

City of San José

Pensionable Pay Recalculations

Police & Fire Retirement Board

April 6, 2017

Item 3c

Issue – Over and Underpayments of Pensionable Pay

- 1998-2008:
 - Incorrect inclusion of certain non-pensionable earnings as pensionable
- 2008-2009:
 - City Staff and City Auditor discover miscalculations of pensionable pay
- 2010:
 - City Auditor releases pensionable pay audit

City's Payroll System

- Payroll System Incorrectly Identified Pensionable Pay
- Certain earnings codes were incorrectly linked to a special accumulator for pensionable earnings
 - e.g. Higher class pay should not have been pensionable
- Incorrect links corrected in 2009
- Comparison of earnings codes during PeopleSoft upgrade
- Increased internal controls and procedures

Pensionable Calculations Review

- 3rd Party Auditor, MGO, performed a procedures review to determine if pension-related calculations were performed accurately and appropriately (2010)
 - Findings or discrepancies researched by City and correction files were sent
- MGO hired to review benefit recalculations done by ORS. Issued report in December 2015 with no exceptions found

Complex and Custom Payroll Process

- Over 300 steps per payweek
- Less than three days to process
- Almost 6,800 paychecks issued every two weeks

Overview of the Recalculation Process

Rule:

Pension Payment Calculation Based on Highest 12-Months



Problem:

Incorrect Highest 12-Months



Reason:

Certain Earnings that were not pensionable were included



Fix #1:

Correctly recalculate pensionable pay and identify 12-Highest Months



Fix #2:

Recalculate Pension Payment based on new 12-Highest and calculate difference between new and old payments



Example of Adjustment Calculations

JOHN SMITH

Pay Period Ending 1/31/04

HOURS AND EARNINGS			
Description	Current		Earnings
	Hours	Quantity	
PAY Earnings Aggregate		112.00	3,580.80
Regular	120.00		
Education & Training Pay			35.00
Emergency Medical Technician			96.48
Holiday In-Lieu Pay			201.35
Overtime for Pay @ 1.5	22.50		1,079.04
Vacation Leave			
FLSA OT Adjustment - Fire			
Uniform Allowance Payment			

Pay Period Ending 2/14/04

HOURS AND EARNINGS			
Description	Current		Earnings
	Hours	Quantity	
PAY Earnings Aggregate		112.00	3,580.80
Regular	120.00		
Education & Training Pay			35.00
Emergency Medical Technician			96.48
FLSA OT Adjustment - Fire			581.43
Holiday In-Lieu Pay			201.35
Overtime for Pay @ 1.5	25.50		1,222.91
Vacation Leave			
Uniform Allowance Payment			

FLSA Overtime Calculation	
FLSA Eligible Overtime Hrs	48.00
FLSA Regular Rate	33.145358
FLSA Overtime Rate	49.718036
FLSA Overtime	2,386.465745

Contract Overtime Calculation	
Contract Overtime Hours	48.00
Contract Regular Rate	31.971429
Contract Overtime Rate	47.957144
Contract Overtime	2,301.942888

Non-pensionable (Overtime) FLSA	2,386.47
	-2,301.94
	84.52

Total FLSA	496.91
	84.52
	581.43

Regular Hours Over FLSA Threshold	28.00
FLSA Overtime Rate	x 49.718036
	1,392.11

Regular Hours Over FLSA Threshold	28.00
Base Hourly Rate	x 31.971429
	895.20

Pensionable FLSA	1,392.11
	-895.20
	496.91

Sample of File From Payroll for John Smith

Plan	Name	From Date	To Date	Pensionable An	adjust sig	From Date	To Date	EE Cola	EE prior	EE Curr	ER Cola	EE Prior	ER Curr						
1	FIR	John Smith	1/11/1998	1/24/1998	8059	-	1/11/1998	1/24/1998	-174	0	-583	-565	0	-1176	FLSA Comp Adjustment				
2	FIR	John Smith	2/8/1998	2/21/1998	9349	-	2/8/1998	2/21/1998	-201	0	-678	-656	0	-1364	FLSA Comp Adjustment				
3	FIR	John Smith	3/8/1998	3/21/1998	13087	-	3/8/1998	3/21/1998	-291	0	-978	-734	0	-1527	FLSA Comp Adjustment				
4	FIR	John Smith	5/3/1998	5/16/1998	16826	-	5/3/1998	5/16/1998	-374	0	-1258	-944	0	-1963	FLSA Comp Adjustment				
5	FIR	John Smith	5/31/1998	6/13/1998	2940	-	5/31/1998	6/13/1998	-66	0	-219	-165	0	-343	FLSA Comp Adjustment				
6	FIR	John Smith	8/23/1998	9/5/1998	1566	-	8/23/1998	9/5/1998	-35	0	-117	-88	0	-182	FLSA Comp Adjustment				
7	FIR	John Smith	9/20/1998	10/3/1998	4009	-	9/20/1998	10/3/1998	-89	0	-300	-225	0	-468	FLSA Comp Adjustment				
8	FIR	John Smith	11/15/1998	11/28/1998	571	-	11/15/1998	11/28/1998	-14	0	-44	-46	0	-67	FLSA Comp Adjustment				
9	FIR	John Smith	1/10/1999	1/23/1999	5482	-	1/10/1999	1/23/1999	-132	0	-428	-439	0	-647	FLSA Comp Adjustment				
10	FIR	John Smith	2/7/1999	2/20/1999	10074	-	2/7/1999	2/20/1999	-241	0	-789	-806	0	-1191	FLSA Comp Adjustment				
11	FIR	John Smith	3/7/1999	3/20/1999	16337	-	3/7/1999	3/20/1999	-391	0	-1279	-1306	0	-1932	FLSA Comp Adjustment				
12	FIR	John Smith	4/4/1999	4/17/1999	6712	-	4/4/1999	4/17/1999	-161	0	-525	-537	0	-793	FLSA Comp Adjustment				
13	FIR	John Smith	10/17/1999	10/30/1999	38439	-	10/17/1999	10/30/1999	918	0	3010	3117	0	4613	FLSA Comp Adjustment				
14	FIR	John Smith	11/14/1999	11/27/1999	365	-	11/14/1999	11/27/1999	-9	0	-28	-30	0	-43	FLSA Comp Adjustment				
15	FIR	John Smith	1/9/2000	1/22/2000	876	-	1/9/2000	1/22/2000	-21	0	-69	-72	0	-104	FLSA Comp Adjustment				
16	FIR	John Smith	3/5/2000	3/18/2000	219	-	3/5/2000	3/18/2000	-6	0	-16	-18	0	-26	FLSA Comp Adjustment				
17	FIR	John Smith	7/23/2000	8/5/2000	730	-	7/23/2000	8/5/2000	-18	0	-53	-34	0	-81	FLSA Comp Adjustment				
18	FIR	John Smith	10/15/2000	10/28/2000	219	-	10/15/2000	10/28/2000	-6	0	-15	-10	0	-24	FLSA Comp Adjustment				
19	FIR	John Smith	2/4/2001	2/17/2001	13509	-	2/4/2001	2/17/2001	-315	0	-1007	-615	0	-1506	FLSA Comp Adjustment				
20	FIR	John Smith	3/4/2001	3/17/2001	15115	-	3/4/2001	3/17/2001	-353	0	-1127	-688	0	-1685	FLSA Comp Adjustment				
21	FIR	John Smith	4/1/2001	4/14/2001	146	-	4/1/2001	4/14/2001	-4	0	-10	-7	0	-16	FLSA Comp Adjustment				
22	FIR	John Smith	6/24/2001	7/7/2001	54247	-	6/24/2001	7/7/2001	-1264	0	-4047	-2469	0	-6048	FLSA Comp Adjustment				
23	FIR	John Smith	7/21/2002	8/3/2002	514	-	7/21/2002	8/3/2002	-13	0	-40	-21	0	-52	FLSA Comp Adjustment				
24	FIR	John Smith	8/18/2002	8/31/2002	514	-	8/18/2002	8/31/2002	-13	0	-40	-21	0	-52	FLSA Comp Adjustment				
25	FIR	John Smith	10/13/2002	10/26/2002	514	-	10/13/2002	10/26/2002	-13	0	-40	-21	0	-52	FLSA Comp Adjustment				
26	FIR	John Smith	3/2/2003	3/15/2003	342	-	3/2/2003	3/15/2003	-9	0	-26	-14	0	-35	FLSA Comp Adjustment				
27	FIR	John Smith	3/30/2003	4/12/2003	514	-	3/30/2003	4/12/2003	-13	0	-40	-21	0	-52	FLSA Comp Adjustment				
28	FIR	John Smith	4/27/2003	5/10/2003	514	-	4/27/2003	5/10/2003	-13	0	-40	-21	0	-52	FLSA Comp Adjustment				
29	FIR	John Smith	5/25/2003	6/7/2003	172	-	5/25/2003	6/7/2003	-5	0	-13	-7	0	-17	FLSA Comp Adjustment				affecting high 12 salary range
30	FIR	John Smith	11/9/2003	11/22/2003	353	-	11/9/2003	11/22/2003	-9	0	-27	-15	0	-35	FLSA Comp Adjustment				affecting high 12 salary range
31	FIR	John Smith	12/7/2003	12/20/2003	353	-	12/7/2003	12/20/2003	-9	0	-27	-15	0	-35	FLSA Comp Adjustment				affecting high 12 salary range
32	FIR	John Smith	2/1/2004	2/14/2004	8452	-	2/1/2004	2/14/2004	-198	0	-668	-339	0	-863	FLSA Comp Adjustment				affecting high 12 salary range
33	FIR	John Smith	2/29/2004	3/13/2004	19634	-	2/29/2004	3/13/2004	-460	0	-1552	-786	0	-2006	FLSA Comp Adjustment				affecting high 12 salary range
34	FIR	John Smith	3/28/2004	4/10/2004	20691	-	3/28/2004	4/10/2004	-485	0	-1636	-828	0	-2114	FLSA Comp Adjustment				affecting high 12 salary range
35	FIR	John Smith	4/25/2004	5/8/2004	20779	-	4/25/2004	5/8/2004	-487	0	-1643	-832	0	-2123	FLSA Comp Adjustment				affecting high 12 salary range
36	FIR	John Smith	5/23/2004	6/5/2004	19987	-	5/23/2004	6/5/2004	-468	0	-1581	-800	0	-2042	FLSA Comp Adjustment				
37	FIR	John Smith	6/20/2004	7/3/2004	2289	-	6/20/2004	7/3/2004	-54	0	-181	-92	0	-233	FLSA Comp Adjustment				
38	FIR	John Smith	7/18/2004	7/31/2004	8804	-	7/18/2004	7/31/2004	-209	0	-774	-619	0	-1546	FLSA Comp Adjustment				
					323303														

Sample of Pension Gold Report

JOHN SMITH				High 12 salary range 5/23/03 - 5/22/04				
From Date	To Date	Pay Period	Pensionable Sala	Record Type	Employer	Status	Units Worked	
7/4/2004	7/17/2004	15	\$3,878.63	Contribution	City of Sar	Posted	86.66	
6/20/2004	7/3/2004	14	(\$22.89)	Adjustment	City of Sar	Posted	0	
6/20/2004	7/3/2004	14	\$3,919.27	Contribution	City of Sar	Posted	69.33	
6/6/2004	6/19/2004	13	\$3,878.63	Contribution	City of Sar	Posted	86.66	
5/23/2004	6/5/2004	12	(\$199.87)	Adjustment	City of Sar	Posted	0	
5/23/2004	6/5/2004	12	\$4,105.12	Contribution	City of Sar	Posted	86.66	
5/9/2004	5/22/2004	11	\$3,878.63	Contribution	City of Sar	Posted	69.33	High 12 month salary range
4/25/2004	5/8/2004	10	(\$207.79)	Adjustment	City of Sar	Posted	0	High 12 month salary range
4/25/2004	5/8/2004	10	\$4,157.41	Contribution	City of Sar	Posted	86.66	High 12 month salary range
4/11/2004	4/24/2004	9	\$3,878.63	Contribution	City of Sar	Posted	69.33	High 12 month salary range
3/28/2004	4/10/2004	8	(\$206.91)	Adjustment	City of Sar	Posted	0	High 12 month salary range
3/28/2004	4/10/2004	8	\$4,582.45	Contribution	City of Sar	Posted	103.99	High 12 month salary range
3/14/2004	3/27/2004	7	\$3,878.63	Contribution	City of Sar	Posted	69.33	High 12 month salary range
2/29/2004	3/13/2004	6	(\$196.34)	Adjustment	City of Sar	Posted	0	High 12 month salary range
2/29/2004	3/13/2004	6	\$4,145.96	Contribution	City of Sar	Posted	86.66	High 12 month salary range
2/15/2004	2/28/2004	5	\$3,878.63	Contribution	City of Sar	Posted	69.33	High 12 month salary range
2/1/2004	2/14/2004	4	(\$84.52)	Adjustment	City of Sar	Posted	0	High 12 month salary range
2/1/2004	2/14/2004	4	\$4,460.06	Contribution	City of Sar	Posted	86.66	High 12 month salary range
1/18/2004	1/31/2004	3	\$3,878.63	Contribution	City of Sar	Posted	86.66	High 12 month salary range
1/4/2004	1/17/2004	2	\$3,878.63	Contribution	City of Sar	Posted	69.33	High 12 month salary range
12/21/2003	1/3/2004	1	\$3,878.63	Contribution	City of Sar	Posted	86.66	High 12 month salary range
12/7/2003	12/20/2003	26	\$4,379.07	Contribution	City of Sar	Posted	69.33	High 12 month salary range
12/7/2003	12/20/2003	26	(\$3.53)	Adjustment	City of Sar	Posted	0	High 12 month salary range
11/23/2003	12/6/2003	25	\$3,878.63	Contribution	City of Sar	Posted	103.99	High 12 month salary range
11/9/2003	11/22/2003	24	\$3,953.15	Contribution	City of Sar	Posted	69.33	High 12 month salary range
11/9/2003	11/22/2003	24	(\$3.53)	Adjustment	City of Sar	Posted	0	High 12 month salary range
10/26/2003	11/8/2003	23	\$3,878.63	Contribution	City of Sar	Posted	86.66	High 12 month salary range
10/12/2003	10/25/2003	22	\$3,878.63	Contribution	City of Sar	Posted	69.33	High 12 month salary range
9/28/2003	10/11/2003	21	\$3,878.63	Contribution	City of Sar	Posted	86.66	High 12 month salary range
9/14/2003	9/27/2003	20	\$3,878.63	Contribution	City of Sar	Posted	86.66	High 12 month salary range
8/31/2003	9/13/2003	19	\$3,878.63	Contribution	City of Sar	Posted	69.33	High 12 month salary range
8/17/2003	8/30/2003	18	\$3,949.62	Contribution	City of Sar	Posted	86.66	High 12 month salary range
8/3/2003	8/16/2003	17	\$3,878.63	Contribution	City of Sar	Posted	69.33	High 12 month salary range
7/20/2003	8/2/2003	16	\$4,376.23	Contribution	City of Sar	Posted	103.99	High 12 month salary range
7/6/2003	7/19/2003	15	\$3,882.35	Contribution	City of Sar	Posted	69.33	High 12 month salary range
6/22/2003	7/5/2003	14	\$3,945.70	Contribution	City of Sar	Posted	86.66	High 12 month salary range
6/8/2003	6/21/2003	13	\$3,729.57	Contribution	City of Sar	Posted	69.33	High 12 month salary range
5/25/2003	6/7/2003	12	(\$1.72)	Adjustment	City of Sar	Posted	0	High 12 month salary range
5/25/2003	6/7/2003	12	\$4,209.60	Contribution	City of Sar	Posted	86.66	High 12 month salary range
5/11/2003	5/24/2003	11	\$3,729.57	Contribution	City of Sar	Posted	86.66	High 12 month salary range
4/27/2003	5/10/2003	10	(\$5.14)	Adjustment	City of Sar	Posted	0	
4/27/2003	5/10/2003	10	\$3,803.04	Contribution	City of Sar	Posted	69.33	
4/13/2003	4/26/2003	9	\$3,729.57	Contribution	City of Sar	Posted	86.66	

Sample Retirement Benefit Estimate

NEW

OLD

Run Date : 06/23/2015
Run Time : 2:39 PM

Retirement Benefit Estimate City of San Jose Department of Retirement Services

User Id : ANH
Page 1

SSN: [REDACTED]
Date Of Birth: [REDACTED]

Estimate Information

Separation Date	01/29/2005	Increase Percent	Date
Benefit Type	Duty Related Disability Retirement	Increase Percent	Date
Projected Retirement Date	01/30/2005	Increase Percent	Date
Age At Retirement	56.69	Benefit Service on Estimate Run Date	31.88250
Prepared By	ANH	Projected Service	0.00000
Split Plan	No	Total Service with Projection	31.88250

Service Information

Plan Name	Regular	Sick Leave	Miscellaneous	Plan Total
Police and Fire	30.00000	0.00000	0.00000	30.00000
Total	30.00000	0.00000	0.00000	30.00000

Benefit Information

Plan Name	Average Salary Multiplier	Average Compensation	Age Adjustment	Benefit Amount
Police and Fire	0.85000	X \$ 8,658.37	X 1.00000 =	\$ 7,359.61
Total	0.85000			\$ 7,359.61

Your Payment Options and Amounts

Payment Option (* - Not Allowed)	To Retiree If Both Alive	To Surviving Beneficiary	To Retiree If Beneficiary Dies First
Life Annuity	\$ 7,359.61	\$ 0.00	\$ 7,359.61
Automatic Continuance 42.5%	\$ 7,359.61	\$ 3,679.80	\$ 7,359.61
55%	\$ 7,256.58	\$ 3,991.12	\$ 7,256.58
60%	\$ 7,157.22	\$ 4,294.33	\$ 7,157.22
65%	\$ 7,059.34	\$ 4,588.57	\$ 7,059.34
70%	\$ 6,965.13	\$ 4,875.59	\$ 6,965.13
75%	\$ 6,873.14	\$ 5,154.85	\$ 6,873.14
80%	\$ 6,783.35	\$ 5,426.68	\$ 6,783.35
85%	\$ 6,695.77	\$ 5,691.41	\$ 6,695.77
90%	\$ 6,610.40	\$ 5,949.36	\$ 6,610.40
95%	\$ 6,527.97	\$ 6,201.58	\$ 6,527.97
100%	\$ 6,446.28	\$ 6,446.28	\$ 6,446.28
55% Pop Up	\$ 7,251.42	\$ 3,988.28	\$ 7,359.61
60% Pop Up	\$ 7,145.45	\$ 4,287.27	\$ 7,359.61
65% Pop Up	\$ 7,043.15	\$ 4,578.05	\$ 7,359.61
70% Pop Up	\$ 6,943.79	\$ 4,860.65	\$ 7,359.61
75% Pop Up	\$ 6,847.38	\$ 5,135.54	\$ 7,359.61
80% Pop Up	\$ 6,753.18	\$ 5,402.54	\$ 7,359.61
85% Pop Up	\$ 6,661.92	\$ 5,662.63	\$ 7,359.61
90% Pop Up	\$ 6,572.87	\$ 5,915.58	\$ 7,359.61

Run Date : 02/17/2005
Run Time : 7:44 AM

Retirement Benefit Estimate City of San Jose Department of Retirement Services

User Id : KARIN
Page 1

SSN: [REDACTED]
Date Of Birth: [REDACTED]

Estimate Information

Separation Date	01/29/2005	Increase Percent	Date
Benefit Type	Service Retirement	Increase Percent	Date
Projected Retirement Date	01/30/2005	Increase Percent	Date
Age At Retirement	56.69	Benefit Service on Estimate Run Date	31.88250
Prepared By	KARIN	Projected Service	0.00000
Split Plan	No	Total Service with Projection	31.88250

Service Information

Plan Name	Regular	Sick Leave	Miscellaneous	Plan Total
Police and Fire	30.00000	0.00000	0.00000	30.00000
Total	30.00000	0.00000	0.00000	30.00000

Benefit Information

Plan Name	Average Salary Multiplier	Average Compensation	Age Adjustment	Benefit Amount
Police and Fire	0.85000	X \$ 8,721.15	X 1.00000 =	\$ 7,412.97
Total	0.85000			\$ 7,412.97

Your Payment Options and Amounts

Payment Option (* - Not Allowed)	To Retiree If Both Alive	To Surviving Beneficiary	To Retiree If Beneficiary Dies First
Automatic Continuance 42.5%	\$ 7,412.97	\$ 3,706.48	\$ 7,412.97

Optional Retirement Beneficiary Information

Beneficiary Name	Date Of Birth	Gender
[REDACTED]	[REDACTED]	Female

High 12 Month Salary Range

Date Range	Salary	Pr. Bnk	Units	Date Range	Salary	Pr. Bnk	Units
07/04/2003 to 07/05/2003	\$ 563.67		86.66	11/09/2003 to 11/22/2003	\$ 3,953.15		69.33
07/06/2003 to 07/19/2003	\$ 3,882.35		69.33	11/23/2003 to 12/06/2003	\$ 3,878.63		103.99
07/20/2003 to 08/02/2003	\$ 4,376.23		103.99	12/07/2003 to 12/20/2003	\$ 4,379.07		69.33
08/03/2003 to 08/16/2003	\$ 3,878.63		69.33	12/21/2003 to 01/03/2004	\$ 3,878.63		86.66
08/17/2003 to 08/30/2003	\$ 3,949.62		86.66	01/04/2004 to 01/17/2004	\$ 3,878.63		69.33
08/31/2003 to 09/13/2003	\$ 3,878.63		69.33	01/18/2004 to 01/31/2004	\$ 3,878.63		86.66
09/14/2003 to 09/27/2003	\$ 3,878.63		86.66	02/01/2004 to 02/14/2004	\$ 4,460.06		86.66
09/28/2003 to 10/11/2003	\$ 3,878.63		86.66	02/15/2004 to 02/28/2004	\$ 3,878.63		69.33
10/12/2003 to 10/25/2003	\$ 3,878.63		69.33	02/29/2004 to 03/13/2004	\$ 4,145.96		86.66
10/26/2003 to 11/08/2003	\$ 3,878.63		86.66	03/14/2004 to 03/27/2004	\$ 3,878.63		69.33

Calculation of Overpayment - 2005

NAME: John Smith		SSN:			RETIRED:		1/30/2005						
						31		2					
		PAID AMOUNT TO DATE				AMOUNT THAT SHOULD HAVE BEEN PAID				ADJUSTMENTS			
		BASE	COLA	ACCUM. COLA	TOTAL	BASE	COLA	ACCUM. COLA	TOTAL	BASE DIFF.	COLA DIFF.	ACCUM. COLA DIFF.	RETRO ADJ.
		7,412.97				7,359.61							
2005	Jan	478.26			478.26	474.81			474.81	(3.45)	-	-	(3.45)
	Feb	7,412.97	222.39	222.39	7,635.36	7,359.61	220.79	220.79	7,580.40	(53.36)	(1.60)	(1.60)	(54.96)
	Mar	7,412.97	222.39	222.39	7,635.36	7,359.61	220.79	220.79	7,580.40	(53.36)	(1.60)	(1.60)	(54.96)
	Apr	7,412.97	222.39	222.39	7,635.36	7,359.61	220.79	220.79	7,580.40	(53.36)	(1.60)	(1.60)	(54.96)
	May	7,412.97	222.39	222.39	7,635.36	7,359.61	220.79	220.79	7,580.40	(53.36)	(1.60)	(1.60)	(54.96)
	Jun	7,412.97	222.39	222.39	7,635.36	7,359.61	220.79	220.79	7,580.40	(53.36)	(1.60)	(1.60)	(54.96)
	Jul	7,412.97	222.39	222.39	7,635.36	7,359.61	220.79	220.79	7,580.40	(53.36)	(1.60)	(1.60)	(54.96)
	Aug	7,412.97	222.39	222.39	7,635.36	7,359.61	220.79	220.79	7,580.40	(53.36)	(1.60)	(1.60)	(54.96)
	Sep	7,412.97	222.39	222.39	7,635.36	7,359.61	220.79	220.79	7,580.40	(53.36)	(1.60)	(1.60)	(54.96)
	Oct	7,412.97	222.39	222.39	7,635.36	7,359.61	220.79	220.79	7,580.40	(53.36)	(1.60)	(1.60)	(54.96)
	Nov	7,412.97	222.39	222.39	7,635.36	7,359.61	220.79	220.79	7,580.40	(53.36)	(1.60)	(1.60)	(54.96)
	Dec	7,412.97	222.39	222.39	7,635.36	7,359.61	220.79	220.79	7,580.40	(53.36)	(1.60)	(1.60)	(54.96)
2005		82,020.93	2,446.29	2,446.29	84,467.22	81,430.52	2,428.69	2,428.69	83,859.21	(590.41)	(17.60)	(17.60)	(608.01)

Calculation of Overpayment: 2005-2017

NAME: John Smith		SSN:		RETIRED:		1/30/2005							
						31	2						
		PAID AMOUNT TO DATE				AMOUNT THAT SHOULD HAVE BEEN PAID				ADJUSTMENTS			
		BASE	COLA	ACCUM. COLA	TOTAL	BASE	COLA	ACCUM. COLA	TOTAL	BASE DIFF.	COLA DIFF.	ACCUM. COLA DIFF.	RETRO ADJ.
2005		82,020.93	2,446.29	2,446.29	84,467.22	81,430.52	2,428.69	2,428.69	83,859.21	(590.41)	(17.60)	(17.60)	(608.01)
2006		88,955.64	2,742.05	5,188.34	94,143.98	88,315.32	2,722.30	5,150.99	93,466.31	(640.32)	(19.75)	(37.35)	(677.67)
2007		88,955.64	2,824.29	8,012.63	96,968.27	88,315.32	2,803.94	7,954.93	96,270.25	(640.32)	(20.35)	(57.70)	(698.02)
2008		88,955.64	2,909.04	10,921.67	99,877.31	88,315.32	2,888.09	10,843.02	99,158.34	(640.32)	(20.95)	(78.65)	(718.97)
2009		88,955.64	2,996.31	13,917.98	102,873.62	88,315.32	2,974.76	13,817.78	102,133.10	(640.32)	(21.55)	(100.20)	(740.52)
2010		88,955.64	3,086.21	17,004.19	105,959.83	88,315.32	3,063.95	16,881.73	105,197.05	(640.32)	(22.26)	(122.46)	(762.78)
2011		88,955.64	3,178.75	20,182.94	109,138.58	88,315.32	3,155.88	20,037.61	108,352.93	(640.32)	(22.87)	(145.33)	(785.65)
2012		88,955.64	3,274.15	23,457.09	112,412.73	88,315.32	3,250.57	23,288.18	111,603.50	(640.32)	(23.58)	(168.91)	(809.23)
2013		88,955.64	3,372.43	26,829.52	115,785.16	88,315.32	3,348.13	26,636.31	114,951.63	(640.32)	(24.30)	(193.21)	(833.53)
2014		88,955.64	3,473.59	30,303.11	119,258.75	88,315.32	3,448.57	30,084.88	118,400.20	(640.32)	(25.02)	(218.23)	(858.55)
2015		88,955.64	3,577.74	33,880.85	122,836.49	88,315.32	3,552.00	33,636.88	121,952.20	(640.32)	(25.74)	(243.97)	(884.29)
2016/2017		96,368.61	3,992.95	40,722.11	137,090.72	95,674.93	3,964.16	40,428.84	136,103.77	(693.68)	(28.79)	(293.27)	(986.95)
	TOTAL	\$ 1,067,945.94		\$ 232,866.72	\$1,300,812.66	\$ 1,060,258.65		\$231,189.84	\$ 1,291,448.49	\$ (7,687.29)		\$ (1,676.88)	\$ (9,364.17)
		\$ 1,300,812.66											
		\$ 1,291,448.49											
		\$ (9,364.17)											

Summary

- Payroll Programming Error Fixed Prospectively
- Fixing Miscalculation of Pensionable Earnings – Manual and Complicated Process
- Recalculation Vetted by Outside Auditor