

Automatic Retroactive Pay Calculation

When an employee receives a pay increase that is effective in the past, many times the payroll manager needs to manually calculate the retroactive pay amount for their employee. If you have Paycor's full Perform suite (Perform Payroll, HR and Time products), you have the ability to increase an employee's pay rate to a date in the past and the system will automatically calculate the retroactive pay amount to be paid in the next payrun.

This job aid will cover the following topics:

- How to configure the automatic retroactive pay calculation.
- How to pay retroactive pay to employee(s).

Configure Automatic Retroactive Pay

To activate the automatic retroactive pay calculation, system configuration is crucial.

- 1 From the **Company** menu, select **Configure Company**. Then, select **Payroll** and **Payroll Options** from the left navigation menu. The **Payroll Options page** will appear.
- 2 Under Miscellaneous, check the **Calculate Retroactive Pay** checkbox. This option only appears on the screen when you have all necessary Paycor services.
- 3 After the checkbox is selected, you will see a **Retroactive Pay Earning** dropdown list. Select an earning that will activate retroactive pay across all earnings. The default will be RETRO but you can select any earning in the list.
- 4 Click **Save**. All other earnings are automatically set to be included in the retroactive pay calculation.

Note: Individual earnings can be removed from the retroactive pay calculation by going to the earning's advanced settings and unchecking the option for "Include in Retroactive Pay." (Company > Configure Company > Earnings > Advanced Settings)

Configure Company ▾
Payroll ▾
Earnings
Supplementals
Company Deductions
Deductions
Rates
Paygroups
Payroll Options 1
Time & Attendance ▾
Accruals ▾
Scheduling ▾
Labor Costing ▾
Benefits Administration ▾
ACA ▾
Manage Access ▾

Payroll Options

125183 - Delahanty - Retro Pay 125183 Single Payroll

Paygrid Range Warnings

Rate: min to max Hours: min to max Earnings Amount: min to max

Pay Stub Options

Check Print Sort: Alpha by Department
Enforce Direct Deposit?:

Miscellaneous

- Calculate Retroactive Pay 2
- Retroactive Pay Earning: Retro 3
- Include Retroactive Pay on separate check
- Allow Salary Proration
- Auto Reduce Regular Hours
- Tipped Employer
- Calculate Training Wages
- Configurable Min Tip
- W2 Box 13 Retirement Plan
- Multi State Allocation

Advanced Settings

Equation
(RATE * HR) + AMT

Include In
All Pay

Check Stub
Always print YTD

- Include In Shift Calculation
- Include In Retroactive Pay

Effective Date
02/22/2018

Pay Retroactive Pay to Employee(s)

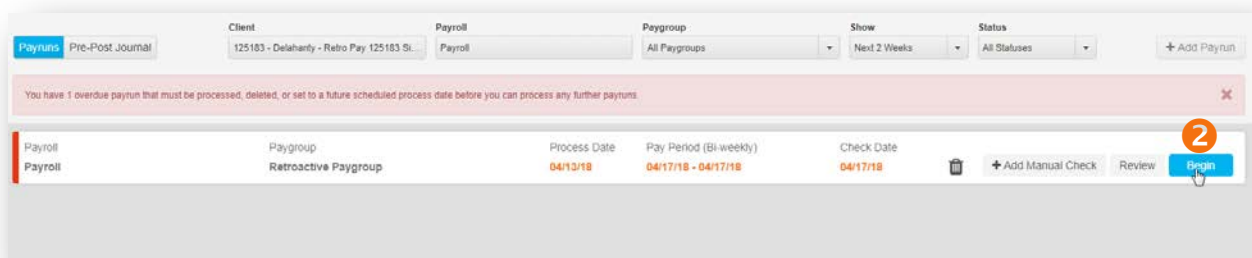
After the automatic retroactive pay calculation is configured, the system will present a notification to manager users about pending retroactive pay during a payrun and will automatically calculate the retroactive pay due to employees when a manager approves it.

Please note that the automatic retroactive pay calculation does not handle retroactive pay decreases or employee pay changes from hourly to salary or salary to hourly.

- 1 From the **Company** menu, select **Pay Employees**.
- 2 Select the appropriate payrun, and click **Begin**. This will open the paygrid.
- 3 If there are employees in the payrun who are due retroactive pay, an **Employees Due Retroactive Pay screen** will appear with the employees displayed in a table.
 - An employee's retroactive pay is determined by the date their pay change was effective.

Note: The table also displays the retroactive amount that is due to each employee and you can export/save the table data out of the system by clicking **Export Data**.

- 4 You have the option to either Approve or Deny the retroactive pay for each employee. Check the appropriate box in each employee row. If neither option is selected, the employee is considered "deferred" and the **Employees Due Retroactive Pay screen** will appear again at the time the payrun is submitted. You *must* select approve or deny before the payrun can be processed.
- 5 Click **Ok**. If approved, the retroactive pay amount will be applied on the employees' first regular check.
 - To "undo" a retroactive approval or denial, you can restart (reset and begin again) the payrun.



Employees Due Retroactive Pay 3

? The following employees have a pending retroactive pay amount due. Pay will be applied on their first regular check. Select the employees you wish to approve.

<input type="checkbox"/> Approve	<input type="checkbox"/> Deny	Employee #	Name	Retroactive Amount
<input type="checkbox"/> 4	<input type="checkbox"/>	9	HourlyTest, Jeff	\$ 270.00

5

Payroll - Retroactive Paygroup
Pay Period: 04/17/18 - 04/17/18 Check Date: 04/17/18

Jeff HourlyTest
Employee # 9

Earnings Deductions Taxes Accruals Gross To Net

Code	Description	Department	Rate	Hours	Hours	Amount	Amount
				Week 1	Week 2	Week 1	Week 2
Reg	Regular	101	20.000000				
OT	Overtime Hours @ 1.5	101	20.000000				
Retro	Retroactive Pay	101	20.000000				
Retro	Retroactive Pay	101	20.000000			\$ 45.0000	\$ 45.0000
Retro	Retroactive Pay	102	20.000000			\$ 90.0000	\$ 90.0000

The retroactive pay amounts can be viewed on each employee's Earnings and Gross to Net tabs

Jeff HourlyTest
Employee # 9

Earnings Deductions Taxes Accruals Gross To Net

Net Total: \$ 247.68

Earning	Department	Rate	Hours	Amount	Deduction	Amount	Tax	Amount	Accrual	Hours
Retro	101	0.000000	0.0000	\$ 90.00			SOC	\$ 16.74		
Retro	102	0.000000	0.0000	\$ 180.00			MED	\$ 3.92		
							OH	\$ 1.66		