

Terminating Defer Pay Employees

We need your help to avoid this problem:

If you need to terminate an employee who defers their pay, please ***do not*** generate a termination EPAF with an effective date that is equal to the last paid date. When this occurs, the defer pay balance becomes 'trapped' and it takes a great deal of work, and sometimes HR IT assistance, to resolve this problem. The correct action is to use an effective date that is greater than the last paid date.

USNH Payroll is trying to combat this by running a SQL to identify folks with trapped defer pay balances, and we will be developing a trapping that gives a hard error message to the EPAF originator when the wrong date is used, but the trapping won't be in place until the fall.

In the meantime, we need your help to ensure this situation is avoided. **I'm asking both EPAF originators and approvers to use extra caution when initiating a termination EPAF for employees with defer pay balances to double check that the effective date is not the same as the last paid date.**

Generally speaking, it is a good business practice for campuses to work with Campus and System Payroll offices when making any changes to the job of a employee who defers their pay. These are complicated transactions and it is helpful to keep Payroll in the loop of any changes.

Thanks very much for your assistance. Please do not hesitate to contact USNH Payroll or STHRs with any questions.