Beginning October 1, 2012, departments will be charged a $500 fee for each employee whose Savings Plus account is underfunded. This fee helps pay administrative costs associated with correcting the accounts. Refer to PML 2011-042 for details on the types of errors and delays that can result in underfunding an employee’s Savings Plus account.

We also want to provide the following information to clarify when an Alternate Retirement Program (ARP) account is considered underfunded for part-time, seasonal and temporary (PST) employees who reach the 1000-hours-per-fiscal-year cap and are subject to ARP. Use the ARP Eligibility Worksheet on DPA’s website to determine if the employee must participate in ARP.

If the 505 transaction to convert an employee’s retirement from PST to ARP is keyed more than 90 days after the employee’s ARP effective date, the ARP account is considered underfunded. The department is responsible for funding the missed ARP contributions and lost earnings. Departments need to work with their Accounting Office to clear the accounts receivables (ARs) established for the missed ARP contributions. If the 505 is keyed within 90 days of the ARP effective date, it’s considered normal processing and the employee is responsible for funding the AR.

/s/ Michelle Berklacich