

Furlough & TSR Calculations

For State Agency Employees

A Bit of Background

When legislature introduced furloughs in the 2009-2011 biennium and furlough and/or Temporary Salary Reduction (TSR) in the 2011-2013 biennium, we never quite imagined the impact that it would have on processing retirement accounts. When this was introduced, legislature included a clause that protected the wages that an employee would have earned so that the state's budget crisis would not affect an employee's retirement benefits.

Because of this protection, DRS was required to gather information from employers via a Verification of Expenditure Reduction form that basically asked employers to provide an employee's salary had they not been affected by furlough and/or TSR. The numbers that were returned by employers on this form were then used to calculate the employee's retirement benefit. With roughly 25% of all retirement calculations done in any month being those of state employees, you can imagine the burden that this put on our employers, on our analysts and also on our members.

After seeing the reductions come to an end at the end of June 2013, DRS decided to put together a project team to tackle the idea of making this process more efficient and less time consuming for both our employers and our analysts.

How It Works

The calculator, developed by DRS employees of the furlough project team, works by calculating what an employee's salary would have been had they not taken furlough or been subject to TSR. The calculator pulls data from reports we requested from the state payroll system (HRMS), through DES, by wage type so that it knows how much a person lost from their check due to furlough and also if a person earned overtime, standby, shift differential pay, etc. during the TSR period as only base salary was affected by TSR.

Our Calculator Cont.

In rare cases, employees could have been affected by furlough in both bienniums. The spreadsheet was built to recognize that as well and will populate the correct calculator accordingly by removing the 3% addition for TSR and instead adding what was withheld from an employee's pay due to furlough wage types.

Furlough Both Bienniums		
Amount	MIS Posted	Adjusted Salary
-		-
-		-
-		-
-		-
-		-
295.20		295.20
-		-
-		-
-		-
-		-
328.00		328.00
-	7380.00	7,380.00
-	7380.00	7,380.00
295.20	7084.80	7,380.00
328.00	7052.00	7,380.00
369.00	7011.00	7,380.00
-	7380.00	7,380.00
328.00	7052.00	7,380.00
369.00	7011.00	7,380.00
-	7380.00	7,380.00
328.00	7052.00	7,380.00
369.00	7011.00	7,380.00
295.20	7084.80	7,380.00
-	7380.00	7,380.00
360.00	7020.00	7,380.00
295.20	7084.80	7,380.00
328.00	7052.00	7,380.00
283.85	7096.15	7,380.00
-	7380.00	7,380.00
-	7380.00	7,380.00
-	7380.00	7,380.00
-	7380.00	7,380.00
328.00	7052.00	7,380.00
328.00	7052.00	7,380.00
295.20	7084.80	7,380.00
369.00	7011.00	7,380.00

How This Helping DRS and Employers

Now that DRS is able to calculate furloughed or salary reduced wages for the 2009-2011 and 2011-2013 bienniums, we no longer have to send requests to employers to provide an employee's unreduced salary. This benefits our members because they are getting their full benefit in a more timely manner, our DRS employees because they are no longer having to re-calculate many benefit calculations, and also helps our employers because it is greatly reducing the number of requests that we are sending to them (allowing them to allot more time to focus on the requests that cannot be handled in-house).



**VERIFICATION OF EXPENDITURE
REDUCTION EFFORT 2009-2011/2011-2013**

PO Box 48380 Olympia, WA 98504-8380 ♦ www.drs.wa.gov
 Toll Free: 800.547.8657 ♦ Olympia Area: 360.664.7000 ♦ TTY: 360.588.5450

Department of Retirement Systems is verifying this employee's salary and hours per the 2009-2011 Expenditure Reduction Effort (SB 6157) and 2011-2013 Expenditure Reduction Effort (HB 2070).

- **2009-2011** - Only submit requested information for periods affected by furlough. These are periods in which compensation reported was reduced due to reduction in hours/days worked.
- **2011-2013** - Only submit requested information for periods affected by a reduction in salary or a reduction in salary related to a reduction in hours.
- **Do not make any changes to your transmittal.**
- Email the completed form back to DRS or return this form to the address listed above. If you have any question please call us at the number listed above.

Employee Name		Other Names Used		Social Security Number			
[REDACTED]		[REDACTED]		XXX - XX - [REDACTED]			
Employer Number	Department Name			System	Plan		
[REDACTED]	[REDACTED]			[REDACTED]	[REDACTED]		
Employer Mailing Address							
[REDACTED]							

Please enter the compensation this employee **would have earned** and the hours/days they **would have worked** if they not been subject to expenditure reduction efforts.

	2009-2010		2010-2011		2011-2012		2012-2013	
	Compensation	Hours/Days	Compensation	Hours/Days	Compensation	Hours/Days	Compensation	Hours/Days
Month	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
July	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Aug	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sept	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Oct	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Nov	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dec	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jan	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Feb	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mar	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Apr	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
May	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
June	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

I certify that the information for the specified periods above is true and correct and the reductions in salary and hours are an integral part of efforts to reduce expenditures during the 2009-2011/2011-2013 Budget.

Employer Representative Name and Title (Print)		Phone Number
[REDACTED]		[REDACTED]

MS 424 (11/12) DRSMS424