

Best practices: Posting final pay for terminating and retiring employees ^[1]



July 22, 2024 by [Employee Services](#) ^[2]

Timing is everything when paying an employee who is terminated. Many moving parts must come together, including [crucial steps employees should take](#) ^[3] to ensure their benefits preferences and final payroll are processed correctly.

Supervisors should be sure to share the [Leaving CU](#) ^[3] page with departing employees, and here are a few tips for payroll liaisons to ensure that an employee's final pay after termination processes correctly.

Termination Date

An employee's termination date is the first day that they no longer work at the university. It is **not** the last day worked or last day of active employee status.

Enter the employee's termination row before the payroll deadline.

Use the **Auto Terminated** and **Auto Term Ineligible** queries to confirm that any employees subject to automatic termination were terminated as anticipated.

Position and Funding Status

The employee's position must remain in **Active** status until the employee's last paycheck has completely processed. Inactive positions cause errors and must be reactivated during payroll processing.

Active positions need active funding. Be sure funding is current through the end of the period of the final paycheck. Avoid payroll suspense by ensuring that SpeedTypes and projects are in an active status and funding end dates have not expired.

Final Pay for Terminating Active Employees

Don't miss a CU Time or My Leave upload by entering the termination row before the upload. Double check that all final My Leave timesheets and/or manual/regular CU Time entries are uploaded and approved by the payroll deadline for the final paycheck.

Tip: You can verify that new and terminated employees are included in the CU Time upload by comparing the last pay period Personnel Roster with a current Personnel Roster.

Use the earnings begin and end dates in CU Time that reflect the actual earnings periods for final pay (i.e., before the termination date).

Tip: If a monthly employee terminates on the 28th, the earnings period ends on the 27th.

When entering a vacation and/or sick leave payout (upon retirement) in CU Time, enter the number of hours rather than a pay amount. The payout is based on the employee's annualized hourly rate. The entered hours reduce the accrual balances after payroll processes. There is no need to add SpeedType overrides in CU Time for VCT and SKS. The Department Budget Table includes campus default funding sources.

Review leave balances after the employee's final payroll. After a vacation payout, use earn code **VAA** to reduce the vacation balance to zero, and after a sick leave retirement payout, use **SKA** to reduce the entire sick leave balance to zero.

Tip: Remember that a VAC (usage) reduces the balance, and a positive VAA (adjustment) adds to the balance. When adjusting leave to zero with VAA, use a negative number. The same is true for sick leave.

Employees rehired into or from a non-employee job code

Sometimes, after active employment, a person may be assigned to a job code reflecting a non-employee status such as Job Code 1315 – Research Affiliate.

Pay is never allowed for this job code, or any non-employee job code (non-employees do not have wages). Any pay that posts with this job code will go to suspense and will cause suspense account codes to post.

Ensure that the entry and approval of final pay or new pay is in sync with the transition to or from a non-employee job code so that pay will NEVER post with a non-employee job code.

Active Employees Eligible for Retirement

Is the terminating employee also retiring with the university?

The active employee must be terminated from all regular employee positions before they may become a retiree. It is very important that the employee's department termination row is entered before the payroll deadline for the final paycheck. Include the final leave payouts — do not wait for a later pay cycle. Delaying regular employee pay can affect voluntary deferrals of pay.

Once all regular employee records are terminated and all regular employee pay posts with the final paycheck, the System ES retirement team must enter the retirement row before the first

of the month. Delaying the retirement process can affect retiree benefit processing.

Is the retiree returning as a working PERA or ORP retiree?

The active employee must be terminated from all regular employee positions before they may REHIRED on Record 1 or higher into an approved working retiree job code. (Record 0 is for the retiree position.) Follow the guidelines in [APS 5054 - Hiring Retirees to Work in Staff or Faculty Positions](#) [4] for PERA and ORP requirements and process details.

These simple steps will contribute to a smooth exit transition for CU employees.

Need extra help?

You can find HR/GL resources on the [HCM Funding Entry page](#) [5].

As always, you can email hcm_community@cu.edu [6] or System.HRGL.Team@cu.edu [7] for additional help.

To access the HCM queries mentioned above:

1. Log into the **employee portal** [8].
2. Open the **CU Resources** dropdown menu and click **Business Tools**.
3. Select the **HCM** tile and choose **HCM Community Users** from the drop-down menu.
4. Click the **HCM WorkCenter** tile.
5. Select the **Resources** tab and click the query you desire.

[HRGL](#) [9], [funding](#) [10], [Funding Entry](#) [11], [Funding Suspense](#) [12], [Position Funding](#) [13], [Position Queries](#) [14], [payroll](#) [15], [terminations](#) [16]

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