

OPE PITFALLS

SOME OF THE REASONS WHY THE OPE FIGURES IN FIS MAY NOT MATCH WHAT YOU EXPECT

1. Be careful that the worksheet matches the month you use to compare rates in HRIS. (This is especially true in December, after open enrollment changes take effect).
2. Workman's comp is based on *working hours* per month (not sick leave, vacation time, etc). The worksheets calculate on a *full* month (173.33 hours).
3. New employees are not eligible for retirement until six months of full-time employment—so their OPE will be very low, then increase dramatically when they become eligible.
4. Social Security ceases to be assessed after an employee's taxable income exceeds a set limit (see worksheets) in a *calendar* year (not fiscal year)—so you may see lower OPE expenses near the end of the calendar year, then they jump up again in January.
5. An open enrollment period, change in salary rate, or change in family circumstance that allows an employee to alter insurance will all change OPE. An employee's insurance choices and alterations are considered confidential and they are not obliged to tell their department payroll person when changes are made.
6. You may have an employee who is opting out of medical coverage. This will not save your unit any money-- in fact it will cost you more. The medical charge for a benefit-eligible employee stays the same, regardless of the employee's choice and the "cashback" generated by an employee opting out comes to the employee as taxable income and is subject to Variable OPE rates. The amount of cashback for each employee is in PWIEMPL under the Options menu. How the cashback amount is determined can be seen on the HR website: <http://hr.uoregon.edu/benefits/oe05/optout2005.html>
7. Overloads (non-stipend payments for work over Appt% 100) are not retirement eligible income (no PERS assessment).
8. If the employee has any non-cash earnings (employee tuition reduction, paid moving expenses, etc.) their employer taxable income will be higher than the one you use for calculations.
9. Mass Transit is currently *not* charged to federal funds (2XXXXXX)
10. Any payroll that had to be moved via JV will not show up in PWIEMPL or PWIFOAP. JVs are done in FIS. EMPL & FOAP are generated out of HRIS.
11. Although payroll changes are processed throughout the month, OPE is re-cast only once a month after paychecks have been produced. If you have made any payroll changes during mid-month, you will have to wait until the end of the month for OPE to catch up.
12. If an employee has tax-deferred deduction (e.g., TDA) the rates generated by the worksheet will be slightly higher (because the taxable income will be lower) than the actual charges in HRIS.
13. OPE is a moving target. It is better to budget higher and find yourself with a surplus at the end of the year than budget low and scramble to find the extra money to cover a deficit.

14. The OUS system now has four different retirement plans, each with its own rate. The sheets use the PERS rate because it is still the plan of most employees. Your area, however, may have many employees who are new, or have opted out of PERS and thus have higher or lower rates. For more information about the various retirement plans, see: http://rm.uoregon.edu/budget_and_finance/ope_wrkshts/Retirement_Rate_History.xls