

Department of Accounts

Payroll Bulletin

Calendar Year 2005

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The Payroll Bulletin is published periodically to provide CIPPS agencies guidance regarding Commonwealth payroll operations. If you have any questions about the bulletin, please call Cathy McGill at (804) 371-7800 or Email at cathy.mcgill@doa.virginia.gov

State Payroll Operations

Director Lora L. George
Assistant Director Cathy C. McGill

Welcome New Assistant Director of State Payroll Operations

Effective December 10, 2004, Cathy McGill has been promoted to the Assistant Director of State Payroll Operations in the Department of Accounts. Cathy transferred to DOA from the Northern Virginia Training Center where she was the Assistant Fiscal Director. Cathy has almost 20 years of experience with the State and CIPPS.

FBMC Updates

Updates to Provider Network for FBMC

Effective January 1, 2005, three new providers have been added to the FBMC provider network as follows:

- National Teachers Associates Life Insurance Company (vendor code NB)
- Kanawha Insurance Company (vendor code KI)
- Armed Forces Benefit Association, The 5Star Association (vendor code AFBA)

For more details, visit FBMC's website at
<http://www.fbmc-benefits.com/VaProviders/index.asp>

FBMC Employee Flyer

Payroll Operations is currently developing an informational flyer for agencies to distribute to employees participating in the supplemental insurance program. The flyer will include instructions for employees to follow when enrolling in any of the supplemental insurance programs accepted by FBMC and will be found at DOA's website:

http://www.doa.virginia.gov/Payroll/TPA/TPA_Main.cfm

FBMC Updates continued

New FBMC Forms Two new forms have been developed to facilitate the exchange of information between agencies and FBMC. These forms are included at the end of this bulletin and are also available on DOA's website at http://www.doa.virginia.gov/Payroll/TPA/TPA_Main.cfm

- The **EMPLOYMENT STATUS CHANGE FORM** should be used to communicate separations from state service (retirements, terminations, resignations), leave without pay and/or employee transfers between agencies.
- The **EXCEPTION/DISCREPANCY RESPONSE FORM** should be used to respond to the FBMC Exception Listing sent at the end of each pay period to explain differences between monies FBMC expected to receive and the amount deducted through payroll.

Employee Questions about FBMC **Employees** with questions about what is included in the amount of their payroll deduction for supplemental insurance should call FBMC customer service at **1-800-533-2738** or email them at webcustomerservice@fbmc-benefits.com

Payroll Cutoff Schedules The FBMC cut-off schedule included in the last bulletin can be found at: http://www.doa.virginia.gov/Payroll/TPA/TPA_Cutoff_Dates.cfm

Payroll Office Questions about FBMC

- Payroll Officers or Benefit Administrators should send questions to:
 - **Pre-tax programs** to: AcctSpec-271-pre@fbmc-benefits.com
 - **Post-tax programs** should be emailed to: AcctSpec-271-post@fbmc-benefits.com
- Consolidated Billing may be reached at 1-800-533-2738:
 - Pre-Tax – Sherry McCullough, ext 405
 - Post-Tax - Mickie Manley, ext. 598 or Julie Casseaux, ext 574.

Processing Reminders

- Broadcast Screen** Payroll Operations uses the Broadcast Screen to relay important news to the Payroll community throughout the day. Always log in to CIPPS using MCIP (in place of M3LL) to view messages posted there. After reading the messages, press enter to continue to the Millennium log in screen.
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- Special Pays processed after Payroll Certification Cut-off** Deductions taken in Special Pays processed after the regular payroll certification cut-off date go on the following pay period's remittance to the vendor.
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- Earned Income Credit (EIC)** W-5 Forms (*Earned Income Credit Advance Payment Certificate*) in place for calendar year 2004 expired December 31, 2004. Employees who want to continue receiving advance payments of the earned income credit (EIC) **must** complete a new W-5 FORM **before the first payroll of the new calendar year is certified**. Report 806, *Employees Currently Receiving Earned Income Credit*, lists the participating employees.
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- DHRM Changes Format of BES Turnaround Document** The Department of Human Resource Management made some format changes to the BES turnaround document effective 12/23; however, the data contained in the turnaround document remains the same.
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- Short Term Disability** Personal leave used during the waiting period prior to the time that Short Term Disability begins may be any type of available personal leave balances. Once the employee's benefit begins any type of available personal leave **EXCEPT SICK LEAVE** may be used to put the employee at 100% income replacement.
- Remember that employees on Short Term Disability as of 1/10 should not receive the annual allocations of Sick and Family Personal leave until they return to active service. **If the value in the "STD Recipient" field on the HPIUS screen for employees receiving Short Term Disability benefits is correctly set to "Y" at the beginning of the leave year (1/9/XXXX), yearly VSDP leave balances (F&P and sick leave) will not be automatically allocated.** At the time of return to active service, the allocations are provided via leave data entry. Report 902 is available that lists employees with the "Y" indicator. Refer to CAPP Topic #40205, Leave Maintenance, for data entry instructions.

Processing Reminders continued

Special Pay Programmatic Coding

CIPPS **automatically** charges the expenditures for certain special pay codes to specific object codes. For the special pays listed below, CIPPS uses the employee's **OR1** record if no specific programmatic coding has been established for the special pay on HMBU1. In either case, the object code of the payment will be overridden to the value shown in the table below.

PAY CODE	DEFINITION	OBJECT CODE
002	Workers' Compensation	1151
009	Annual Leave	1162
010	Sick Leave	1163
011	Compensatory Leave	1164
016	Adjunct Faculty	1145
017	Other Fac./Part-Time	1145
019	Per Diem Payments	1134
024	IPP Bonus	1131
025	Bonus	1131
031	Inv Sep	1171
044	Mil Supp	1132
046	Medi-Refund	1115
061	VSDP Ben	1153
062	WCSDPBEN	1154
063	WC SUPP	1152
066	WTA - Annual Leave	1176
067	WTA - Sick Leave	1177
068	WTA - Comp Leave	1178

Refunds for Pre-Tax Deductions: Administrative Error

Special consideration must be taken when refunding pre-tax deductions. While all deduction refunds should generally be processed through CIPPS when the refund is in the same calendar year, the error must be considered an "administrative error". ALWAYS use CIPPS to make administrative error corrections in the same calendar year to ensure that the taxable fields are updated appropriately. Do not call the vendor to request a refund to correct an administrative error.

Deferred Comp/ Annuity Over- Deferrals

In the event that a **true over-deferral** occurs because an employee has multiple 457 and 403(b) plans and exceeds the total plan limits, you must contact the provider who will issue the refund to the employee along with a 1099 for use in the employee's tax preparation.

HINT: Use reports 855 and/or 857 (Deferred Compensation/Annuity Excess Deduction Reports) to assist in identifying employees who may be approaching or exceeding plan contribution limits.

Processing Reminders continued

How to Correctly Set Up Direct Deposits

Due to a recent increase in errors when establishing or terminating direct deposit deductions, the correct steps have been documented below. For more information, refer to CAPP Topic #50445, Direct Deposit.

To set-up employee's direct deposit:

1. Access the employee's H0BB1 – Employee's Banking Information screen.
2. Tab to the first available Banking Set (numbers 1-10).
3. Enter the employee's Bank Routing Number, the employee's Bank Account Number, and any applicable pre-note date. The pre-note date should be the last day of the current pay period applicable to the employee's pay frequency and should be entered upon initial set-up or whenever changes are made to the bank information. **Note: This date will always change to the first pay certification date following data entry (for initial set-up or changes) to activate the pre-note counter.**
4. Press Enter.
5. **After the bank and account information has been entered on H0BB1, employee direct deposit payroll deductions must be established on H0ZDC. Even if the banking information on the H0BB1 is entered, the direct deposit will not be successful unless the deduction is set-up on H0ZDC – Employee Deduction.** Access the employee's H0ZDC screen and scroll to a blank line.
6. Use "I" to insert a record. Enter the applicable deduction number*, the deposit amount or percentage, and complete the utility field. If a percentage (net) direct deposit, enter a value of two (2) in the first position of the utility field. Then enter the applicable values in the 9th and 10th positions of the Utility field to reference the bank set established on the H0BB1 screen. **HINT: Position 10 is directly above the decimal in the MTD Accumulator.** Do not enter values in any other positions of the utility field. The system will automatically populate the last position with the pre-note indicator. Tab to the next line and enter the Deduction Frequency** indicating which payment(s) within each month the direct deposit should process.

*Deduction	Account Type	Allocation
060	DD Savings 1	Fixed amount
068	DD Savings 2	Fixed amount
070	DD Savings	Net
059	DD Checking 1	Fixed amount
067	DD Checking 2	Fixed amount
069	DD Checking	Net

Note: Only deductions 069 and 070 are permissible for net direct deposit.

Processing Reminders continued

How to Correctly Set Up Direct Deposits cont.

**Frequency

Value	Use for...	Direct deposit processed for...
09	Fixed or Net	All payments.
01	Only Fixed	First payment within the calendar month.
02	Only Fixed	Second payment within the calendar month.

7. Press Enter.

How to Correctly Terminate Direct Deposits

To terminate an employee's direct deposit - DO NOT GO TO THE H0BB1 AND DELETE the banking information to terminate a direct deposit:

1. Access the employee's H0ZDC screen and scroll to the appropriate deduction. If you are not sure which one is correct, access the H0BB1 screen for the bank set number, and look for the corresponding set # in position 9 and 10 of the deduction's utility field to find the correct direct deposit deduction. Enter an "R" in the action field to replace the existing record.
 2. Tab to the frequency field to turn off the deduction.
 3. Enter "00" in the frequency field.
 4. Press Enter.
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**COMMONWEALTH OF VIRGINIA
EMPLOYMENT STATUS CHANGE FORM**

To: FBMC Commonwealth of Virginia Processor Date: _____

From: _____ Agency #: _____

Phone Number: _____ Agency Name: _____

FBMC Consolidated Billing-125 Department

Please fax form to 850-514-5803.

These changes apply to (check applicable box):

- Pre-tax TSA Contributions and Employer Cash Match
- Post Tax products or
- Both

If an employee has separated from state service (terminated, resigned, retired), please complete the following information.

Name: _____

SS# : _____

Benefit End Date*: _____

If an employee is on "Leave Without Pay" please complete the following information.

Name: _____

SS# : _____

Effective Date* of Leave: _____

Expected Return Date*: _____

If an employee transfers to another agency, please complete the following information.

Name: _____

SS# : _____

Old Agency # & Name: _____

New Agency # & Name: _____

Effective Date* of transfer: _____

*All dates should reflect the Pay Day upon which the status change is effective.

**COMMONWEALTH OF VIRGINIA
EXCEPTION/DISCREPANCY RESPONSE FORM**

To: FBMC Commonwealth of Virginia Processor Date: _____

From: _____ Agency #: _____

Phone Number: _____ Agency Name: _____

FBMC Consolidated Billing-125 Department
Please fax form to 850-514-5803

Employee Name: _____ SSN: _____

These corrections apply to (check applicable box):

- Pre-tax TSA Contributions
- Post Tax products or
- Both

MONIES EXPECTED NONE RECEIVED:

- Employee separated from state service (terminated, resigned, retired).**
Benefit End Date: _____

- Employee is on "Leave Without Pay".**
Effective Date of Leave: _____ Expected Return Date: _____

- Employee transferred to another agency.**
New Agency # & Name: _____
Effective Date of transfer: _____

- Other.** _____

MONIES RECEIVED NONE EXPECTED:

- SRA & /or Cash Match form attached.**

- SDA form attached.**

- Other.** _____

AMOUNT RECEIVED DIFFERENT THAN EXPECTED:

- POST TAX - Employee canceled (Benefit)** _____
Benefit End Date: _____.

- PRE TAX - SRA form attach canceling deduction.**

- Employee changed or added a benefit. SDA, SRA & /or Cash Match form attached, as appropriate.**

- Other.** _____
