

B/P/P Operations Center

Payroll - Frequently Asked Questions

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Payroll Frequently Asked Questions of BPP OC

1. Which payroll deductions are always taken and which are only taken when insurance deductions are made?

Longevity*, OASI, OAH, FIM, WCI, retirement (TRS, ORP, and CSRS), UCI, and FIT, Students Loans, SIT, and Tax Levy ** (if enrolled), are always deducted on normal payroll processing (pay types performing deduction calculations - see B/P/P System Code Book).

- * Not calculated for pay types **J, M, P, U, or V**. Longevity is paid only if the pay period includes the first day of the month.
- ** Calculated for pay types **B, F, H, I, or L**.

Court ordered deductions and Bond deductions are controlled by a separate option flag independent of insurance deductions. They are calculated for pay types **B, F, H, I, or L**, and are limited to two deductions per month.

Insurance deductions (BL, MED, DEN, VIS, OL, ADD, LTD, DL, LTCE, and LTCS), spending accounts, English Proficiency deduction, Employee Organization Fee, Credit Union, Charitable Contributions, Texas Tomorrow Fund, Parking Fee, Texas Protects, Charitable Contributions - Higher Education, User Services Fees, FIA, FIB, FIC, and FIR are all controlled by the insurance deduction flag. This flag is usually a **1** or a **2** depending on whether the payroll to be processed is the first or the second biweekly payroll for the month. It is always "on" to take the deduction on a monthly payroll.

Roth and Annuity Deductions are taken until the monthly employee deduct amount has been met. The percentage option will take a deduction for each payroll.

Extended Pay Plan (EPP) withholdings automatically occur on pay types **B, I, L, and H**, for all payroll pay dates for the months defined as the academic year (accounting months of September through May). EPP amounts will also process for pay types **C** and **E** when indicated on the P2PAY record based on the EPP code in the Employee file (if the P2Pay record flag is blank).

2. Which payroll deductions are based (deducted) on the accounting period and which are based (deducted) on the actual pay date?

The insurance coverage (BL, MED, DEN, VIS, OL, ADD, LTD, DL, LTCE, and LTCS), retirement benefits (TRS and ORP), longevity, spending accounts, English Proficiency, Employee Organization Fee, Credit Union, Texas Tomorrow Fund, Tax Levy, User Service Fees, and court ordered deductions must have their start and/or stop dates (and Premium due date, where appropriate) within the accounting period being processed.

Bonds, Charitable Contributions, Charitable Contributions - Higher Education, Student Loans, tax-sheltered annuities and deferred compensation plan deductions are based on the actual pay date of the payroll.

3. Which payroll deductions are halved when taken on a biweekly payroll?

The insurance deductions (BL, MED, DEN, VIS, OL, ADD, LTD, and DL), spending accounts, court ordered deductions, English Proficiency deductions, tax-sheltered annuities (fixed amount option), deferred compensation plans (fixed amount option), User Service Fees, Texas Protects, and parking fees are halved prior to being deducted for biweekly pay types **F**, **H** and **P**.

Employee Organization Fees, as well as deductions for the Credit Union, Charitable Contributions, Charitable Contributions – Higher Education and the Texas Tomorrow Fund are taken once a month on the second Biweekly Payroll.

4. How is the OASI covered wage calculated?

The gross pay amount is

increased by the following:

Longevity pay;
Emolument, and;

decreased by the following:

Pre-tax Health employee pre-tax amount;
Pre-tax Dental employee pre-tax amount;
Pre-tax Vision employee pre-tax amount;
Pre-tax ADD employee pre-tax amount;
Spending account deduction for health care;
Spending account deduction for dependent care, and;
Spending account administration fees.

5. How is the amount to be withheld for the Extended Pay Plan (EPP) calculated?

There are two options for withholding for Extended Pay Plan (EPP). The first option (**DED-CD 1**) withholds at a rate of 12.5% and is designed for employees with a 10.5 month appointment. Three equal summer checks will be generated regardless of when the employee is scheduled to work. The second option (**DED-CD 2**) withholds at a rate of 25% and is designed for employees with a 9-month appointment. Again, three equal summer checks will be generated to return the withholdings to the employee.

The calculation incorporates an insurance component to equalize the employee's final take home pay. Employees participating in EPP are also required to have their summer insurance premiums paid in advance through payroll deductions in the month of May. (The insurance deduction codes (DED-CD) should be set to 1.) To maintain an even cash flow, an additional 25% of the employee's out of pocket insurance premium is withheld each month toward the summer insurance premiums. Thus, the employee will not have to find additional funds or have to pay insurance premiums from his/her summer paychecks.

An example of the calculation for EPP Option 1 is as follows:

$$\text{September - April Payroll (Net Pay) } 3,200.00 * (\text{Option 1 Rate}) .125 = 400.00$$

Insurance Deduction Employee Payments:	
Medical	50.00
Dental	75.00
Vision	20.00
Basic Life	0
Optional Life	0
Dependent Life	0
Long Term Care - Employee	90.00
Long Term Care - Spouse	70.00
Long Term Disability	0
Accidental Death & Dismemberment	<u>0</u>
	305.00 * .25 = <u>76.25</u>

$$\text{Total EPP withholding} = 476.25$$

The final take home check for the employee was $3,200.00 - 476.25 = 2,723.75$

In May, the calculation above takes place, except that the insurance deduction for the summer is taken from the net and the amount is then returned from his EPP funds (the additional 25% withholding of insurance each month). However, a second calculation takes place and returns three months of the insurance premium to the employee because it has already been withheld through the process described above. The final May calculation is:

$$\begin{array}{rcccl}
 3,200.00 & - & (915 & + & 476.25) & & + & 915 & = & 2,723.75 \\
 & & \uparrow & & & & & \uparrow & & \uparrow \\
 & & \text{3 months} & & & & & \text{3 months} & & \text{Final} \\
 & & \text{Summer Premium \& } & & & & & \text{premiums} & & \text{Take Home} \\
 & & \text{EPP deduction} & & & & & \text{already taken} & & \text{for May}
 \end{array}$$

The amount residing in the employee's EPP account at the end of May is 9 times 476.25, less the 3 months summer premium (915), or 3,371.25. This amount will be distributed in three (almost) equal payments of \$1,123.75.

This same employee under Option 2 would have a monthly take home pay of

$$\begin{array}{l}
 3,200.00 * .25 = 800.00 \\
 \text{Insurance withholding} = \underline{76.25} \\
 \text{Total EPP withholding} = 876.25
 \end{array}$$

$$\text{Final Take Home: } 3,200.00 - 876.25 = 2,323.75$$

The amount residing in the employee's EPP account is 9 times 876.25, less summer premiums (915), or 6,971.25. The amount to be distributed in the summer will be 3 equal payments of \$2,323.75.

6. How do I keep summer payroll fund corrections/adjustments from impacting EPP participants?

or

What does the following message on the P2Pay Error Report mean? “WRN * WILL ADJUST NET EPP ON SUMMER PYRL – N?”

This message is issued when a payroll cancellation and/or adjustment is being processed during the summer months for an employee who is participating in the Extended Pay Plan (EPP) and the EPP code is set to a **1** or a **2** in payroll maintenance.

This will cause the payroll process to generate a cancellation for the employee against his EPP account. MOST OFTEN, this is a mistake, as the cancellation/adjustment being processed should NOT affect the employees EPP funds. This will cause the employee NOT to receive all the funds that have been set aside for him/her to be distributed during the summer payroll periods. However, there are those rare situations where this adjustment of the EPP funds is required.

If the adjustment is NOT wanted, please change the EPP code on the payroll maintenance screens (correct source) to an **N**.

Moving a space to the flag causes the program to go to the Employee file to see if the employee is participating in the EPP program, and if he is, the flag is set to match what is in the Employee file. An **N** tells the program that this particular payroll source is NOT to have any EPP processing completed against it.

7. How is Court Ordered Deduction (Child Support) disposable income calculated?

Disposable income consists of an employee's gross pay plus longevity (LNG) and earned income credit (EIC), less the following:

- Social security (OASI and OAH);
- Civil service retirement (CSRS);
- Civil service Medicare (FIM);
- Teacher retirement (TRS);
- Optional Retirement (ORP);
- Supplemental Optional Retirement (SORP);
- Federal income tax (FIT);
- State income tax (SIT);
- Medical premium (MED);
- Dental premium (DEN);
- Vision premium (VIS); and,
- Long term disability premium (LTD).

8. When an employee does not have enough money on a payroll to have the health premium deducted, what is the status of the employer payment for the health premium? (i.e., is the employer payment made or taken)?

The total health premium is treated as one unit. If there is not enough money to take the employee deduction, then the employer payment is NOT taken either. No deduction information is reported to the employee on their earning statement.

9. How will an employee's pre-taxed health, dental, vision, or accidental death and dismemberment premium amount (tax-sheltered amount) be affected if the employee misses a payroll deduction and the computer automatically "catches up" on a subsequent payroll?

The amount to be sheltered from tax withholdings will be automatically adjusted by the payroll calculation program. It will be based on the number of months of employee premium deduction being made on that payroll.

10. How is the overtime rate calculated for biweekly employees?

The overtime rate to be paid is the employee's base rate *1.5. The base rate is made up of the employee's source hourly rate plus an hourly increment for any longevity and/or hazard duty pay the employee receives. The hourly increment for the longevity and/or hazard duty pay is calculated by multiplying the longevity and/or hazard duty pay by 12 and dividing the result by 2080. This is also equivalent to dividing the monthly longevity and/or hazard duty pay by 173.33.

For example:

Pay period February 23 through March 8

Employee normal rate of pay	=	9.03 / hour
Longevity pay	=	20.00 / month
Hazard duty pay	=	0.00 / month

Overtime longevity/hazard duty pay rate = $[(20.00 + 0.00) * 12] / (2080)$

= .12 / hour

Overtime rate	=	$(9.03 + .12) * 1.5$
	=	13.73 / hour

11. When are students paid? What are the processing options?

As of September 1, 1996, all work stations except Prairie View A&M University (PVAMU) process their student payrolls every two weeks with no special processing requirements.

PVAMU generally pays their student workers on the last biweekly pay date of each month. The normal biweekly pay periods are combined resulting in a 4-week pay period. FIT withholdings are adjusted for the monthly period.

12. On the W-2 forms, do TRS and/or ORP show as tax-sheltered amounts in Box 12?

No. TRS and/or ORP tax-sheltered deductions are non-elective. Employees do not have the option of determining if these deductions are to be taken on a before or after tax basis. These values do not show on the W-2.

13. How does an employee get a replacement copy of their Form W-2 they misplaced?

or

An employee's Form W-2 needs to be corrected. How do I process the correction and get it to them?

These are two closely related questions. Producing a copy or a replacement for the original Form W-2 produced is simply a matter of picking the option that meets the employee's needs as well as the capabilities of the payroll office.

- I. The payroll office can "type" a new replacement W-2 for the employee. (not recommended, but possible)
- II. The payroll office can request a replacement be printed using the old interface through WYLBUR – using the specified ID (K030ZZ), selecting the W-2 replacement option and entering the workstation and SSN(s) to be selected for printing. The B/P/P Operations Center will process the replacement W-2s, generally once a week. This process is available from February until mid-April.
- III. The payroll office can print a replacement for the employee through HRConnect (with HRConnect Administrator access) and send it to the employee.
- IV. The payroll office can ask the employee to print the replacement for himself from HRConnect. (This is the B/P/P Operations Center recommended option.)
- V. In the case that a correction must be processed for the employee, then the payroll office MUST first process the correction on BPP screen 307. This is

the same procedure used to enter corrections necessary to complete the initial Form W-2 distributed to employees for the tax year just completed.

If the Form W-2 correction is processed prior to the transmission of the W-2 data file to the Social Security Administration, the B/P/P Operations Center MUST be notified that the change has been entered into the B/P/P System and that a new replacement file MUST be created for that payroll office. The B/P/P Operations Center will then process the correction and rebuild the W-2 file for that payroll office. The updated file will then be forwarded to the HRConnect System and this system will process the updated file. Until that happens, the only option for a replacement form is option 1, which would NOT match the data file that would otherwise be sent to the Social Security Administration.

If the Form W-2 correction is processed after the W-2 file has been submitted to the Social Security Administration, the payroll office MUST process a Form W-2C. Hopefully, these types of corrections occur infrequently. There is no automated interface to communicate this change to the IRS and/or the Social Security Administration.

14. What are the necessary steps to take in order to pay a foreign national who does not have a Social Security Number?

Third Country Nationals are employees who are citizens of another country who do not physically work in the U.S. (they work for TAMU outside the U.S.). By law, they are not required to obtain a Social Security Number. However, as we need a number to identify each employee, the following method has been developed for use to identify these employees.

000-nn-xxxx

The nn is the two-digit part number and xxxx is the next sequential number. The first employee for Part 02 would be assigned the SSN of 000-02-0001.

As of May 1996, the Social Security Administration (SSA) does not assign numbers beginning with 000 or greater than 900. The SSA has indicated that numbers greater than 900 may be used at some future date.

For foreign nationals working inside the United States, A&M System regulations require that as a condition of employment, the foreign national must apply for and obtain a Social Security Number. Care must be taken when employing these individuals as we are required by federal law to pay them for work performed and to make appropriate tax withholding and reporting. Agencies and institutions establish their own rules with respect to when these individuals can actually perform work in relation to receiving their Social Security Number. The procedure described above may also be used for these individuals to assign a temporary SSN until the real SSN can be assigned and forwarded to the appropriate payroll office. Additional correction processing will be required to move payroll records from the temporary SSN to the valid SSN.

15. Why is someone who is coded as being eligible for longevity on Screen 101 in Personnel Maintenance not receiving the longevity pay?

To be eligible for longevity pay, several conditions must be satisfied. Generally, these conditions are that the employee:

- be budgeted as a full-time employee (100% effort);
- have a longevity eligibility status code of 'Y' (yes) or 'F' (fixed amount);
- not be paid from teaching sources;
- has completed two years (24 months) of state employment or service*, and;
- be paid for a payroll period including the first day of the month.

An employee in a position eligible to receive longevity pay should have the Longevity Eligibility Code set to Yes (**Y**). This eligibility is defined on Screen 101 in Personnel Maintenance. The B/P/P Operations Center recommends that the Longevity Flag be set to **Y** for all budgeted employees. If the employee is budgeted at less than a full-time effort (100%), the employee will not receive the longevity pay even if this eligibility code is set to **Y**.

Student and casual wage employees should have the eligibility code set to **N** (they do not work full time), as they are not in positions that would be eligible should all of the other conditions be met. Should a wage employee be moved to a budgeted position, several data fields should be changed at that time, one of those being the Longevity Eligibility code.

The employee must complete two years (24 months) of eligible state service prior to receiving longevity pay. A month of service is credited to the employee at the end of each month in which the employee works, as long as the employee was employed on the first work day of the month. Longevity pay is calculated starting with the 25th month of employment. If the employee were hired on September 1, 2003, longevity pay would first be paid for the payroll period including September 1, 2005.

Another condition that must be met is that no pay received for the pay period can be from teaching sources (faculty salaries). The object classes that define faculty salaries are 1410, 1415, and 1425. College Work-Study student salaries are also excluded based on object class codes 1745, 1746, 1747, 1750, 1751, 1755, 1756 and 1759. This check is made during the payroll calculation process.

Longevity pay is only calculated for pay types **B, F, H, I, and L**. This check is made during the payroll calculation process. Longevity pay can be forced on other pay types by entering extra deduction(s) for the amounts to be processed.

The "period includes first day of the month" flag (LNG-CD on the Payroll Maintenance (Screen in the 500 series)) **MUST** be set to 'Y'. This flag indicates that the longevity pay is to be calculated for the payroll source record. The B/P/P System will automatically set this flag for payroll source records it builds. Payroll Office personnel must set this flag for records they add manually to the payroll. They must be sensitive to the payroll period being processed and the employee's longevity status to ensure proper longevity pay calculation.

Just as a note, longevity pay is prorated across all of the payroll sources for the employee. If an employee has two sources and they each pay 50% of the employee's salary, then each source will be charged \$10.00, given that the employee is entitled to \$20.00 longevity.

Individuals who retired from state service **before June 1, 2005** and returned to work for the state **prior to September 1, 2005** are eligible to receive longevity pay at the rate they were eligible for immediately prior to September 1, 2005. However, their rate of longevity pay is **not** to increase. This group of working retirees (employees) should have the Longevity Eligibility status code set to **F**. This code will allow longevity to continue to be paid, however, the Longevity months of service accumulator will remain **Fixed** and additional service will be accumulated against the new **RET** (Retiree Months of Service) field. This new field will be used in the calculation of total months of service for purposes of annual leave accrual by LeaveTraq.

Individuals who retire from state service **after June 1, 2005** and return to work for the state **are NOT eligible** to receive longevity pay after September 1, 2005. This group of working retirees (employees) should have the Longevity Eligibility status code set to **R**. This code will cause longevity to **NOT** be paid, while at the same time start to accumulate their state service in a separate accumulator (the **RET** - Retiree Months of Service field). This new RET Months of Service field will maintain state service earned following retirement and will be used as the basis for leave accrual by LeaveTraq following August 31, 2005 for employees with this Longevity Status code.

* Prior to September 1, 2001, longevity was paid in five (5) year increments. Effective September 1, 2001, the basis for the calculation was moved to three (3) years. Effective September 1, 2005, the basis for the calculation was moved to two (2) years. This description above has been modified to reflect the 2-year basis.

16. How can full time staff be paid for a supplemental teaching "position" so that he/she will not lose his/her longevity pay?

Although persons paid from academic or teaching funds are not generally eligible for longevity pay, the Office of the General Counsel has advised that this exclusion does not apply to a person who works 40 hours a week in a nonacademic job and teaches a class as a second job. This is a dual employment situation in which the employee is fully eligible for longevity pay in one position. The existence of the second, academic position does not affect the first position's eligibility for longevity pay.

If a person teaches as part of his/her regular, full-time job, he/she is not eligible for longevity pay. In some cases, administrative employees accept a teaching assignment during the normal work hours and do not make up the time missed from the administrative position. In this case, the administrative position becomes less than full time and ineligible for longevity pay.

To continue to pay longevity, payroll activity must be constructed so as to not violate the rules for longevity pay calculation presented in the question 13 above. There exists more than one option available to pay longevity, depending on the approach which best suits the procedures of each member.

The most labor intensive method is to add a source for the faculty pay to the employee's regular payroll and to include an extra deduction for the longevity pay. This has some adverse fiscal impacts as well, especially associated with employer benefit charges being charged back against this teaching salary source. This source would pick up employer charges for longevity, insurance premiums, etc.

The most common approach (and the BPP recommendation) is to make the payments for this activity on a supplemental voucher or separate payroll processing. This would isolate these payments and keep the employee's employer benefit charges from being shared by this faculty appointment. No action would be required to ensure that longevity pay was being calculated properly. A processing standard could be established calling for these payments to occur on the last biweekly payroll each month and to use a pay type of **J** or **M**, depending upon whether a check or ACH payment is desired.

17. How is longevity/retiree/hazard duty months of service credited each month? Why do some employees have more than one?

Longevity Pay was implemented in 1982 by the State of Texas as an additional benefit to reward long-term employees for their service. Over the years the regulations governing the payment of this item have been changed and refined as experience and need has arisen.

The basic premise behind Longevity was that for each month of service (work) for the state, an employee would receive a month of service credit. Upon the completion of 5 years (initial program), the employee would be eligible for an additional \$20 per month. Upon completion of each additional 5 year increment, an additional \$20 per month was earned. Effective in September 2001, the basis for the program was changed from a five (5) year basis to a three (3) year basis. In September 2005, the program was changed again to a two (2) year basis.

The concept above sounded simple, but a basic sticky point has continued to be what constitutes a month of service. Initially, working any portion of a month was sufficient to earn credit for that month.

Effective in June 1987, the state modified the eligibility and payment calculations for longevity and hazard duty pay. Prior to this date, employees received either one or the other and months of state service were accumulated without regard as to the type of job an employee performed. Since that date, months of state service and hazard duty months are accumulated and maintained separately. Basically the same rules apply to the accumulation of both Longevity and Hazard Duty months of service. If an employee has a job eligible for hazard duty pay, then the months of state service are credited here and not credited toward longevity pay. The Hazard Duty status code controls where a month of state service is credited. If the code is 'Y', then the month is credited to Hazard Duty.

Effective in March 1995, the calculation of months service credit was modified to only accumulate a month of service if the employee's original employment start date occurred prior to or on the first day of the month being processed. Otherwise, the employee was not given credit until the next month for the service completed. The intent was to insure that the employee had completed a full month (defined as the same date from one month to the next) of service prior to being granted a month of service.

Effective in April 2003, the process of crediting months of service was further refined to look at the first working day of the month, as opposed to the actual first day of the month. If the employee was employed (started work) on the first day of the month or the first working day of the month, then a month of service credit is given for the entire month.

The state requires that state service be determined by counting actual days, months and years of employment with the state. In some cases, the A&M System awarded employees a full month of service credit for the month of hire, even if the employee did not work the entire month. In addition, for employees who had a break in service, the last partial month of employment may have been counted as a full month of service (instead of recording actual days paid).

Effective June 2005, a new field was established to maintain months of service awarded after an employee retires. For employees who retired after this date, this service is used to calculate their annual leave accrual. They are no longer entitled to have their leave accrual based on their total state service. A Longevity Eligibility Status Code of 'F' or 'R' will cause the month of service to be credited in the Retirement (RET) months of service field. Otherwise, it will be added to the Longevity (LNG) months of service field.

Currently, an employee can receive both longevity and hazard duty if he is in a hazard duty position and has completed at least two years of state service in jobs outside of those eligible for hazard duty pay. However, the longevity months of service will not change until the employee terminates his job eligible for hazard duty pay. (Refer to #18, Example #2)

When an employee transfers to a non-hazard duty position, the hazard duty months of service should be zeroed out and the longevity months increased by the hazard duty months of service. Also, the hazard duty deduction code MUST be changed to **N**. Similarly, new employees eligible for hazard duty pay with previous state service eligible for this pay should have this service identified and entered separately into the B/P/P System.

When an employee starts to work in a position eligible for hazard duty pay, the Hazard Duty Pay Eligibility Flag should be changed to a **Y**, even though he will not receive hazard duty pay until he has completed twelve (12) months of service. This will allow for the proper accumulation of months of service.

To pay hazard duty to an employee, please submit a Hazard Duty Transmittal Form to the B/P/P Operations Center. Additionally, the hazard duty deduction code and months of state service must be entered on Screen 101 of Personnel Maintenance. It is also necessary to notify the B/P/P Operations Center when the employee receiving hazard duty pay retires or terminates.

18. What is the relationship between longevity and hazard duty pay? How should months of service for each be recorded?

An employee can receive credit for both longevity and hazard duty pay, based on the number of months worked in each type of position. The number of months of service in each type of position is recorded on Screen 101 in the Personnel Maintenance.

For example, an employee went to work for the Police Department as a clerk on July 1st, 1998, six months later, the employee moves into a Police Officer's position. As of August 1999, this employee would be credited with the following:

LONGEVITY Y 006	HAZARD-DUTY Y 008
(July 1-Dec. 31, 1998)	(Jan. 1-Aug. 31, 1999)

In the following example, the employee would receive both longevity and hazard duty pay:

An employee has 62 months of full time state service where he was not paid from any type of teaching source funds. He also has 14 months of state service in a position that is eligible for hazard duty pay. Screen 101 would reflect:

LONGEVITY Y 062	HAZARD-DUTY Y 014
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This employee would receive \$20 per month (for every 24 months, or a total of \$40) for his longevity and \$10 per month for hazard pay (for every 12 months, or a total of \$10). Remember, the employee must complete 12 months in a position eligible for hazard duty before receiving any hazard duty pay.

When a person receiving hazard duty pay transfers to a non-hazard duty position, the hazard duty months of service should be zeroed out and the longevity months increased by the hazard duty months of service. Also, the hazard duty code **MUST** be changed to **N** so that the accumulation of service months goes to longevity.

The discussion above assumes that the employees are not also working retirees. For working retirees, please review Question 15 above as new laws went into effect June 1, 2005.

19. What updates take place in the Personnel Maintenance on Screen 101 as a result of "normal" payroll processing?

"Normal" payroll processing means that the payroll source record was originally built by batch programs processing against the Active Budget file through to the Permission-to-Pay (P2PAY) file. These records can be changed as needed by authorized payroll office personnel, but the source must have originated from the Active Budget file. This means that the payroll source was **NOT** built directly in the P2PAY file using the Add Source function from Payroll Maintenance. Generally, these payroll source records will have a pay type of **B, H, F, or P**.

All of the data fields listed below are NOT updated from a payroll source wage record PIN (PIN w/o PIN Sequence Number - like 'S ') if the PIN field on Screen 101 has a budgeted pin (like S00020).

The fields that are automatically updated on Screen 101 as a result of normal payroll processing include:

- ADLOC
- Pay Indicator
- Last Budget Action
- Last Budget Action Date
- How Attained Code (if promotion, TARL only)
- Last Promotion Date (if promotion, TARL only)
- Budgeted Salary
- FTE Salary
- Percent Effort (not for TCE and WTAM)
- Annual Term (not for WTAM)
- Current Title Code
- Previous Title Code (if changing title)
- EEO Job Category
- Student/Staff/Faculty Code
- PIN

As a general rule, changes must be made in the Active Budget Maintenance before the second monthly Budget Verification Document (BVD) or the generation of the biweekly Payroll Preparation Report (PPR) to effect a change on the Personnel Maintenance File.

For Texas A&M University - Kingsville, the updates are made for sources with pay types **B, H, F, R, P** or **K**.

For Texas A&M University - Corpus Christi, no updates take place from graduate assistant or adjunct Pins (Pins > I89999) if Screen 101 has a regular Pin (Pin < I90000).

20. Which fields in the Personnel Maintenance are automatically updated as a result of normal budget entry (Form 500 processing)?

Automatic updating of the Personnel Maintenance occurs from entry in the Active Budget when an employee is terminated or retires. The Occupant Action field in the Active Budget must contain **IT, VT** or **RE** in order for any updating to occur in the Personnel Maintenance. Excluded from this updating are workstations **G, L**, and **W** retirees, and any wage employee whose personnel record shows the occupant in a budgeted position.

The following fields are automatically updated:

EEO TERMINATION CODE - Set to OCCUPANT ACTION on the Active budget for terminations.

DATE TERMINATED OR RETIRED - Set to EFFECTIVE END DATE on Active budget

EMPLOYEE STATUS CODE - Set to **R** if there is a retirement date on the Personnel Maintenance. Otherwise, it is set to **T**.

SGIP ELIGIBILITY - Not updated if it is a **W** or an **R**. If it is a **4**, then it is changed to **R**. Otherwise, it is changed to **N** for terminations and **R** for retirements.

21. What is FIT-LOCK?

This field is used to protect the terminal user from inadvertently changing the FIT marital status and/or the number of dependents (exemptions) field. IRS regulates the tax withholding status of each employee with this flag set - they are under some type of IRS or court order. It **MUST NOT** be changed without permission from the IRS. Otherwise, the employer is responsible for the additional tax liability that may be incurred.

22. What are the purposes of the reports produced during month-end processing dealing with the foreign national tax status? Do I have to make any corrections or is everything automatically updated for me?

The month end TAX TREATY PROGRAM AUDIT REPORT (produced by BP8024) consists of the following two parts:

(1) EMPLOYEES WHO MAY LOSE TREATY BENEFITS

This report is designed to identify those individuals who are about to lose their foreign national tax exemption due to some change in their tax status, such as:

Exceeding limits on the maximum presence test, or;

Exceeding the lifetime maximum earnings limitations. You **MUST** change the FIT deduction code located on the Federal Tax Screen (102) in the Personnel Maintenance for these employees to **Y** before the first payroll of the following month is calculated.

The employee may also become ineligible for treaty benefits when their title code or visa type change. For instance, students moving to a teaching position may not claim benefits from student treaties (income code 19) any longer.

Those that are eligible, as teachers or researchers, you must change their income code to 18 in order to claim benefits under the current treaty code. Individuals in this category are still tax-exempt under the new rule.

Otherwise, the FIT deduction code should be a **Y** so that taxes will be withheld.

Students with an F1 visa in practical training may use both types of treaty. No change is necessary for them to continue their exempt status. The student will continue to show up as an error during this practical training period.

(2) EMPLOYEES WHO MAY EXCEED THE ANNUAL MAXIMUM EARNINGS

This report is designed to identify foreign nationals currently claiming benefits under certain tax treaties that have annual maximum income levels. The payroll calculation program automatically withholds taxes from earnings when the earnings exceed the maximum allowed entered on the current W4 on file. The report will produce a list identifying those employees whose year-to-date earnings are about to exceed the treaty maximums in the following pay period. This report also generates labels so that these individuals can be notified before any taxes are withheld.

Do NOT change their FIT deduct code from **F** to **Y** because this condition is temporary and the employee will again be eligible for benefits at the start of the new calendar year, given that the employee files the necessary tax exemption form before the mid-November cutoff date.

Leaving the FIT deduct code set to **F** also insures that the employee will be included in the notification process for re-filing IRS form 8233; claiming exemption for the next year. Exemption Forms are processed at the end of each calendar year.

You MUST update the exemption date on Screen 102 in Personnel Maintenance to reflect the date that the new Form 8233 was received.

23. What are the criteria that determine whether or not a particular payroll deduction is calculated on a payroll?

Basic Definition: For biweekly payrolls, accounting period ending date is the pay date. (Except for the last biweekly payroll for a fiscal year, the accounting period ending date for that payroll is 8/31.) For monthly payrolls, accounting period ending date is the pay period ending date.

ADD The Accidental Death and Dismemberment Insurance premium is calculated for pay types **B, L, H, and I**.

- The deduction code in the Personnel Maintenance must be:
 - 1** - nine month deduction basis (deduct four months in May);
 - 2** - twelve month deduction basis;
 - 3** - nine month deduction basis (bill for summer premiums), or;
 - 4** - twelve month deduction basis (working retiree).
- The ADD start date must be prior to or equal to the accounting period ending date.
- The ADD stop date must be later than or equal to the accounting period ending date.

- A premium due date is used to calculate the number of months for which a premium is due. The premium due date must be less than or equal to the first day of the month of the pay period start date.
- Should an employee miss a payroll, the due date would not be advanced and any premiums missed would be collected in subsequent months.
- The total deduction is divided in half on biweekly payrolls.
- If there are more than two biweekly paydays in a month, the deduction is taken only on the first and second paydays.

ANU A Tax Sheltered Annuity (ANU) payment is calculated for pay types **B, L, I, H** and **F**.

- The ANU deduction code in the Personnel Maintenance must be a:
 - 1 - to compute the deduction from September through May only, or;
 - 2 - to compute the deduction during the entire year.
- The ANU start date must be prior to or equal to the pay date of the payroll.
- The ANU stop date must be later than or equal to the pay date of the payroll.
- On fixed amount annuities only (not on percentage annuities), the deduction is divided in half on biweekly payrolls.
- If there are more than two biweekly paydays in a month, the deduction is taken until the full employee deduction has been met for the “**F**”ixed option.
- No provision has been made to automatically make up deductions that are missed. There is a check to make sure that no more than one month's deduction is taken via normal calculation process. Additional amounts may be deducted via extra deductions.
- A deduction will be taken always with the percentage option.

BL The Basic Life Insurance premium is calculated for pay types **B, L, H,** and **I**.

- The BL deduction code in the Personnel Maintenance must be:
 - 1 - nine month deduction basis (deduct 4 months in May);
 - 2 - twelve month deduction basis;
 - 3 - nine month deduction basis (bill for summer premium), or;
 - 4 - twelve month deduction basis (working retiree).
- The BL start date must be prior to or equal to the accounting period ending date.
- The BL stop date must be later than or equal to the accounting period ending date.
- A premium due date is used to calculate the number of months for which a premium is due. The premium due date must be less than or equal to the first day of the month of the pay period start date.
- Should an employee miss a payroll, the due date would not be advanced and any premiums missed would be collected in subsequent months.

BOND The U.S. Savings Bond payment is calculated for pay types **B, L, I, H** and **F**.

- The BOND deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The BOND stop date must be later than or equal to the pay date of the payroll.
- No provision has been made to automatically make up deductions that are missed.

BNKR A Court Ordered Deduction is calculated for pay types **B, L, I, H** and **F**.

- The COD deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The COD start date must be prior to or equal to the accounting period ending date.
- The COD stop date must be later than or equal to the accounting period ending date.
- The total amount of the deduction is divided in half on the biweekly payrolls.
- If there are more than two biweekly paydays in a month, the deductions are usually taken only on the first and second paydays. (The end of the Fiscal Year may require the deduction to be taken on the third payroll.)
- No provision has been made to automatically make up deductions that are missed.

CHAR A Charitable Organization contribution is calculated for pay types **B, L, I, H** and **F**.

- The CHAR deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The CHAR start date must be prior to or equal to the pay date of the payroll.
- The CHAR stop date must be later than or equal to the pay date of the payroll.
- The total amount is taken on the second biweekly payday.
- No provision has been made to automatically make up deductions that are missed.

CHE A Charitable Contribution - Higher Education is calculated for pay types **B, L, I, H** and **F**.

- The CHE deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The CHE start date must be prior to or equal to the pay date of the payroll.
- The CHE stop date must be later than or equal to the pay date of the payroll.
- The total amount is taken on the second biweekly payday.
- No provision has been made to automatically make up deductions that are missed.

COD A Court Ordered Deduction is calculated for pay types **B, L, I, H** and **F**.

- The COD deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The COD start date must be prior to or equal to the accounting period ending date.
- The COD stop date must be later than or equal to the accounting period ending date.
- The total amount of the deduction is divided in half on the biweekly payrolls.
- If there are more than two biweekly paydays in a month, the deductions are usually taken only on the first and second paydays. (The end of the Fiscal Year may require the deduction to be taken on the third payroll.)
- No provision has been made to automatically make up deductions that are missed.

CSRS The deduction for the Civil Service Retirement System is calculated for Pay Types **B, L, I, H, F, P, J, K, M** and **X**.

- The CSRS deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- This particular deduction is taken on all payrolls.
- No provision has been made to automatically make up deductions that are missed.

CU(AF) The Credit Union and Credit Union Administrative Fee are calculated for pay types **B, L, H** and **F**.

- CU stop date must be later than or equal to the accounting period ending date.
- The CU deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The CU start date must be prior to or equal to the accounting period ending date.
- The entire amount is taken on the second biweekly payday.
- No provision has been made to automatically make up deductions that are missed.
- Only one Credit Union deduction amount will be processed for a month based on internal 'deduction taken' flag.

DEN A Dental Insurance premium is calculated for pay types **B, L, H,** and **I**.

- The DEN deduction code in the Personnel must be:
 - 1** - nine month deduction basis (deduct 4 months in May);
 - 2** - twelve month deduction basis;
 - 3** - nine month deduction basis (bill for summer premium), or;
 - 4** - twelve month deduction basis (working retiree).
- The DEN start date must be prior to or equal to the accounting period ending date.
- The DEN stop date must be later than or equal to the accounting period ending date.
- A premium due date is used to calculate the number of months for which a premium is due. The premium due date must be less than or equal to the first day of the month of the pay period start date.
- Should an employee miss a payroll, the due date would not be advanced and any premiums missed would be collected the subsequent months.
- The deduction is divided in half on the biweekly payrolls.

- If there are more than two biweekly paydays in a month, the deduction is taken only on the first and second paydays.

DL The Dependent Life Insurance premium is calculated for pay types **B, L, H, and I.**

- The DL deduction code in the Personnel Maintenance must be:
 - 1** - nine month deduction basis (deduct 4 months in May);
 - 2** - twelve month deduction basis;
 - 3** - nine month deduction basis (bill for summer premium), or;
 - 4** - twelve month deduction basis (working retiree).
- The DL start date must be prior to or equal to accounting period ending date.
- The DL stop date must be later than or equal to the accounting period ending date.
- A premium due date is used to calculate the number of months for which a premium is due. The premium due date must be less than or equal to the first day of the month of the pay period start date.
- Should an employee miss a payroll, the due date would not be advanced and any premiums missed would be collected in subsequent months.
- The deduction is divided in half on the biweekly payrolls.
- If there are more than two biweekly paydays in a month, the deduction is taken only on the first and second paydays.

EIC An Earned Income Credit (EIC) is not a deduction, but rather a tax credit. It is calculated for pay types **B, L, I, H, F, P, J, K, M, T, U, V** and **X.**

- The EIC deduction code in the Personnel Maintenance must be either:
 - A** - Single or head of household
 - B** - Married without spouse filing certificate
 - C** - Married with both spouses filing certificate
 - Blank** - Do not calculate EIC
 - N** - Do not calculate EIC
- The entire amount is always paid each payday.
- It functions almost like a negative federal income tax withholding.
- No provision has been made to automatically make up credits that are missed.

ENGL The deduction for English Language is calculated for pay types **B, L, H,** and **I.**

- The ENGL deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The ENGL start date must be prior to or equal to the accounting period ending date.
- The ENGL stop date must be later than or equal to the accounting period ending date.
- If there are more than two biweekly paydays in a month, the deduction is taken only on the first and second paydays.
- No provision has been made to automatically make up deductions that are missed.

EORG Employee Organization dues are calculated for pay types **B, L, I, H** and **F.**

- The EORG deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The EORG start date must be prior to or equal to the accounting period ending date.
- The EORG stop date must be later than or equal to the accounting period ending date.
- The full amount is taken on the second biweekly payday.
- No provision has been made to automatically make up deductions that are missed.

EPP The Extended Pay Plan reduces an employee's NET Pay by a specified percentage during the academic year in order to spread the payment through the summer months. It is calculated for pay types **B, L, H, and I**.

- The EPP deduction code in the Personnel Maintenance must be:
 - 1 - withhold 12.5% of NET towards summer payments, or;
 - 2 - withhold 25% of NET toward summer payments.

FIA The premium for Federal Life Insurance - Option A is calculated for pay types **B, L** or **I**.

- The FIA deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- No provision has been made to automatically make up deductions that are missed.

FIB The premium for Federal Life Insurance - Option B is calculated for pay types **B, L** or **I**.

- The FIA deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- No provision has been made to automatically make up deductions that are missed.

FIC The premium for Federal Life Insurance - Option C is calculated for pay types **B, L** or **I**.

- The FIA deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- No provision has been made to automatically make up deductions that are missed.

FIM Federal Insurance - Medicare is a tax calculated for pay types **B, L, I, H, F, P, J, K, M, T, U, V** and **X**.

- The FIM deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The tax is taken out on all payrolls and is adjusted by the year-to-date total.
- The deduction calculation for each payroll is based on all prior year-to-date deductions. (See example calculation for OASI in this question).

FIR Federal (Life) Insurance - Regular is a tax calculated for pay types **B, L** or **I**.

- The FIR deduction code in the Personnel Maintenance must be **Y** - compute deduction.

- No provision has been made to automatically make up deductions that are missed.

FIT Federal Income Tax is calculated for pay types **B, L, I, H, F, P, J, K, M, T, U, V** and **X**.

- The FIT deduction code in the Personnel Maintenance must be:
 - T** - tax employee's total income (ignore exemption amount), or;
 - Y** - compute tax in normal manner (include additional amount, if any).
- The tax is taken out on all payrolls.
- No provision has been made to automatically make up deductions that are missed.

LEVY Deduction Option - Federal Income Tax levies are calculated for pay types **B, L, I** and **H**.

D

- The LEVY deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The LEVY deduct option must be a **D**.
- The LEVY start date must be prior to or equal to the accounting period ending date.
- The LEVY stop date must be later than or equal to the accounting period ending date.
- The deduction amount is taken in addition to calculated FIT withholding amount.
- No provision is made to automatically make up deductions that are missed.

LEVY Exemption Option - Federal Tax Levies are calculated for pay types **B, L, H, F, K, I, J, P, M, T, U, V** and **X**.

E

- The LEVY deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The LEVY deduct option must be a **E**.
- The LEVY start date must be prior to or equal to the accounting period ending date.
- The LEVY stop date must be later than or equal to the accounting period ending date.
- The deduction amount on the Personnel Maintenance will be the NET-Pay for the employee. The actual deduction will be the difference in the Gross - allowed deductions and the resulting Net Pay amount specified.
- No provision is made to automatically make up deductions that are missed.

LNG This particular item (Longevity Pay) is not a deduction, but rather a payment to the employee. It is calculated for pay types **B, L, I, H, F** and **X**.

- The entire amount is paid when the pay period contains the first day of the month.

LTCE The premium for Long Term Care - Employee is calculated for pay types **B, L, H,** and **I**.

- The deduction code in the Personnel Maintenance must be:
 - 1** - nine month deduction basis (deduct 4 months in May);
 - 2** - twelve month deduction basis, or;

3 - nine-month deduction basis (bill for summer premium).

- The LTCE start date must be prior to or equal to the accounting period ending date.
- The LTCE stop date must be later than or equal to the accounting period ending date.
- A premium due date is used to calculate the number of months for which a premium is due. The premium due date must be less than or equal to the first day of the month of the pay period start date.
- Should an employee miss a payroll, the due date would not be advanced and any premiums missed would be collected in subsequent months.
- The deduction is divided in half on biweekly payrolls.
- If there are more than two biweekly paydays in a month, the deduction is taken only on the first and second paydays.

LTCS The premium for Long Term Care - Spouse is calculated for pay types **B, L, H, and I.**

- The LTCS deduction in the Personnel Maintenance must be:
 - 1** - nine month deduction basis (deduct 4 months in May);
 - 2** - twelve month deduction basis, or;
 - 3** - nine-month deduction basis (bill for summer premium).
- The LTCS start date must be prior to or equal to the accounting period ending date.
- The LTCS stop date must be later than or equal to the accounting period ending date.
- A premium due date is used to calculate the number of months for which a premium is due. The premium due date must be less than or equal to the first day of the month of the pay period start date.
- Should an employee miss a payroll, the due date would not be advanced and any premiums missed would be collected in subsequent months.
- The deduction is divided in half on biweekly payrolls.
- If there are more than two biweekly paydays in a month, the deduction is taken only on the first and second paydays.

LTD The premium for Long Term Disability is calculated for pay types **B, L, H, and I.**

- The LTD deduction in the Personnel Maintenance must be:
 - 1** - nine month deduction basis (deduct 4 months in May);
 - 2** - twelve month deduction basis, or;
 - 3** - nine-month deduction basis (bill for summer premium).
- The LTD start date must be prior to or equal to the accounting period ending date.
- The LTD stop date must be later than or equal to the accounting period ending date.
- A premium due date is used to calculate the number of months for which a premium is due. The premium due date must be less than or equal to the first day of the month of the pay period start date.
- Should an employee miss a payroll, the due date would not be advanced and any premiums missed would be collected in subsequent months.
- The deduction is divided in half on biweekly payrolls.
- If there are more than two biweekly paydays in a month, the deduction is taken only on the first and second paydays.

- MED** The premium for Medical Insurance is calculated for pay types **B, L, H,** and **I**.
- The MED deduction code in the Personnel Maintenance must be:
 - 1 - nine month deduction basis (deduct 4 months in May);
 - 2 - twelve month deduction basis, or;
 - 3 - nine month deduction basis (bill for summer premium);
 - 4 - twelve month deduction basis (working retiree).
 - The MED start date must be prior to or equal to the accounting period ending date.
 - The MED stop date must be later than or equal to the accounting period ending date.
 - A premium due date is used to calculate the number of months for which a premium is due. The premium due date must be less than or equal to the first day of the month of the pay period start date.
 - Should an employee miss a payroll, the due date would not be advanced and any premiums missed would be collected in subsequent months.
 - The deduction is divided in half on biweekly payrolls.
 - If there are more than two biweekly paydays in a month, the deduction is taken only on the first and second paydays.

- OAH** The Old Age Health Insurance (Medicare - OAH) tax is calculated for pay types **B, L, I, H, F, P, J, K, M, T, U, V,** and **X**.
- It is taken on all payrolls and is adjusted by the year-to-date total.
 - The deduction calculation for each payroll is based on all prior year-to-date deductions. (See illustration for OASI, except the percentage used is 1.45% instead of 6.2% and the covered wage cap does not apply.)

- OAS** The Old Age Survivors Insurance (OASI) tax is calculated for pay types **B, L, I, H, F, P, J, K, M, T, U, V,** and **X**.
- The deduction code in the Personnel Maintenance must be **Y** - compute OASI, subject up to cutoff less exempt amount.
 - The deduction calculation for each payroll is based on all prior year-to-date deductions.
 - It is calculated on all payrolls and is adjusted by the year-to-date total as illustrated:

A. Add Current Payroll Covered Wage to YTD Covered Wage to get New YTD Covered Wage:

YTD Covered Wage
+ Current Payroll Covered Wage
New YTD Covered Wage

B. Multiply New YTD Covered Wage by 6.2% to get New YTD Deduction:

New YTD Covered Wage
x 0.062
New YTD Deduction

C. Subtract YTD Deduction from New YTD Deduction to get Current Payroll Deduction

New YTD Deduction
- YTD Deduction

***Current Payroll Deduction**

- * Once the Covered Wage Cap is exceeded, the deduction is not taken for wages above the Cap for the remainder of the calendar year.

- OL** The premium for Optional Life Insurance is calculated for pay types **B, L, H, and I**.
- The MED deduction code in the Personnel Maintenance must be:
 - 1 - nine month deduction basis (deduct 4 months in May);
 - 2 - twelve month deduction basis, or;
 - 3 - nine month deduction basis (bill for summer premium);
 - 4 - twelve month deduction basis (working retiree).
 - The OL start date must be prior to or equal to the accounting period ending date.
 - The OL stop date must be later than or equal to the accounting period ending date.
 - A premium due date is used to calculate the number of months for which a premium is due. The premium due date must be less than or equal to the first day of the month of the pay period start date.
 - Should an employee miss a payroll, the due date would not be advanced and any premiums missed would be collected in subsequent months.
 - The deduction is divided in half on biweekly payrolls.
 - If there are more than two biweekly paydays in a month, the deduction is taken only on the first and second paydays.
- ORP** The deduction for the Optional Retirement Program is calculated for pay types **B, L, I, H, F, P, J, K, M, and X**.
- The ORP deduction code in the Personnel Maintenance must be **Y** - compute deduction.
 - The ORP start date must be prior to or equal to the accounting period ending date.
 - The ORP stop date must be later than or equal to the accounting period ending date.
 - It is taken on all payrolls and is adjusted by the fiscal year-to-date total.
 - The deduction is based on covered wages being paid.
 - No provision is made to automatically make up deductions that are missed.
- PARK** The deduction for the Parking Fee is calculated for pay types **B, L, H, and I**.
- The deduction code and the deduction amount in the Personnel Maintenance are updated each month from a batch process before the first biweekly payroll is run each month.
 - These data elements associated with the Parking deduction are not accessible through a screen because the parking/security offices at each campus are responsible for determining their own parking fee structures and reconciling parking fees actually deducted with the fees requested for withholding.

- The deduction amounts stored in the B/P/P System are monthly deduction amounts, which is halved and taken over two payroll cycles for biweekly paid employees (calculated along with the insurance deductions). There is a check to make sure that no more than one month's deduction is taken via normal calculation process. Additional amounts may be deducted via extra deductions.

RTH A Roth 403(b) payment is calculated for pay types **B, L, I, H** and **F**.

- The RTH deduction code in the Personnel Maintenance must be a:
 - 1 - to compute the deduction from September through May only, or;
 - 2 - to compute the deduction during the entire year.
- The RTH start date must be prior to or equal to the pay date of the payroll.
- The RTH stop date must be later than or equal to the pay date of the payroll.
- On fixed amount annuities only (not on percentage annuities), the deduction is divided in half on biweekly payrolls.
- If there are more than two biweekly paydays in a month, the deduction is taken until the full employee deduction has been met for the “**F**”ixed option.
- No provision has been made to automatically make up deductions that are missed. There is a check to make sure that no more than one month's deduction is taken via normal calculation process. Additional amounts may be deducted via extra deductions.
- A deduction will be taken always with the percentage option.

SAAF The Spending Account Administrative Fee is calculated for pay types **B, L, H,** and **I**.

- The deduction code in the Personnel Maintenance for SADC and/or SAHC must be:
 - 1 - compute deduction during the academic year only (Sept. - May), or;
 - 2 - compute deduction during entire benefit year.
- The SAAF start date must be prior to or equal to the accounting period ending date.
- The SAAF stop date must be later than or equal to the accounting period ending date.
- The SAAF deduction is taken on the first biweekly payday of each month of those who have elected to participate in spending accounts.
- The premium due date is used to calculate the number of months for which the premium is due. The premium due date must be less than or equal to the first day of the month of the pay period start date.

- SADC** The deduction for the Spending Account - Dependent Care is calculated for pay types **B, L, H, and I**.
- The SADC deduction code in the Personnel Maintenance must be:
 - 1 - compute deduction during the academic year only (Sept. - May), or;
 - 2 - compute deduction during entire benefit year.
 - The SADC start date must be prior to or equal to the accounting period ending date.
 - The SADC stop date must be later than or equal to the accounting period ending date.
 - The deduction is divided in half on biweekly payrolls.
 - If there are more than two biweekly paydays in a month, the deduction is taken only on the first and second paydays.
 - The premium due date is used to calculate the number of months for which premium is due. The premium due date must be less than or equal to the first day of the month of the pay period start date.

- SAHC** The deduction for the Spending Account - Health Care is calculated for pay types **B, L, H, and I**.
- The SAHC deduction code in the Personnel Maintenance must be:
 - 1 - compute deduction during the academic year only (Sept. - May), or;
 - 2 - compute deduction during entire benefit year.
 - The SAHC start date must be prior to or equal to the accounting period ending date.
 - The SAHC stop date must be later than or equal to the accounting period ending date.
 - The deduction is divided in half on biweekly payrolls.
 - If there are more than two biweekly paydays in a month, the deduction is taken only on the first and second paydays.
 - The premium due date is used to calculate the number of months for which premium is due. The premium due date must be less than or equal to the first day of the month of the pay period start date.

- SIT** State Income Tax is calculated for pay types **B, L, I, H, F, P, J, K, M, T, U, V, and X**.
- The SIT deduction code in the Personnel Maintenance must be **Y** - compute deduction.
 - It is taken on all payrolls for employees living in California, New York, New Mexico, etc.
 - Texas presently has no state income tax for its residents.
 - No provision is made to automatically make up deductions that are missed.

STL1 A Student Loan Deduction is calculated for pay types **B, L, I, H, F, P, J, K, M, T, U, V,** and **X**.

- The STL1 deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The STL1 start date must be prior to or equal to the pay date of the payroll.
- The STL1 stop date must be later than or equal to the pay date of the payroll.
- The deduction is always calculated as a fixed percentage of disposable income.
- No provision is made to automatically make up deductions that are missed.
- Disposable pay is calculated as gross pay and longevity (OASI, OAH, FIT, SIT, MED, DEN, VIS, LTD, ADD, LTCE, SAHC, ORP, SORP, TRS)

STL2 A Student Loan Deduction is calculated for pay types **B, L, I, H, F, P, J, K, M, T, U, V,** and **X**.

- The STL2 deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The STL2 start date must be prior to or equal to the pay date of the payroll.
- The STL2 stop date must be later than or equal to the pay date of the payroll.
- The deduction is always calculated as a fixed percentage of disposable income.
- No provision is made to automatically make up deductions that are missed.
- Disposable pay is calculated as gross pay and longevity (OASI, OAH, FIT, SIT, MED, DEN, VIS, LTD, ADD, LTCE, SAHC, ORP, SORP, TRS)

TRS The deduction for the Teacher Retirement System is a deduction calculated for pay types **B, L, I, H, P, J, K, M,** and **X**.

- The TRS deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The TRS start date must be prior to or equal to the accounting period ending date.
- The TRS stop date must be later than or equal to the accounting period ending date.
- It is taken on all payrolls and is adjusted by the fiscal year-to-date total.
- The deduction calculation for each payroll is based on the covered wages.
- No provision has been made to automatically make up deductions that are missed.

TXPR The deduction for Texas Protects is calculated for Pay Types **B, L, I, H** or **F**.

- A record must exist on the BPP0010.METBILL file received monthly from MetLife.
- The deduction is divided in half on biweekly payrolls.
- If there are more than two biweekly paydays in a month, the deduction is taken only on the first and second paydays.
- If the first biweekly deduction (1/2) in a month was not taken, the whole deduction will be taken on the second biweekly payday. There is a check to make sure that no more than one month's deduction is taken via normal calculation process. Additional amounts may be deducted via extra deductions.

TTF The deduction for the Texas Tomorrow Fund is calculated for Pay Types **B, L, I, H,** and **F**.

- The TTF deduction code in the Personnel Maintenance must be **Y** - compute deduction.
- The entire amount is deducted on the second biweekly payday.
- No provision is made to automatically make up deductions that are missed.

USRF The deduction for User Services Fees calculated for pay types **B, L, I,** and **H**.

- The USRF deduction code in the Personnel must be:
 - 1 - nine month deduction basis (deduct 4 months in May);
 - 2 - twelve month deduction basis;
- The USRF start date must be prior to or equal to the accounting period ending date.
- The USRF stop date must be later than or equal to the accounting period ending date.
- The deduction is divided in half on biweekly payrolls.

VIS A Vision Insurance premium is calculated for pay types **B, L, I,** and **H**.

- The VIS deduction code in the Personnel must a:
 - 1 - nine month deduction basis (deduct 4 months in May);
 - 2 - twelve month deduction basis;
 - 3 - nine month deduction basis (bill for summer premium), or;
 - 4 - twelve month deduction basis (working retiree).
- The VIS start date must be prior to or equal to the accounting period ending date.
- The VIS stop date must be later than or equal to the accounting period ending date.
- A premium due date is used to calculate the number of months for which a premium is due. The premium due date must be less than or equal to the first day of the month of the pay period start date.
- Should an employee miss a payroll, the due date would not be advanced and any premiums missed would be collected the subsequent months.
- The deduction is divided in half on the biweekly payrolls.
- If there are more than two biweekly paydays in a month, the deduction is taken only on the first and second paydays.

24. A new-hire was entered as NOT being eligible for the ORP Supplement when, in fact, he WAS eligible. How do I correct this error?

Turning the SUPL-ELIG flag to **Y** on the Retirement Programs Screen 104 in Personnel Maintenance will cause the payroll calculation program to make any necessary corrections since the ORP deduction is adjusted by FYTD totals. The ACCOUNTING of any state reimbursement portion, however, must be adjusted manually since changing the flag from **N** to **Y** results in the payroll calculation program over-charging the amount due from the State (the base retirement value).

Example #1: On the Retirement Screen (**104**) for ORP:

ORP-SUPL Flag	N
FYTD-CE	2000.00
FYTD-PYMT	120.00 (2000.00 x 6%)

At this point, the above totals are correct and the accounting has been done accurately - the State may pay the entire match for the employer portion.

Example #2: When the Flag is changed to **Y** and another month's salary of \$1000.00 is paid, then the resulting screen will look like:

ORP-SUPL Flag	Y
FYTD-CE	3000.00
FYTD-PYMT	255.00 (3000.00 x 8.5%)

A problem in the accounting may be present if the base portion of the employer match is paid from a source other than where the agency or system ORP supplement is paid (in this example: from state general revenue funds).

The correct way to account for the \$255.00 payment is as follows:

\$255.00 (FYTD Total)
<u>-\$120.00</u> (Previous Employer Payment)
\$135.00 (Current Payroll's Matching Portion)

As a result of normal payroll processing:

\$ 95.30 is identified as being reimbursed by State Funds (6% of \$135)
<u>\$ 39.70</u> is identified as being covered by Local Funds (2.5% of \$135)
\$135.00

Adding these values to those from the previous payrolls, you get the following fiscal year to date balances:

\$215.30 (state paid employer match)
<u>\$ 39.70</u> (local paid employer match) \$255.00

The State should only be paying 6% of the total match, while 2.5% of the total match should come from local funds. As is, the State would be asked to reimburse a greater portion than they should, because they are responsible for only the 6% of this month's retirement, not the additional 2.5% for the previous 2 months that had been missed. Going back to the beginning of the employee's earnings and calculating what the employer payment should have been to that point in the year, you derive

$$\begin{array}{r} 6\% \text{ of FYTD Covered Wages } (\$3000) = \$180.00 \\ 2.5\% \text{ of FYTD Covered Wages } (\$3000) = \underline{\$ 75.00} \\ \$255.00 \end{array}$$

Thus, the state has been over-charged by \$35.30 as followed:

$$\begin{array}{r} \text{Actual payment from Gen. Rev.} \quad \$215.30 \\ \text{Correct State payment} \quad - \underline{\$180.00} \\ \text{Amount of overcharge to Gen. Rev.} \quad \$ 35.30 \end{array}$$

A journal entry should be made to correct the accounting by moving this \$35.30 from being charged to the state to being charged to the local account that pays the local employer matching.

25. **An incorrect Social Security Number has been entered in the Personnel Maintenance. How do I delete this record?**

It is impossible for a workstation to delete records from the Personnel Maintenance. The best thing to do is to make sure that the record is marked and corrective actions taken to prevent any or additional payroll activity from processing against this invalid number.

When it is determined that an employee record has an incorrect social security number (SSN), one of two conditions will exist. The first is that the employee has NOT had any payrolls processed against the incorrect SSN. In this case, simply make the necessary corrections to the records in the system to keep this record from being used in payroll processing. The second is that payroll has processed against the incorrect SSN. In this case, considerably more effort will be required to ensure that all data is 'moved' to the correct SSN.

The first step in correcting either of these situations is to check to see if the correct SSN already exists in the Personnel Maintenance. If it does, change the name field on the record with the incorrect SSN from **NAME** to **QQNAME**. This will flag the record for all users that the SSN is invalid and should not be used. If there has been payroll activity against both of these records, the information should be combined and stored on the record with the correct SSN in the Personnel Maintenance. This can be accomplished by processing payroll correction transactions to make the appropriate updates (the B/P/P Operations Center recommendation) or depending on the circumstances, manual adjustments can be made against the Employee file data to ensure accurate payroll deduction calculations for future payroll processing. In this second instance, contact the Manager of the B/P/P Operations Center for assistance and the special deduction update forms necessary to accomplish this task. Active Budget records with the incorrect SSN should also be updated. Retirement contributions to ORP/TDA Vendors and/or TRS will also have to be corrected and reported under the proper

SSN. At the end of the calendar year, during the processing of the Form W-2s, the W-2 information for both the incorrect and correct SSNs will have to be manually combined (through corrections to screen 307 - W-2 Changes Entry) to produce one final W-2 on the correct SSN for the entire year.

If a record with the correct SSN does not exist in the B/P/P System, there are two alternatives as to how best to correct the situation. One alternative is to use the **Transcribe** function on the Personnel Maintenance Menu (Screen 100), and copy the data residing in the Personnel Maintenance module of the B/P/P System to the correct SSN, and then change the name on the record with the incorrect SSN from **NAME** to **QQNAME**. This will flag the record for all users that the SSN is invalid and should not be used. Active Budget records with the incorrect SSN should also be updated. This alternative will require that you make manual adjustments to all of the reporting entities as described in the paragraph above. This transcribe function option is not recommended for Active employees who have had payroll activity against the old or incorrect SSN.

The second alternative is to manually build the record for the correct SSN in Personnel Maintenance. Again, update the Active Budget records with the correct SSN. Now, from payroll history, identify and summarize all payroll activity for the current calendar year and process payroll correction entries to zero out the FYTD and YTD accumulators in the employees Personnel Maintenance record for the invalid SSN and to update the appropriate values in the record with the correct SSN. This will have the effect of correcting all of the payroll activity and moving it to the valid SSN. Thus, no calendar year end (W-2 corrections) will be necessary for proper reporting to the SSA. Other updates to TRS and ORP/TDA Vendors will have to be coordinated just as above.

26. When will a new direct deposit assignment or a change in an existing direct deposit assignment go into effect?

If all of the data is input correctly, the assignment or change will be effective with the next payroll process calculation. This usually occurs 4 days prior to the actual pay date for biweekly payrolls and a week to 10 days prior to the monthly pay date

27. Will Accounting Analysis changes processed via the P2PAY Reporting affect ALL voucher types, including cancellations and adjustments?

Yes. The program matches on the account and accounting analysis field for all payroll source records and changes each match it finds, regardless of the voucher number or the Pay Type

28. A monthly paid non-exempt employee has accumulated all of the FLSA compensatory time allowed. There is a need to pay the employee for overtime hours worked. How do I enter this so that this payment is not on the Quarterly FTE Report?

The object class is the key to a payroll history record being selected for inclusion in the Quarterly FTE Report. If the object class indicates overtime (1730), then the

record is not processed. Therefore, enter a source record to process on a payroll (Add Source function in Payroll Maintenance) and use an object class of 1730. You will need to adjust the rate to 1 ½ the regular time rate

29. How is the Federal Income Tax calculated for biweekly payrolls with a pay period of other than 10 working days?

The federal income tax table is established for monthly and biweekly payroll periods. Whenever a payroll is processed for a different period, the FIT tax calculation is adjusted to make an appropriate tax withholding based on the payroll period being processed. This is accomplished by adjusting all of the numeric values on the FIT table except the percentage. The values are adjusted by multiplying them by the ratio or the actual numbers of days in the pay period divided by 10. The values adjusted are:

- Exemption or deduction value
- Minimum salary range value
- Maximum salary range value
- Amount to be subtracted

On a seven (7) day pay period, the values above would be multiplied by .7. The calculation then takes place using the adjusted values.

30. Which biweekly payroll are supplemental payments such as communication allowances processed on?

Supplemental payments, such as the communication allowance, are processed on the last biweekly payroll of the month. Typically, this is the second biweekly payroll of the month. If the month has three biweekly pay dates, the Supplements will be processed on the third biweekly payroll.

PAYROLL DEDUCTIONS TABLE

Deduction Pecking Order	Calculated for Pay Type	Based on Accounting Period or Pay Date	Always Taken, Taken with INSurances or Taken with COD	Halved on Biweekly Payroll	Adjusted by Due Date or YTD Total
LNG	BLIHFPJKMTUVX	N/A	When pay period has the first day of a month	No	No
EIC	BLIHFPJKMTUVX	Always	Always	No	No
OASI	BLIHFPJKMQTUVX	Always	Always	No	YTD Total
OAHI	BLIHFPJKMQTUVX	Always	Always	No	YTD Total
CSRS	BLIHFPJKMTUVX	Always	Always	No	No
FIM	BLIHFPJKMTUVX	Always	Always	No	YTD Total
TRS	BLIHFPJKMTUVX	Accounting Period	Always	No	FYTD Total
ORP	BLIHFPJKMTUVX	Accounting Period	Always	No	FYTD Total
SORP	BLIHFPJKMTUVX	Accounting Period	Always	No	FYTD Total
FIT	BLIHFPJKMTUVX	Always	Always	No	No
SIT	BLIHFPJKMTUVX	Always	Always	No	No
MED	BLIHFPJKMTUVX	Accounting Period	With INS	Yes	Due Date
DEN	BLIHFPJKMTUVX	Accounting Period	With INS	Yes	Due Date
VIS	BLIHFPJKMTUVX	Accounting Period	With INS	Yes	Due Date
LTD	BLIHFPJKMTUVX	Accounting Period	With INS	Yes	Due Date
BNKR	BLIHFPJKMTUVX	Accounting Period	With COD	Yes	No
COD	BLIHFPJKMTUVX	Accounting Period	With COD	Yes	No
LEVY (D)	BLIHFPJKMTUVX	Accounting Period	Always	No	No
STL1	BLIHFPJKMTUVX	Pay Date	Always	No	No
STL2	BLIHFPJKMTUVX	Pay Date	Always	No	No
SAAF	BLIHFPJKMTUVX	Accounting Period	With INS	No, full amt. once a month	Yes
SAHC	BLIHFPJKMTUVX	Accounting Period	With INS	Yes	Yes
SADC	BLIHFPJKMTUVX	Accounting Period	With INS	Yes	Yes
FIA	BLIHFPJKMTUVX	Accounting Period	With INS	No	No
FIB	BLIHFPJKMTUVX	Accounting Period	With INS	No	No
FIC	BLIHFPJKMTUVX	Accounting Period	With INS	No	No
FIR	BLIHFPJKMTUVX	Always	With INS	No	No
ADD	BLIHFPJKMTUVX	Accounting Period	With INS	Yes	Due Date
BL	BLIHFPJKMTUVX	Accounting Period	With INS	Yes	Due Date
OL	BLIHFPJKMTUVX	Accounting Period	With INS	Yes	Due Date
DL	BLIHFPJKMTUVX	Accounting Period	With INS	Yes	No
LTCE	BLIHFPJKMTUVX	Accounting Period	With INS	No, full amt on 2 nd BW	No
LTCS	BLIHFPJKMTUVX	Accounting Period	With INS	No, full amt on 2 nd BW	No
ENGL	BLIHFPJKMTUVX	Accounting Period	With INS	Yes	Take full amt. if only on 2nd BW
ANU	BLIHFPJKMTUVX	Pay Date	Always	Yes, fixed amt.	No
DCP	BLIHFPJKMTUVX	Pay Date	Always	Yes, fixed amt.	No
RTH	BLIHFPJKMTUVX	Pay Date	Always	Yes, fixed amt.	No
DCPL	BLIHFPJKMTUVX	Pay Date	With INS	Yes, fixed amt.	No
EPP	BLIHFPJKMTUVX	Always	Always	No	No
BND1	BLIHFPJKMTUVX	Pay Date	With COD	No	No
BND2	BLIHFPJKMTUVX	Pay Date	With COD	No	No
EORG	BLIHFPJKMTUVX	Accounting Period	With INS, once a month	No, full amt. on 2nd BW	No
CU(AF)	BLIHFPJKMTUVX	Accounting Period	With INS, once a month	No, full amt. on 2nd BW	No
CHAR	BLIHFPJKMTUVX	Pay Date	With INS, once a month	No, full amt. on 2nd BW	No
CHE	BLIHFPJKMTUVX	Pay Date	With INS, once a month	No, full amt. on 2nd BW	No
USRF	BLIHFPJKMTUVX	Accounting Period	With INS	Yes	Yes, by MTD
TTF	BLIHFPJKMTUVX	Accounting Period	With INS, once a month	No, full amt. on 2nd BW	No
PARK	BLIHFPJKMTUVX	Always	With INS	Yes	Yes, by MTD
TXPR	BLIHFPJKMTUVX	Paydate	With INS	Yes	Yes, by MTD
LEVY (E)	BLIHFPJKMTUVX	Accounting Period	Always, adjusted by pay days	No	No