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To:  
cc:  
Subject: NewsFlash

# NewsFlash

*An electronic newsletter for SERS Retirement Coordinators*



## **TOOL: Automated Form 1404- Retirement Contributions on Lump Sum Payments**

Effective June 5, 2008, Payroll/ Personnel Officers will be able to prepare the SERS Form 1404 “Retirement Contributions on Lump Sum Pay for Sick Leave, Vacation, and/or Personal Days” using an automated form located in the Retirement Coordinator’s homepage under the Forms Request Section <http://www.state.il.us/SRS/RC/formrequest.htm>

This automated form will prepare the calculation of an employee’s daily rate of pay for those employees who are paid on a semi-monthly or monthly basis. It will also calculate a daily rate of pay for hourly employees who work any of the following work schedules: 6 hour day; 7 hour day; 7.5 hour day; or 8 hour day. If your “daily” employees have a normal work schedule other than those identified above, you will need to continue to prepare the Form 1404 manually. Once this “daily rate” has been calculated, you will simply need to complete the form by indicating the appropriate retirement deduction code; preferred tax-treatment (i.e. pre-tax or post-tax); and the amount of sick leave, vacation, and or personal days which have accrued to the employee.

Once you have completed the Form 1404 and are ready to submit to SERS, please print a copy of Form 1404, *sign in the appropriate space*, and either mail or fax Form 1404 to SERS.

We recommend that, at least for a limited period of time, you also prepare a manual version of this Form as you have done in the past and compare it to the automated version. This should be done to verify that the form is calculating the various amounts in the same manner that you have been using in your previous calculations.

If you have any comments or questions, please contact the SERS Accounting Division at

217-785-7210.