Retroactive Salary Increases

INTRODUCTION

When a contract is settled and salary increases are granted retroactively, TRAF requires reporting of all associated data. This document outlines the reporting requirements in situations where retroactive salary increases are granted.

REQUIRED INFORMATION

You are responsible for notifying TRAF of any retroactive salary increases in a timely manner. Once notified, TRAF will send you an email requesting the following information:

1. Salary increases (percentage or dollar amount) and effective dates.

2. Any members or groups of members with a different increase and/or effective date of increase.

3. Date of payment of retroactive salary amounts.

4. Treatment of the retroactive salary increases for members who already terminated.

5. Confirmation of whether the retroactive salary increases should be applied to Service Types 77, 222 and 123, non-serviceable pensionable earnings (NSPE) and/or senior administrative staff members.

6. Any information on Blue Cross premiums that have not been provided to TRAF.

RETRO PROCESS AT A GLANCE

Once TRAF receives all required information, a retro program will be run internally, and salary amounts on the TRAF system will be adjusted. The increase in salary amounts will result in an increased required contribution amount and trigger a variance amount to be collected. Such amount should be offset by the retroactive contribution amount reported as Service Type 130. Retro contributions can be reported in a regular monthly/term contribution batch or in a separate batch.

Any inconsistencies in the reported data will result in unbalanced variance amounts. TRAF reviews the data for consistency and will provide you with a list of any questions.

ACCURATE AND TIMELY DATA REPORTING

Accurate and timely data reporting will save you a significant amount of time, as it will reduce the number of questions about data inconsistencies. It can be achieved by taking these steps:

1. Once a contract is settled, notify TRAF immediately.

2. Review the information carefully and provide accurate information to TRAF.

3. If any incorrect information was provided, notify TRAF of the error.

4. Report any special cases to TRAF.

5. Similar to regular monthly batches, ensure that the contribution amounts balance (i.e., the sum of individual contributions should be equal to the remittance amount).

ADDITIONAL RESOURCES

Please refer to the **Employer Guide** for more information. Contact us if you have any questions.