

Department of Accounts

Payroll Bulletin

Calendar Year 2013

December 12, 2012

Volume 2013-01

2013 Calendar Year Payroll Operations and Leave Processing

*In This Issue of
the Payroll
Bulletin.....*

- ✓ Payroll Accounting
- ✓ Payroll Deductions
- ✓ Payroll and Leave Contact
Personnel
- ✓ Payroll Operations Calendars
- ✓ Payroll Certification Schedule

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

Introduction

This Payroll Bulletin addresses key **2013** calendar year payroll and leave processing issues. This bulletin should be distributed to and carefully reviewed by appropriate payroll, human resource and fiscal personnel within your agency.

Payroll Accounting

IRS Deposit Notices

As with 2012, the IRS will send Federal Tax Deposit notices to all agencies whose Federal tax deposit schedule has changed for 2013. When you receive an FTD notice, FAX a copy to Cathy Gravatt at (804) 225-3499.

If your agency experienced **significant** changes in the amount of taxes paid and you do not receive a notice, review Publication 15 (*Circular E, Employer's Tax Guide*) to ensure your deposit requirements will not change. The IRS has not made the 2013 version of Publication 15 available yet. You may look for it in the Forms and Publications section at www.irs.gov.

IRS Pubs & Forms

The IRS web site address is <http://www.irs.gov/>

If you do not have internet access, IRS publications and forms can be ordered by calling 1-800-TAX-FORM (1-800-829-3676).

Continued on next page

Payroll Accounting, continued

W-4 Form

Employees who claim exempt from withholding on their W-4 during the prior year must complete a new W-4 Form by February 15th to maintain their exempt status. If such employees do not provide a newly completed W-4 Form by February 15th, immediately begin to withhold Federal income tax as if they are single, with zero withholding allowances. Agencies can request CIPPS report #823, **Employees With FIT Status Not Equal to 4, 5, or 6**, to identify employees with current exempt W-4s (FIT status "A").

IRS regulations stipulate which employees are eligible to file a W-4 Form with exempt status. Refer to Section 9 of Publication 15 (Circular E) for more information.

Remember that employers are no longer required to submit copies of W-4s to the IRS for employees who claim more than 10 exemptions. In cases where problems are identified, the employer will receive a written notice (called a lock-in letter) from the IRS with specific instructions for withholding on the affected employee.

The 2013 version of the W-4 is not yet available from the IRS website.

Social Security Tax Withholding

The maximum wage base for 2013 withholding will increase to **\$113,700** for OASDI (Old Age, Survivors, and Disability Insurance). The wage base for HI (Hospital Insurance) remains unlimited (i.e., all wages are HI taxable). Wages paid in excess of \$200,000 in 2013 will be subject to an extra 0.9% HI tax that will only be withheld from employees' wages. Employers will not pay the extra tax

Unless Congress makes a change before the end of the year, the OASDI tax rate will return to 6.2% each for employees and employers. For HI, the rate is 1.45% each for employees and employers, with the additional 0.9% for employees only on wages in excess of \$200,000.

When the maximum has been reached for an individual Employee Id Number within an agency, OASDI taxes will cease to be calculated and withheld. No agency action is required since CIPPS recognizes the OASDI maximum.

DOA monitors totals for employees with records at more than one CIPPS agency and will change the FICA status to "6" once the OASDI max has been reached. **Don't forget to change the FICA status from "6" back to a "4" for the new calendar year.** Report #825, FICA Status not Equal to 4 and Employee Status Equal 1 or 2, may be requested on HSRUT for review.

Continued on next page

Payroll Accounting, continued

Name Changes

Employees requesting name changes in CIPPS should be reminded to notify the Social Security Administration (SSA) of the change immediately. Name changes for existing employees are part of the PMIS/CIPPS interface and changes to employee names should not be entered in PMIS until the employee provides a new SS card showing the changed name or documentation proving SSA notification. If the employee's name is changed in CIPPS but not with the SSA, the name will not match SSA records when DOA remits the W-2 tape, possibly resulting in agency penalties. Refer to section 4 of Publication 15 (Circular E) for more information. You can verify up to 10 names/SSNs online and find out immediately if there is a mismatch. Go to www.ssa.gov/bsowelcome.htm and register for a PIN and password. Your activation code will be sent to your supervisor. Input the activation code to turn on SSNVS. Log into Business Services Online with your PIN and password and enter the SSNs for verification.
<http://www.socialsecurity.gov/employer/critical.htm>

Helpful Reminders

Some items that should be considered when beginning a new calendar year:

- **Ensure all garnishments that have been satisfied due to a goal being reached are deactivated (frequency changed to 00).**
 - Review the pending file reports and delete transactions no longer required.
 - When entering a certification or edit request in 2013 with a pay period begin date with a 2012 value, you will receive a warning message stating "YEAR NOT SAME AS CURRENT YEAR." This is an informational message. You must hit the enter button again for the data on PYCTF/PYEDT to be accepted in the system.
-

Payroll Deductions

Flex Reimbursement Accounts

Flex accounts set up through the interface with BES now use an end-date instead of a goal as the means of turning off the deduction. DOA will **NOT** process any mass transactions at calendar year-end to change any fields related to the flex accounts on H0ZDC. If you manually set up accounts using a goal, you must review the deduction to ensure that the correct amount will be withheld for the remainder of the plan year (January through June deductions). Deductions 055, 056 and 057 used to capture flex amounts for Plan Year 2012 will become inactive effective January 1.

CVC Deduction #62

DOA will process a mass transaction at year-end to turn-off Deduction #62 (changes frequency from '09' to '00') and to change the Deduction #62 AMT/PCT, GOAL and UTILITY fields on H0ZDC **to all zeros**.

DOA will process an update provided by DHRM to establish CVC deductions for calendar year 2013 the first week of January. Reports will be provided by DHRM and some manual entry may be required as well.

REMINDER – Do not attempt to enter CVC deductions until CIPPS files are restored following year-end processing, scheduled for December 27, 2012 through January 1, 2013.

Continued on next page

Payroll Deductions, continued

Optional Life Update Reports U024 - Optional Group Life Premium Listing and U025 - Optional Group Life Errors will be produced sometime next week. CIPPS will be updated the first week of January with the new Optional Group Life rates. Look for notification on the CIPPS Broadcast Screen. For questions regarding OGL, contact Joe Chang in the Richmond Branch Office of Minnesota Life at 1-800-441-2258 x101 or via email at joseph.chang@minnesotamutual.com or FAX 804-644-2460.

Qualified Benefit Plans Employees of the Commonwealth who are employed by a college or university may use both the 457 Deferred Compensation Plan and a 403(b) Tax Deferred Account. The maximum limits on 457 and 403(b) plan elective deferrals for calendar year 2013 are:

Deferral Category	457 Deferred Compensation Plan	403(b) Tax-Deferred Account
Normal Annual Limit	\$17,500 (1)(5)	\$17,500 (1)(5)
Age 50 Catch-Up	\$5,500 (2)	\$5,500 (2)(5)
457 Standard Catch-Up	\$17,500 (3)(5)	N/A
403(b) 15-Year Catch-Up	N/A	\$3,000 (4)(5)

(1) Eligible participants may contribute the normal annual limit to both plans.

(2) Eligible participants may contribute the Age 50 Catch-Up to both plans.

(3) The 457 Standard Catch-Up may not be used in the same year that the 457 Age 50 Catch-Up is used. The 457 Standard Catch-Up can only be used in the three years preceding "normal retirement age" as designated on the Normal Retirement Age Election Form. The Standard Catch-Up plus the Normal Annual Limit results in a total possible deferral to the 457 Plan of **\$35,000 for 2013**.

(4) The 403(b) 15-Year Catch-Up, the 403(b) age 50 Catch-Up and the 403(b) Normal Annual Limit can all be used in the same year for a total deferral of **\$26,000 in 2013**. (Note: there is a lifetime limit of \$15,000 on the 15-yr catch up.)

(5) The 457 Standard Catch-Up and the 403(b) 15-Year Catch-Up may both be used in the same year. A participant in both plans could potentially defer **\$55,500 in 2013** if eligible for the full 403(b) 15-Year Catch-Up and the full 457 Standard Catch-Up.

Note: Questions concerning eligibility for Catch-Up contributions should be directed to the applicable Plan provider.

Continued on next page

Payroll Deductions, continued

Misc. Deduction TPA Processing Schedule The calendar year 2013 cut-off date schedule governing new enrollment and change processing for the miscellaneous insurance and annuity third party administrator (FBMC) follows:

PAY PERIOD	FBMC CUT-OFF	CHANGE LIST to AGENCY	DOA CERTIFY DEADLINE	PAYDAY
12/25/12-01/09/13	12/21/2012	01/03/2013	01/10/2013	01/16/2013
01/10/13-01/24/13	01/10/2013	01/17/2013	01/28/2013	02/01/2013
01/25/13-02/09/13	01/28/2013	02/04/2013	02/11/2013	02/15/2013
02/10/13-02/24/13	02/08/2013	02/15/2013	02/25/2013	03/01/2013
02/25/13-03/09/13	02/25/2013	03/04/2013	03/11/2013	03/15/2013
03/10/13-03/24/13	03/11/2013	03/18/2013	03/25/2013	03/29/2013
03/25/13-04/09/13	03/27/2013	04/03/2013	04/10/2013	04/16/2013
04/10/13-04/24/13	04/11/2013	04/18/2013	04/25/2013	05/01/2013
04/25/13-05/09/13	04/26/2013	05/03/2013	05/10/2013	05/16/2013
05/10/13-05/24/13	05/10/2013	05/17/2013	05/24/2013	05/31/2013
05/25/13-06/09/13	05/24/2013	06/03/2013	06/10/2013	06/14/2013
06/10/13-06/24/13	06/11/2013	06/18/2013	06/25/2013	07/01/2013
06/25/13-07/09/13	06/25/2013	07/02/2013	07/10/2013	07/16/2013
07/10/13-07/24/13	07/12/2013	07/19/2013	07/26/2013	08/01/2013
07/25/13-08/09/13	07/29/2013	08/05/2013	08/12/2013	08/16/2013
08/10/13-08/24/13	08/12/2013	08/19/2013	08/26/2013	08/30/2013
08/25/13-09/09/13	08/26/2013	09/03/2013	09/10/2013	09/16/2013
09/10/13-09/24/13	09/10/2013	09/17/2013	09/24/2013	09/30/2013
09/25/13-10/09/13	09/25/2013	10/02/2013	10/09/2013	10/16/2013
10/10/13-10/24/13	10/11/2013	10/21/2013	10/28/2013	11/01/2013
10/25/13-11/09/13	10/25/2013	11/01/2013	11/08/2013	11/15/2013
11/10/13-11/24/13	11/06/2013	11/14/2013	11/21/2013	11/27/2013
11/25/13-12/09/13	11/21/2013	12/03/2013	12/10/2013	12/16/2013
12/10/13-12/24/13	12/09/2013	12/16/2013	12/23/2013	12/31/2013

This schedule is posted on DOA's web site at the following address:

http://www.doa.virginia.gov/Payroll/TPA/TPA_Calendar_2013.pdf

Continued on next page

Payroll and Leave Contact Personnel

Communication Guidance Address all processing questions to the individuals listed. Contact the appropriate DOA personnel to ensure accurate and consistent responses. Use E-mail and FAX to avoid “telephone tag” and provide all necessary relevant information. This will significantly reduce the amount of time it takes DOA personnel to address questions or concerns. **Review your CIPPS broadcast screen throughout the day for important messages.**

Payroll Operations – CIPPS Assistance

Name	Functional Area	E-mail	Phone (804 Area Code)
Martha Laster	Non US citizens, I-9s, deceased pay	Martha.laster@doa.virginia.gov	225-2382
Shannon Gulasky	Agency Payroll and Leave Procedural Support	Shannon.gulasky@doa.virginia.gov	225-3065

Payroll Operations – PR/Benefits Accounting

Name	Functional Area	E-mail	Phone (804 Area Code)
Denise Waddy	Healthcare Reconciliations; Deferred Compensation; Deferred Compensation Cash Match; Political Appointee ORP	denise.waddy@doa.virginia.gov	225-2246
Cathy Gravatt	941s; Void Checks; Employee Masterfile Maintenance; CIPPS/CARS Interface; CIPPS Adjustments; Supplemental Insurances; ORPs (other than political appointee)	cathy.gravatt@doa.virginia.gov	225-2386
Denise Halderman	941-X; W-2Cs; Payroll Accounting; Benefits Accounting; CIPPS Security; Flexible Reimbursement Accounts;	denise.halderman@doa.virginia.gov	371-8912
Cathy Royal	CIPPS/PMIS Audit; CVC; VPEP; VEST; Annuities and Annuity Cash Match	catherine.royal@doa.virginia.gov	225-2390

Continued on next page

Payroll and Leave Contact Personnel, continued

Payroll Operations - Production

Name	Functional Area	E-mail	Phone (804 Area Code)
Felecia Smith	Direct Deposit Stop Payments, Checkwrites; Direct Deposit; Deposit Certificates; CIPPS Production Jobs & Report Distribution/Recovery; AD-HOC Reports/UI's; Stop Payments-Void Earnings Notices; Gross Pay Differences	felecia.smith@doa.virginia.gov	371-8385
Diana Jones	Direct Deposit Stop Payments, Checkwrites; Direct Deposit; Deposit Certificates; CIPPS Production Jobs & Report Distribution/Recovery; AD-HOC Reports/UI's; Stop Payments-Void Earnings Notices; Gross Pay Differences	diana.jones@doa.virginia.gov	371-4883

Payroll Operations - Management

Name and Title	Functional Area	E-mail	Phone (804 Area Code)
Lora George, Director, State Payroll Operations	General Information	lora.george@doa.virginia.gov	225-2245
Cathy McGill, Assistant Director, State Payroll Operations	General Information, Technical Support, Mass Transactions, Special Pay, Deduction, or Report Set-up; CIPPS Production Jobs & Report Distribution/Recovery; Gross Pay Differences	cathy.mcgill@doa.virginia.gov	371-7800

**Payroll
Operations
FAX Number**

- (804) 225-3499
-

Continued on next page

January 2013

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 State Holiday: New Year's Day	2	3 TPA Upload	4	5 9AM - CIPPS files open - no edits or payruns
6 9AM - CIPPS files open - no edits or payruns	7 Deferred Comp Transaction Upload	8	9	10 Semi- monthly salaried certification Period #1 (12/25-01/09)	11 CYE Cert Due	12 9AM - CIPPS files open - no edits or payruns
13 9AM - CIPPS files open - no edits or payruns	14	15 Leave keying deadline (12/25-01/09)	16 Payday for semi-monthly salaried employees	17 TPA Upload	18 State Holiday: Lee-Jackson Day	19 9AM - CIPPS files open - no edits or payruns
20 9AM - CIPPS files open - no edits or payruns	21 State Holiday: M L King, Jr. Day	22 Deferred Comp Auto- Enroll Transaction Upload	23	24 Deferred Comp Transaction Upload	25	26 9AM - CIPPS files open - no edits or payruns
27 9AM - CIPPS files open - no edits or payruns	28 Semi-monthly salaried certification deadline Period #2 (01/10-01/24)	29	30	31 Leave keying Deadline (01/10-01/24) December Healthcare Cert Due		

February 2013

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 Payday for semi-monthly salaried employees Deferred Comp Transaction Upload	2 9AM - CIPPS files open - no edits or payruns
3 9AM - CIPPS files open - no edits or payruns	4 TPA Upload	5	6 Deferred Comp Transaction Upload	7	8	9 9AM - CIPPS files open - no edits or payruns
10 9AM - CIPPS files open - no edits or payruns	11 Semi-monthly salaried certification Period #1 (01/25-02/09)	12	13	14 Leave keying deadline (01/25-02/09)	15 Payday for semi-monthly salaried employees TPA Upload	16 9AM - CIPPS files open - no edits or payruns
17 9AM - CIPPS files open - no edits or payruns	18 State Holiday: George Washington's Birthday 9AM - CIPPS files open - no edits or payruns	19	20	21 Deferred Comp Auto Enroll Transaction Upload	22	23 9AM - CIPPS files open - no edits or payruns
24 9AM - CIPPS files open - no edits or payruns	25 Semi-monthly salaried certification Period #2 (02/10-02/24)	26	27	28 Leave keying deadline (02/10-02/24) January Healthcare Cert Due		

March 2013

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 Payday for semi-monthly salaried employees Deferred Comp Transaction Upload	2 9AM - CIPPS files open - no edits or payruns
3 9AM - CIPPS files open - no edits or payruns	4 TPA Upload	5	6 Deferred Comp Transaction Upload	7	8	9 9AM - CIPPS files open - no edits or payruns
10 9AM - CIPPS files open - no edits or payruns	11 Semi-monthly salaried certification Period #1 (02/25-03/09)	12	13	14 Leave keying deadline (02/25-03/09)	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 TPA Upload	19	20 Deferred Comp Auto Enroll Transaction Upload	21	22	23 9AM - CIPPS files open - no edits or payruns
24 9AM - CIPPS files open - no edits or payruns	25 Semi-monthly salaried certification Period #2 (03/10-03/24)	26	27	28 Leave keying deadline (03/10-03/24)	29 Payday for semi-monthly salaried employees February Healthcare Cert Due	30 9AM - CIPPS files open - no edits or payruns
31 9AM - CIPPS files open - no edits or payruns						

April 2013

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 Deferred Comp Transaction Upload	2	3 TPA Upload	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 1st QTR Cert Due	9	10 Semi-monthly salaried certification Period #1 (03/25-04/09)	11	12	13 9AM - CIPPS files open - no edits or payruns
14 9AM - CIPPS files open - no edits or payruns	15 Leave keying deadline (03/25-04/09)	16 Payday for semi-monthly salaried employees	17	18 TPA Upload Deferred Comp Auto Enroll Transaction Upload	19	20 9AM - CIPPS files open - no edits or payruns
21 9AM - CIPPS files open - no edits or payruns	22	23 Deferred Comp Transaction Upload	24	25 Semi-monthly salaried certification Period #2 (04/10-04/24)	26	27 9AM - CIPPS files open - no edits or payruns
28 9AM - CIPPS files open - no edits or payruns	29	30 Leave keying deadline (04/10-04/24) March Healthcare Cert Due				

May 2013

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 Payday for semi-monthly salaried employees Deferred Comp Transaction Upload	2	3 TPA Upload	4 9AM - CIPPS files open - no edits or payruns
5 9AM - CIPPS files open - no edits or payruns	6 Deferred Comp Transaction Upload	7	8	9	10 Semi-monthly salaried certification Period #1 (04/25-05/09)	11 9AM - CIPPS files open - no edits or payruns
12 9AM - CIPPS files open - no edits or payruns	13	14	15 Leave keying deadline (04/25-05/09)	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 Auto Enroll Transaction Upload	21	22	23	24 Semi-monthly salaried certification Period #2 (05/10-05/24)	25 9AM - CIPPS files open - no edits or payruns
26 9AM - CIPPS files open - no edits or payruns	27 State Holiday: Memorial Day 9AM - CIPPS files open - no edits or payruns	28	29	30 Leave keying deadline (05/10-05/24)	31 Payday for semi-monthly salaried employees April Healthcare Cert Due	

Certification Schedule

The Payroll Operations Calendar for the period June through November 2013 will be issued in May. The calendar for December 2013 will be issued in November. For agency planning purposes, the certification dates and paydays for this period are listed below.

Month and Period	Certification Date	Pay Date
June <i>1st pay period 5/25 - 6/9</i> <i>2nd pay period 6/10 - 6/24</i>	6/10 6/25	6/14 7/1
July <i>1st pay period 6/25 - 7/9</i> <i>2nd pay period 7/10 - 7/24</i>	7/10 7/26	7/16 8/1
August <i>1st pay period 7/25 - 8/9</i> <i>2nd pay period 8/10 - 8/24</i>	8/12 8/26	8/16 8/30
September <i>1st pay period 8/25 - 9/9</i> <i>2nd pay period 9/10 - 9/24</i>	9/10 9/24	9/16 9/30
October <i>1st pay period 9/25 - 10/9</i> <i>2nd pay period 10/10 - 10/24</i>	10/09 10/28	10/16 11/1
November <i>1st pay period 10/25 - 11/9</i> <i>2nd pay period 11/10 - 11/24</i>	11/08 11/21	11/15 11/27
December <i>1st pay period 11/25 - 12/9</i> <i>2nd pay period 12/10 - 12/24</i>	12/10 12/23	12/16 12/31