

## *Department of Accounts*

### *Payroll Bulletin*

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the Payroll  
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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](mailto:cathy.mcgill@doa.virginia.gov)

State Payroll Operations

<b>Director</b>	<b>Lora L. George</b>
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## **FBMC (TPA) Auto Update to CIPPS**

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### **Introduction**

The Department of Accounts has worked with Fringe Benefit Management Company to reduce the time required by agencies to process those deductions covered under the Third Party Administrator contract – Annuities, Annuity Cash Match, Miscellaneous Insurances and the associated Administration Fee.

Previously, each agency would log on to FBMC’s website, download the Enrollment Change Report, and then manually enter the deduction changes into CIPPS. Effective with the pay period of June 10 through June 24, 2010 all changes made to TPA deductions (numbers 039, 041, 042 and 046) will be automatically loaded into CIPPS. FBMC will provide the change information via a file to be processed during nightly processing on each “Enrollment Change Report to Agency Date” as documented on the Third Party Administrator Cut-Off Dates calendar found on DOA’s website. ([http://www.doa.virginia.gov/Payroll/TPA/TPA\\_Cutoff\\_Dates.cfm](http://www.doa.virginia.gov/Payroll/TPA/TPA_Cutoff_Dates.cfm)).

### **New Reports**

The day after the change information is loaded into CIPPS two new reports will be available for review:

- Report U147 – MISC INS/ANNUITY/FEE UPDATE LISTING, and
- Report U148 – MISC INS/ANNUITY/FEE ERROR LISTING

The U147 will reflect changes made to deduction amounts, frequency, and/or goal amount (for deduction 039) based on the employee’s age and any 15+ year catch up amounts as documented by FBMC. The U148 will list errors encountered during the update process (i.e., the employee has terminated or no CIPPS record was found).

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# FBMC (TPA) Auto Update to CIPPS, cont.

**Error Corrections**

Transactions reported on the Report U148 – MISC INS/ANNUITY/FEE ERROR LISTING must be researched and manually entered in CIPPS by the agency. Rejections may be the result of an invalid employee number or a transaction received for a terminated employee.

**Deduction 046 – AN MATCH**

The Annuity Cash Match (Deduction 046) will automatically be set up when a new or a change to an Annuity deduction is received through the file transfer. The deduction amount will be based on the number of pays on the H0BUO screen. If the cash match amount is incorrect, review the employee’s number of pays on H0BUO take correction action.

If the employee requests a **percentage withholding for the annuity** the **maximum amount** for Annuity Match will be withheld according to the number of pays on the H0BUO screen.

It is very important that the semi-monthly Report U142, *ANNUITY CASH MATCH EXCEPTION LISTING* is reviewed routinely since the report lists employees with incorrect cash match amounts.

**Report U147**

Below is an example of the Report U147, MISC INS/ANNUITY/FEE UPDATE LISTING

FIELD	OLD VALUE	NEW VALUE	50+ CATCH UP INDICATOR
CO. NO. 292			
COMMONWEALTH OF VIRGINIA			
DEPARTMENT OF ACCOUNTS			
MISC INS/ANNUITY/FEE UPDATE LISTING			
REPORT U147 PAYB0020			
RUN ON 05/20/2010 AT 09:58:41			
PAGE 30			
AGENCY #292 - CENTRAL VIRGINIA COMMUNITY COLLEGE			
EMPLOYEE NAME/NUMBER: LARI / 159200	105.00	101.00	
DEDUCTION 41 AMOUNT			
EMPLOYEE NAME/NUMBER: DEN / 635900	40.00	100.00	
ANNUITY (39) AMOUNT/A	0.00	22,000.00	Y
GOAL (39) AMOUNT	0.00	480.00	
GOAL (46) AMOUNT			
EMPLOYEE NAME/NUMBER: CYNT / 3000	43.75	36.20	
DEDUCTION 41 AMOUNT			
EMPLOYEE NAME/NUMBER: PATF / 065000	0.00	0.20	
ANNUITY (39) AMOUNT/A	0.00	22,000.00	Y
GOAL (39) AMOUNT			

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# FBMC (TPA) Auto Update to CIPPS, cont.

**Report U147,  
continued**

If an amount appears on the Enrollment Change Report from FBMC and does not appear on the Reports U147 or U148 it should be because that amount was already on the H0ZDC screen for that employee and therefore no change was required. During testing and parallels it was noted that a significant number of amounts on the H0ZDC did not match those stored in FBMC's system. Please be sure the Payroll Reduction Listing noting discrepancies is reviewed and corrective action taken. This report is faxed to agencies with differences each pay period by FBMC.

**Report U148**

Below is an example of the Report U148, MISC INS/ANNUITY/FEE ERROR LISTING

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CO. NO. 749                                COMMONWEALTH OF VIRGINIA                REPORT U148  PAYB0020
                                           DEPARTMENT OF ACCOUNTS                RUN ON 05/20/2010 AT 08:58:41
                                           MISC INS/ANNUITY/FEE ERROR LISTING    PAGE 27

AGENCY #749 - BUCKINGHAM CORRECTIONAL CENTER

EMPLOYEE NAME      EMPLOYEE NO  PARTIAL SSN      ERROR MESSAGE      DED 39 AMOUNT
STE                000 100      *****2569     NO CORRESPONDING CIPPS RECORD FOUND      41.20
GL                 00  00       *****0048     TERMINATED EMPLOYEE                       0.00
    
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## Savings Bonds Deduction Elimination

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### **U. S. Treasury Announcement and Removal of Savings Bond Deductions**

The United States Department of the Treasury has announced it will stop issuing paper savings bonds through payroll savings plans. This will reduce the costs associated with the U.S. Savings Bond Program and support the U. S. Treasury's long-term plan to issue all securities electronically. Employees will still have the opportunity to invest in savings bonds through **TreasuryDirect**, an online service to purchase, manage, hold, and redeem Treasury securities. Therefore, the last pay day for which savings bond deductions will be accommodated in CIPPS is September 1, 2010.

Effective immediately, new Savings Bonds authorizations should not be honored and no new bond deductions established.

The first week in September DOA will do mass transactions to turn off all Savings Bonds deductions (numbers 052, 053, 054, 055, 056, and 057). If the balance is not zero, the next time the employee is paid the balance will automatically be refunded to the employee. If the employee is no longer being paid and a balance remains, a \$.01 Time and Attendance transaction must be entered to allow the savings bond refund to process. The bond balance can be determined by viewing the Report 21 for these deductions. Bond balances are reflected in positions 11 through 16 of the utility field.

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### **Employee Action Required**

Employees who have established a TreasuryDirect account may have amounts posted to their TreasuryDirect account via payroll through the normal direct deposit process. Once employees have established their own TreasuryDirect account, they can request a new direct deposit to that account using any of the existing fixed checking or savings direct deposit deduction numbers. The routing number will be 051736158. The employee should provide a print-out of their TreasuryDirect account number along with a Direct Deposit Authorization form to begin direct deposit to fund their TreasuryDirect account. Enter the account number without hyphens.

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### **Employee Brochure**

A brochure announcing the elimination of savings bond payroll deductions is available on DOA's website on the Payroll Operations page under New Information. You may wish to print this brochure off and provide it to those employees currently enrolled in the savings bond program. Alternatively, the same information is provided on the following pages for use in an agency-designed communication tool.

DOA will post notification to employees using the Special Announcement feature within Payline as well.

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## Savings Bonds Deduction Elimination, continued

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**Possible  
Wording for  
Memo to  
Employee**

Each agency must notify participating employees of the cessation of bond deductions/purchases through CIPPS. Provided below is language that can be used in a message to your current Savings Bond participants.

The United States Department of the Treasury has announced it will stop issuing paper savings bonds through payroll savings plans. Therefore, all payroll deductions for savings bonds must be stopped as soon as possible and no later than September 1, 2010.

Effective immediately, no new Savings Bonds deductions will be established through payroll deduction. If you choose to continue purchasing bonds, you will need to establish a personal account using TreasuryDirect, an online service to purchase, manage, hold, and redeem Treasury securities. Once you have set up your own TreasuryDirect account, you can request that funds be withheld through payroll to go to that account using direct deposit. Upon establishing your TreasuryDirect account at [www.treasurydirect.gov](http://www.treasurydirect.gov), you will receive an email with the account number. Simply print the email and provide that along with a completed Direct Deposit Form to the Payroll Office. Payroll will then establish a payroll direct deposit to fund your TreasuryDirect account.

You may discontinue your savings bond deductions at any time. On September 1, 2010 all remaining active Savings Bond deductions will be deactivated. Any bond balance amounts remaining will automatically be refunded to the participant on the next available pay day.

While paper payroll savings bonds will no longer be available, you still have the opportunity to invest in savings bonds and other Treasury securities through **TreasuryDirect**. This convenient and secure web-based system allows you to purchase, manage, and redeem electronic (paperless) savings bonds online 24/7.

To learn more about electronic savings through TreasuryDirect, and to take a guided tour of the system, you may visit [www.frbervices.org/payrollsavings](http://www.frbervices.org/payrollsavings).

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## Savings Bonds Deduction Elimination, continued

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### FAQ's

Provided below are some Frequently Asked Questions which may be included in your communication to your employees.

#### **Why is the Federal Department of Treasury discontinuing the issuance of paper bonds through payroll savings plans?**

With TreasuryDirect®, the Federal Treasury can continue to offer investors the convenience of payroll savings while reducing the cost of the savings bond program. Individuals have the benefit of regularly investing in savings bonds or using their payroll contributions to purchase a broader range of securities. Savings bonds in TreasuryDirect are electronic securities in an account; they have all of the benefits of paper bonds but can't be misplaced or destroyed. Printing fewer paper bonds reduces the cost of the savings bond program and fits their long-term goal of one day issuing all securities electronically. Technology makes it possible for them to sell and maintain savings bonds and other Treasury securities electronically, which lowers the expense to the taxpayer.

#### **How does the change affect me?**

To continue your payroll savings, you'll need to open a TreasuryDirect account. You can continue purchasing savings bonds (or other Treasury securities) and hold them electronically in TreasuryDirect. You can also have funds sent to your TreasuryDirect Account through direct deposit.

#### **What happens to the paper bonds I already own?**

The bonds you own are valid issues of the U.S. Treasury. Paper savings bonds remain available for purchase at financial institutions and the U. S. Treasury will continue to provide service and support to bond holders.

#### **What happens to the partial amounts I contributed that haven't yet been used?**

We're providing a transition period which will in many cases allow deductions to accrue to the full issue price of a savings bond. On September 1, if there is a remaining amount, it will be refunded with the next payroll. Of course, you can choose to end deductions at any time.

#### **What is TreasuryDirect?**

TreasuryDirect is a secure web-based system that allows investors to establish accounts to purchase, hold, and conduct transactions online.

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## Savings Bonds Deduction Elimination, continued

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### FAQ's continued

#### **How long does it take to open a TreasuryDirect account?**

Setting up an online account is easy and can be accomplished in about 10 minutes. Just follow these steps:

1. Access the TreasuryDirect website at [www.treasurydirect.gov](http://www.treasurydirect.gov) and click "TreasuryDirect" under the "Open an Account" menu on the right-hand side of the webpage.
2. Review the eligibility requirements.
3. Gather the list of identifying information needed to open your account.
4. Click "Apply Now" and follow the step-by-step instructions to open your account.

Once the account is established, Your account number will be emailed to you and an access card will be mailed to you. The card provides an extra layer of security and is required to access the account. It takes about two weeks to receive the card in the mail.

#### **What do I need to do to set up a payroll direct deposit to fund my TreasuryDirect account?**

1. You open a TreasuryDirect account at [www.treasurydirect.gov](http://www.treasurydirect.gov) and wait for your access card to arrive in the mail.
2. Print a copy of the email from Treasury Direct that contains your account number. Use that number to complete a Direct Deposit Form. Attach the email to the Direct Deposit form and submit them to your local payroll department.
3. Your payroll department deducts the requested amount from each pay and direct deposits it into your TreasuryDirect account, just like any other direct deposit.

#### **To use TreasuryDirect, do I need to have a bank account, Internet access, and an e-mail account?**

Yes. You will need to have an account at a financial institution to receive direct deposit payments and as a potential funding source for purchases. You also will need Internet access to view and use your account. Finally, an e-mail address is necessary so that you can receive important messages about your account.

## Flexible Benefit Plan Admin Fee Correction

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**Flexible Benefit Admin Fee for Plan Year 2011** The goal amounts previously stated in the Fiscal Year-End Payroll Bulletin have been corrected as indicated in the chart below. This is an employee-paid, pre-tax fee withheld the first pay period of each month. The fee is \$3.67 per month for employees paid over 12 months (see fee schedule below).

Number of Pays	12/24	11/22	10/20	9/18
Fee Amount (Ded 023)	\$3.67	\$4.01	\$4.41	\$4.90
YTD Amount (Goal)	\$44.04	\$44.04	\$44.04	\$44.04

The deduction goal will be set to decrement (a value of "1" in the eighth position in the utility field) with a deduction end date of **06/30/2011**.

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**Flexible Benefit Admin Fee for Plan Year 2010** A mass transaction was generated the night of June 3 to correct the final administrative fee deduction taken for 12 and 24 pay employees. All employees who a) have the administrative fee deduction on HOZDC and b) have a value of '12' or '24' in 'Number of Pays' on H0BUO were changed so that the remaining goal amount (as deduction 023 decrements the goal) contains a value of \$3.67.

Employees with other than 12 or 24 in the Number of Pays field will need to be updated manually IF they continue to receive earnings and have not completed contributions for the 2010 Flexible Spending Plan Year.

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## Ervin Farmer Retirement

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**Say Goodbye and Good Luck** After 31 years of service with the Commonwealth, Ervin Farmer will be retiring. Ervin's last day with the Department of Accounts will be July 24, 2010.

During his tenure, Ervin has seen many changes in the Payroll world. When he started his career, payroll was largely performed using keypunch cards after agencies hand wrote changes on green bar reports – this was known as the Central Payroll System. With the implementation of CIPPS, Ervin trained agencies and assisted with parallels during each phase of conversion from Central Payroll to CIPPS. After all agencies were converted, he continued to provide training for newly hired payroll personnel, assisted agencies with questions, worked on various projects as CIPPS was enhanced, and ultimately became the primary support for the Payline help desk. Over the years Ervin has trained and assisted hundreds (maybe thousands) of payroll professionals.

Ervin's presence will be missed here at DOA and around the Commonwealth. Please join us in wishing him well in his next adventure. Be sure to look him up if you are ever in Puerto Vallarta, Mexico.

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## July 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 Payday for semi-monthly salaried employees  Deferred Comp Transaction Upload	2 TPA Upload	3 9AM - CIPPS files open - no edits or payruns
4 9AM - CIPPS files open - no edits or payruns	5 <b>State Holiday: Independence Day</b>	6	7 Deferred Comp Transaction Upload	8	9	10 9AM - CIPPS files open - no edits or payruns
11 9AM - CIPPS files open - no edits or payruns	12 Semi-monthly salaried certification deadline Period #1 (6/25-7/09)	13 2nd Qtr Recon of taxable wages due to DOA	14	15 Leave keying deadline (6/25-7/09)	16 Payday for semi-monthly salaried employees	17 9AM - CIPPS files open - no edits or payruns
18 9AM - CIPPS files open - no edits or payruns	19 TPA Upload	20 Deferred Comp Transaction Upload	21	22	23	24 9AM - CIPPS files open - no edits or payruns
25 9AM - CIPPS files open - no edits or payruns	26 Semi-monthly salaried certification deadline Period #2 (7/10-7/24)	27	28	29 Leave keying deadline (7/10-7/24)	30 Payday for semi-monthly salaried employees  June Healthcare Cert Due	31 9AM - CIPPS files open - no edits or payruns

## August 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 9AM - CIPPS files open - no edits or payruns	2 Deferred Comp Transaction Upload	3 TPA Upload	4	5 Deferred Comp Transaction Upload	6	7 9AM - CIPPS files open - no edits or payruns
8 9AM - CIPPS files open - no edits or payruns	9	10 Semi-monthly salaried certification deadline Period #1 (7/25-8/09)	11	12	13 Leave keying deadline (7/25-8/09)	14 9AM - CIPPS files open - no edits or payruns
15 9AM - CIPPS files open - no edits or payruns	16 Payday for semi-monthly salaried employees	17	18 Deferred Comp Transaction Upload	19 TPA Upload	20	21 9AM - CIPPS files open - no edits or payruns
22 9AM - CIPPS files open - no edits or payruns	23	24 Deferred Comp Transaction Upload	25	26 Semi-monthly salaried certification deadline Period #2 (8/10-8/24)	27	28 9AM - CIPPS files open - no edits or payruns
29 9AM - CIPPS files open - no edits or payruns	30	31 Leave keying deadline (8/10-8/24)  July Healthcare Cert Due				

## September 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 Payday for semi-monthly salaried employees  Deferred Comp Transaction Upload	2 TPA Upload	3	4 9AM - CIPPS files open - no edits or payruns
5 9AM - CIPPS files open - no edits or payruns	6 <b>State Holiday: Labor Day</b>  <b>NATIONAL PAYROLL WEEK</b>	7 Deferred Comp Transaction Upload	8	9	10 Semi-monthly salaried certification deadline Period #1 (8/25-9/9)	11 9AM - CIPPS files open - no edits or payruns
12 9AM - CIPPS files open - no edits or payruns	13	14	15 Leave keying deadline (8/25-9/09)	16 Payday for semi-monthly salaried employees	17 TPA Upload	18 9AM - CIPPS files open - no edits or payruns
19 9AM - CIPPS files open - no edits or payruns	20 Deferred Comp Transaction Upload	21	22	23	24 Semi-monthly salaried certification deadline Period #2 (9/10-9/24)	25 9AM - CIPPS files open - no edits or payruns
26 9AM - CIPPS files open - no edits or payruns	27	28	29 Leave keying deadline (9/10-9/24)  Military Leave Reset	30 Payday for semi-monthly salaried employees  August Healthcare Cert Due		

## October 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 Deferred Comp Transaction Upload  TPA Upload	2 9AM - CIPPS files open - no edits or payruns
3 9AM - CIPPS files open - no edits or payruns	4	5	6 Deferred Comp Transaction Upload	7	8 Semi- monthly salaried certification deadline Period #1 (9/25-10/09)	9 9AM - CIPPS files open - no edits or payruns
10 9AM - CIPPS files open - no edits or payruns	11 <b>State Holiday: Columbus Day</b>	12	13 3RD Qtr Recon of Taxable Wages due to DOA	14 Leave keying deadline (9/25-9/09)	15 Payday for semi-monthly salaried employees	16 9AM - CIPPS files open - no edits or payruns
17 9AM - CIPPS files open - no edits or payruns	18	19 TPA Upload	20 Deferred Comp Transaction Upload	21	22 Deferred Comp Transaction Upload	23 9AM - CIPPS files open - no edits or payruns
24 9AM - CIPPS files open - no edits or payruns	25	26 Semi- monthly salaried certification deadline Period #2 (10/10-10/24)	27	28	29 Leave keying deadline (10/10-10/24)  September Healthcare Cert Due	30 9AM - CIPPS files open - no edits or payruns
31						

## November 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 Payday for semi-monthly salaried employees  Deferred Comp Transaction Upload	2 TPA Upload	3	4 Deferred Comp Transaction Upload	5	6 9AM - CIPPS files open - no edits or payruns
7 9AM - CIPPS files open - no edits or payruns	8	9 Semi-monthly salaried certification Period #1 (10/25-11/09)	10	11 <b>State Holiday: Veterans' Day</b>	12	13 9AM - CIPPS files open - no edits or payruns
14 9AM - CIPPS files open - no edits or payruns	15 Leave keying deadline (10/25-11/09)	16 Payday for semi-monthly salaried employees  TPA Upload	17	18 Deferred Comp Transaction Upload	19 Deferred Comp Transaction Upload	20 9AM - CIPPS files open - no edits or payruns
21 9AM - CIPPS files open - no edits or payruns	22	23 Semi-monthly salaried certification deadline Period #2 (11/10-11/24)	24 <b>Half-Day Holiday</b> Files close at noon	25 <b>State Holiday: Thanksgiving Day</b>	26 <b>State Holiday: Day After Thanksgiving</b>	27 9AM - CIPPS files open - no edits or payruns
28 9AM - CIPPS files open - no edits or payruns	29	30 Leave keying Deadline (11/10-11/24)  October Healthcare Cert Due				