

# MERS Defined Benefit Plan

## Employer Guide - Discrepancy Codes

### Definitions of discrepancy codes and how they should be used.

Discrepancy codes are manually entered after the submission of wages are saved and checked for errors.

- If an error exists, a wage/contribution discrepancy code is required.
- Discrepancy codes are generally used in specific situations and should not be used on a regular basis.
- For assistance with reporting, please contact the MERS Service Center at 800.767.MERS (6377).

There are two types of Discrepancy Codes the employer may use.

1. **Wage Discrepancy:** Required when an employer is reporting an employee's wage that is 25% more or less than the most recent month in which there was **NO** wage discrepancy OR *New Pay Rate* code entered.
2. **Contribution Discrepancy:** Required when an employer is reporting an employee's contributions that is 5% more or less than the expected percentage of MERS wages reported (based on employer's adoption of employee percentage rate).

### Contribution Discrepancy

<i>Codes</i>	<i>Used When</i>	<i>Considerations</i>	<i>Data Entry Format for Note Section</i>
<b>New Rate (NWRT)</b>	Communicating a change in employee contribution rate	Adoption paperwork needed to initiate change; contact MERS	Rate chg. eff = Mth/Year - withholding x%
<b>New BU w/ Diff Rate (NWBUR)</b> <i>(BU = Bargaining Unit)</i>	Reporting a contribution variance due to a participant's transfer into a different division		TFR-effective = Mth/Year
<b>Make Up Prev Wages (WAGE)</b>	Reporting a contribution variance due to participant paying more or less than required in a month	Participant is paying more contributions for previous month(s) Participant is paying less contributions for previous month(s)	More/less remitted in Mth/Year due to under/overpayment in Mth/Year
<b>STD/LTD (DISB)</b>	Reporting contribution variance due to participant's short- or long-term disability or sick and accident leave		STD began MM/DD/YY; STD ended MM/DD/YY
<b>Other/Contact MERS</b>	Reporting a ONE-time contribution variance not covered by another code  Reporting multiple contribution variances	More or less employee contributions were remitted	New hire  Change in position; termination  Multiple reasons; new pay + wage adj.  ONE-time includible payment: contribution variance due to new hire, variable compensation payments; perfect attendance pay, on-call pay, shift differential, etc.

## Wage Discrepancy

<b>Codes</b>	<b>Used When</b>	<b>Considerations</b>	<b>Data Entry Format for Note Section</b>
<b>New Pay Rate (NPAY)</b>	Reporting a participant's new pay increase or decrease (due to a raise, promotion, transfer, or change in position)	When there is no wage variance, but the system requires a code; the new pay rate discrepancy code is the only code which allows the employer the ability to 'reset' the system for wage reporting	
<b>Hours Higher/Lower (HCNG)</b>	Reporting a wage variance (due to overtime, fluctuation in hours, diminished hours, status change part-time eligible, etc.)	If variance is due to a leave of absence, select proper code (STD/LTD, etc.) If used for part-time reporting, employee is still required to meet day of work/hours definition for membership (minimum of three months in calendar year)	Overtime, shift differential pay, etc. Part-time eligible
<b>STD/LTD (DISB)</b>	Reporting a disability leave (short- or long-term and/or sick and accident)	Employer adoption required to grant service credit If service is granted, employer responsible for reporting third party wages (and supplemental wages) and remitting contributions, if applicable	STD began MM/DD/YY; STD ended MM/DD/YY
<b>Family Medical Leave Act (FMLA)</b>	Reporting FMLA-approved leave	FMLA is allowed for 12 weeks Employer determines if service is awarded Code should be used whether service is awarded or not Report any payments issued, along with contributions (if applicable)	FMLA began MM/DD/YY FMLA intermittent leave
<b>Workers' Compensation (WCMP)</b>	Reporting a work-related leave	Service is granted if participant is in receipt of weekly benefits Employer's choice to report workers' compensation wages; if reported, contributions (if applicable) are required	WC began MM/DD/YY; WC ended MM/DD/YY
<b>In Military Service (MILT)</b>	Reporting a participant's deployment or National Guard leave	Service is not granted while participant is off on leave Correction of service is required if participant returns within 90 days of discharge and elects to retain service credit; if so, estimated wages (reporting average of previous year) and contributions (if applicable) required	Military began MM/DD/YY; Military ended MM/DD/YY National Guard MM/DD/YY to MM/DD/YY
<b>New Hire/No Wages (NHIR)</b>	Reporting a new participant to MERS	Discrepancy code required for new hire reporting Wages, service, and contribution reporting (if applicable) begin with participant's date of hire First month of reporting could reflect any of the following based on participant's date of hire: <ul style="list-style-type: none"> <li>• Wages paid but no service earned</li> <li>• No wages paid but service earned</li> <li>• No wages paid and no service earned</li> </ul> Probationary periods must be adopted through MERS	
<b>Retro Pay (RTRO)</b>	Reporting ONE-time payments due to a contract settlement or retro wage adjustment	Payment type, amount, and period are required	Wage adjustment = \$AMT Period = MM/DD/YY to MM/DD/YY
<b>Payout (VCTN)</b>	Reporting a ONE-time LUMP sum payment, often paid annually	Payouts can be issued during the year or at the time of termination of employment Payment type, amount, and period are required (only exception = Longevity) If payment is issued annually; alert MERS so a note can be made on file	PTO/Vacation/Holiday/Comp-time/Personal = \$AMT Period = MM/DD/YY to MM/DD/YY Longevity = \$AMT
<b>Other (OTH)</b>	Reporting ONE-time Miscellaneous Includible wage not covered by another discrepancy code Reporting a wage variance that is less and not covered by another discrepancy code Reporting multiple wage items	Regardless of reason, employer note required to explain +/- wage variance Payment type, amount, and period required (if applicable)	Variable compensation, perfect attendance, on-call, or shift differential pay, etc. = \$AMT Additional wages after DOT = \$AMT Layoff eff. = MM/DD/YY Annual limitation met New pay + wage adj. = \$AMT