



United States Department of the Interior

INTERIOR BUSINESS CENTER

Denver, CO 80235

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July 31, 2018

Memorandum

To: User Group Representatives and Client Accounting offices.

From: Linda Rihel-Todd, Chief *//signed//*
Payroll Operations Division

Subject: Miscellaneous Bureau Accounting (MBA) Pay Code - Standard Comments

On May 23, 2018, an email was sent to the Federal Personnel Payroll System (FPPS) User Group representatives and Client Accounting Offices on the usage of the Miscellaneous Bureau Accounting (MBA) pay code within FPPS. The Payroll Operations Division (POD) solicited feedback and was interested in any questions or concerns. Several of our customer agencies responded and at this time no issues or concerns have been identified related to the proposed processing changes.

Effective in pay period 2018-18, ending August 18, 2018, the POD will begin entering the standard comments in the cost structure field when processing the MBA in the FPPS. The comments will display in the cost structure field of the Labor Cost file and Accounting Feeder File. The data in the cost structure field should provide sufficient information to allow the Client Accounting Office to easily identify and process the unique MBA entries.

Attached is the matrix of the different scenarios where pay code MBA are used, generally as an offset to other pay code adjustments. This matrix will also be included in the Payroll Accounting Guide (Chapter 5.5).

As a reminder, there are currently some FPPS processes that systematically create the MBA pay code; therefore, will not contain the standard comments in the cost structure field, e.g. retroactive retirement code changes, W2C corrections, and salary debt year-end adjustments (pay period 99).

If you have any questions, please contact Adrian Hafner at Adrian_P_Hafner@ibc.doi.gov.

Enclosure

Pay Code MBA scenarios with standard comment in cost structure field

SCENARIO	COMMENT IN COST STRUCTURE FIELD
<p>Retirement code change (RCC) (example: K (FERS) to KR (FERS RAE). The MBA is the employee share of retirement and the agency pays for the employee share. A Request for Bill of Collection (RBOC) is sent to the client accounting office supporting the MBA charge. The RBOC provides supporting documentation for the Agency's accounts receivable.</p>	RBOC RCC
<p>Retirement code change (example: K (FERS) to C (CSRS). The MBA is the employee share of their CSRS retirement that the agency is responsible for. For FERCCA cases, the agency will pay for all the employees cost and there will be no RBOC.</p>	FERCCA
<p>When a salary debt was issued the OASDI tax was reduced from the gross amount that the employee owes. Now the debt is paid but the current status is the employee has reached the maximum limit for OASDI. In this scenario, the OASDI cannot be adjusted to clear the debt. DMB enters pay code 61C to clear the debt (AR) and offsets with the MBA for the agency share.</p>	OASDI Max
<p>Year End Adjustments (YEA) for pay period 99 is used to process updates prior to W2 processing. If the update involved an adjustment of taxes, the year-to-dates are updated with pp 99 but have not actually been collected or refunded to the employee. The MBA is used to cover the employee share temporarily.</p> <p>In the 1st pay period of the new year (PP 01), payroll will reverse the MBA that was processed in pay period 99.</p>	YEA
<p>T. Rowe Price sends a check to IBC for the agency portion due to employee exceeding the IRS limit or other circumstances. IBC will reissue the funds back to the agency using pay code MBA.</p>	T Rowe Price
<p>Back Pay or Settlement - if the agency has accepted responsibility to pay the employee share for benefits an MBA will be entered to cover the costs; The MBA may also be used to reduce the settlement payment by outside earnings.</p>	Back Pay
<p>The employee is in the wrong health benefit plan (self vs family) and owes the difference. A correction is processed to pay the difference to the carrier for their health benefits.</p> <p>When this occurs prior to the automatic recomputation period and the amount is over \$50, the employee is given due process and a manual RBOC is established. Pay code MBA is used to offset the health deduction pay code to prevent immediate collection from the employee pending debt collection process. The agency will need to retrieve the Manual Debt reports from Datamart for active employees.</p>	RBOC HB

<p>The agency has elected to pay the interest on a Military Service Deposit (MSD) on behalf of the employee.</p>	<p>MSD Interest</p>
<p>Employee's federal benefits are being paid by the Union. Union's payment is processed reimbursing the agency with pay code MBA.</p>	<p>Union Billing</p>
<p>Union Dues adjusted erroneously and the agency agrees to cover the costs on behalf of the union/employee; An MBA is entered to cover the costs and charge the agency.</p>	<p>Union Dues</p>
<p>Employee was on military deployment and elected to retain benefits; the agency has elected to waive the requirement of payment from the employee and cover the costs. MBA results in the agency being charged for the collection of the health benefit deductions.</p>	<p>Military HB waiver</p>