



June 18, 2007

MEMORANDUM

TO: Deans, Chairs, Vice Presidents, and Directors
HRPartners

CC: DCATS
HCM Upgrade Team

FROM: Brett L. Morris
Assistant Vice President for Human Resources

SUBJECT: Change in Lump Sum Procedures for Separating Employees
(OHR 2007-030)

The implementation of Oracle's PeopleSoft Human Capital Management 8.9 (HCM) will result in a procedural change concerning how and when lump sum vacation payments are calculated for separating employees.

Current Procedures: Currently, departments enter all leave time taken by employees during a month in the Document Review System (DRS) by the tenth calendar day of the following month. Under this current process, upon notification of a termination, the Office of Human Resources (OHR) sends an e-mail to the department of the terminating employee requesting the employee's final leave balances. The department then provides the final leave balances for the terminated employee. OHR enters these final leave balance hours into a spreadsheet which is then sent to Payroll for payment of the vacation and personal leave hours owed to the separating employee.

Procedures after Implementation on July 5, 2007: Several changes will occur in processing.

1. All leave reporting for a given month will open on the fifteenth calendar day of that month. Departments may begin entering leave time taken during that month and can update these hours through the ninth calendar day of the *following* month. Thus, departments will have approximately twenty-five days to enter and/or adjust time taken into DRS.

2. After implementation of HCM, Payroll will run a query after leave reporting has closed on the ninth calendar day of each month to identify those individuals who have terminated employment in the prior month. This query will also include an individual's vacation and personal leave hours and the number of state service months (which will determine eligibility for vacation leave payment). The hours indicated by the query will be used to calculate payment for accrued but unused vacation and personal leave hours to the separating individual.
3. The lump sum payment date will be the twentieth calendar day of each month. On those months in which the twentieth calendar day falls on a weekend or a holiday, the payment will occur on the next business day.
4. Once an individual has been paid for vacation and personal leave, his or her balances will be reduced to zero in HCM to avoid the possibility of duplicate payments of balances.

Advantages of Change: There are several advantages to the new process.

1. The revised process will reduce the possibility of human error through reduced manual handling of final leave balance numbers.
2. The change increases administrative efficiency by providing for a query directly by Payroll of separating employees and their leave balances and state service.
3. This revised procedure will eliminate the possibility of duplicate payments to individuals who have terminated employment.

Departmental Challenges: Departments must have all final vacation and personal leave hours entered into DRS no later than the ninth calendar day of each month. Failure by a department to achieve this deadline could result in the payment of incorrect hours to a separating employee.

Implementation: Departments will have until July 9 to enter vacation and personal leave hours for individuals who separated in June. The hours entered into the system by July 9 will be the hours for which Payroll processes payment.

Questions: Please contact the Office of Human Resources at 567-2600 should you have any questions. Thank you.

OHR 2007-30