should be entered in a "Code" Block with the 8-digit Plan Code in a corresponding "Amount" Block. Code 301 (Taxable Health Insurance normal) should be entered in a "Code" Block with the normal deduction amount in the corresponding "Amount" Block. The adjustment should be reported by entering Code 302 (Taxable Health Insurance adjustment) in a "Code" Block with the adjustment amount in a corresponding "Amount" Block. (The normal deduction amount plus this adjustment amount should equal the total amount due.) To designate the number of periods in which the adjustment will be recovered enter Code 303 in a "Code" Block. In a corresponding "Amount" Block enter "1", since the total adjustment is to be liquidated in one period. (See Payroll Manual-Chapter D, Section 4, Page 18-19.) OSC will assign a reference number.

NOTE: Per the Department of Civil Service, Employee Benefits Division, all Health Insurance premiums deferred due to a WC PT SUP must be reported as taxable when being recovered.

Any questions regarding Health Insurance adjustments for employees on WC PT SUP should be directed to the Department of Civil Service, Employee Benefits Division at (518) 457-6331.

IX. MANDATORY ALTERNATE DUTY

The employee who accepts a mandatory alternate duty assignment is returned to the payroll and is entitled to receive regular salary for the period of the mandatory alternate duty assignment. The agency must submit a PR-75 using the transaction code REI PT SUP in Block 07.

Eligibility for additional salary factors such as location pay, inconvenience pay, geographic and shift differentials, is based on the full duties and location of the alternate duty position.

An employee is entitled to Hazard Duty Pay if the range of duties being performed in the alternate duty position meet the eligibility requirements.

If no alternate duty assignment is available the agency should contact GOER at (518) 473-7233.

X. APPROPRIATION CHARGES

All supplemental payments for WC PT SUP will be charged to the Workers' Compensation Appropriation:

<u>Dept/Div</u>	<u>Fund</u>	<u>M/P</u>	<u>Dept</u>	<u>Cost Ctr</u>	<u>Var</u>	<u>Yr</u>	<u>Object</u>
21710	003	023	21	560084	1A	93	58610

All charges to this appropriation will be included in the Workers' Comp sub-totals by header and also on the PRG-3 (Payroll Appropriation Charge Register).

XI. DEPARTMENT OF LABOR (14020)

In order to calculate supplemental payments for WC PT SUP for agency 14020, the Department of Labor will be required to submit PR-75's and AC-1040's in addition to AC2753's in order to provide OSC with the necessary payroll deduction information.

Questions regarding the preparation of PR-75's should be directed to OSC's Workers' Compensation Unit at (518) 474-6004.

XII. NEED HELP?

Questions regarding the SIF C6 or C8 Emp/Info Form should be directed to your State Insurance Fund representative.

Questions regarding unavailability of alternate duty assignments should be directed to GOER at (518) 473-7233.

Questions regarding Retirement benefits should be directed to the Employees' Retirement System Information Office at (518) 474-7736.

Questions regarding Health Insurance adjustments should be directed to the Department of Civil Service, Employee Benefits Division at (518) 457-6331.

Questions regarding General Administration and Benefit Entitlement should be directed to the Department of Civil Service, Employee Relations Section at (518) 457-5167.

Questions regarding the preparation of PR-75's or supplemental payment information should be directed to OSC's Workers' Compensation Unit at (518) 474-6004.



## ADMINISTRATION PAYROLLS

PEF SUPPLEMENTAL PAYMENT PROCESSING SCHEDULE  
(ACCIDENTS ON OR AFTER 7/1/93)

<u>SIF CHECK DATE FROM C-6 or C-8 EMP/INFO FORM</u>	<u>PAYROLL PERIOD AGENCY MUST SUBMIT AC2753 FORM</u>	<u>SUPPLEMENTAL CHECK DATE</u>
7/15-9/22/93	Period 14	10/20/93
9/23-10/6/93	Period 15	11/03/93
10/7-10/20/93	Period 16	11/17/93
10/21-11/3/93	Period 17	12/01/93
11/4-11/17/93	Period 18	12/15/93
11/18-12/1/93	Period 19	12/29/93
12/2-12/15/93	Period 20	01/12/94
12/16-12/29/93	Period 21	01/26/94
12/30/93-1/12/94	Period 22	02/09/94
1/13-1/26/94	Period 23	02/23/94
1/27-2/9/94	Period 24	03/09/94
2/10-2/23/94	Period 25	03/23/94
2/24-3/09/94	Period 26	04/06/94
3/10-3/23/94	Period 27	04/20/94

## INSTITUTION PAYROLLS

PEF SUPPLEMENTAL PAYMENT PROCESSING SCHEDULE  
(ACCIDENTS ON OR AFTER 7/1/93)

<u>SIF CHECK DATE FROM C-6 OR C-8 EMP/INFO FORM</u>	<u>PAYROLL PERIOD AGENCY MUST SUBMIT AC2753 FORM</u>	<u>SUPPLEMENTAL CHECK DATE</u>
7/15-9/29/93	Period 14	10/28/93
9/30-10/13/93	Period 15	11/10/93
10/14-10/27/93	Period 16	11/24/93
10/28-11/10/93	Period 17	12/09/93
11/11-11/24/93	Period 18	12/23/93
11/25-12/8/93	Period 19	01/06/94
12/9-12/22/93	Period 20	01/20/94
12/23/93-1/5/94	Period 21	02/03/94
1/6-1/19/94	Period 22	02/17/94
1/20-2/2/94	Period 23	03/03/94
2/3-2/16/94	Period 24	03/17/94
2/17-3/2/94	Period 25	03/31/94
3/3-3/16/94	Period 26	04/14/94
3/17-3/30/94	Period 1	04/28/94