

Department of Accounts

Payroll Bulletin

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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

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General Guidelines for August 2015 Salary Increase

DHRM Policy and Guidance

The Department of Human Resource Management distributed a memorandum dated May 4, 2015, entitled Fiscal Year 2016 Authorizations and Compensation Activities. Within this document DHRM provides an explanation of the policies related to the August salary increase. Additionally, DHRM has provided more information in the form of Frequently Asked Questions, a Quick Reference Guide and an Employee Communication Guide.

<http://www.dhrm.virginia.gov/agencyhumanresourceservices/compensationmemos>

Agencies Using PMIS

For those agencies that enter data into PMIS, DHRM will produce a file for use in DOA's "salary regrade" program in lieu of the daily CIPPS to PMIS interface. This program will create transactions to update the pay period amount and date of last pay change on HOBID along with updating the IMP LIFE (SP 14) amount on H10AS. The CONTBASE (SP 99) will not be updated until the September 1 as this is a mid-month salary increase.

Please keep in mind that any mid-month manual entry of salary changes unrelated to the statewide salary increase will automatically update the CONTBASE amount and a special pay transaction (HUE01) will be required to prevent the retirement benefits from calculating on the new value prematurely.

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General Guidelines for August 2015 Salary Increase, cont.

Agencies Using PMIS, continued

Additionally, when the SP 99 transactions are loaded on 9/1 the value will be based on the information provided by DHRM in the regrade file. For example, during the 8/10 to 8/24 pay period Sue Sloan had a PP salary of \$1,542 after the salary increase. On 8/25 Sue receives a promotion and now has a PP salary of \$1,708. The Human Resource officer promptly updates PMIS which in turn updates CIPPS to include the CONTBASE amount. However on 9/1 the file to update CONTBASE is loaded to CIPPS returning Sue's CONTBASE value back to \$1542. The Payroll Officer will need to return the value on H10AS to the correct value.

Agencies NOT Using PMIS

Agencies that do not enter data into PMIS will need to manually update CIPPS for the new salaries. This action will automatically update the CONTBASE amount. As this is a mid-month salary increase a special pay transaction (HUE01) will be required to prevent the retirement benefits from calculating on the new value prematurely. DOA will capture the value of CONTBASE (SP 99) on H10AS during the 7/25 to 8/9 pay period. Using this information DOA will create 9XX transactions to load to prevent premature calculation of retirement benefits on the new value.

Imputed Life

As the Imputed Life will be increased mid-month additional taxes will be withheld in the second half of August as Imputed Life is self-adjusting.

Hybrid Request For Adjustment Review Form

Hybrid Review Form

If an employee is erroneously enrolled in the VRS Hybrid Retirement Plan as soon as the error is identified the agency should complete a Hybrid Retirement Plan Defined Contribution Component Request for Adjustment Review form found at <http://www.varetirement.org/hybridemployer/forms.html> and submit the form to DCPlansHybrid@varetire.org.

Deduction Refunds: Employer along with Employee

Enter both in same Manual Pay Set (HTODA)

When performing a deduction refund that includes both an employee and an employer amount such as for Health Care premiums, both items should be entered into one paid manual payset. There is no need to enter the employer portion into a separate non-paid manual payset.

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Weight Watcher Reimbursements – New Schedule

Quarterly Notifications

The Department of Human Resource Management places a report in agencies' HuRMan folders each month listing those employees who have received some awards/incentives for various health-related achievements or practices through the Commonwealth's health care plan. Historically the report has been provided on a monthly basis; however, in order to streamline the process and make the most effective use of limited staff resources, DHRM will be providing reimbursement files to agencies every three months rather than each month.

The next file will be posted on HuRMan on September 4, 2015, and cover the period of June 16 – July 31, 2015. The table below provides the anticipated dates for each quarter's report.

Weight Watchers Spreadsheet Time Period	Send to Contracts and Finance, Posted in HuRMan
May, June, July	September 4
August, September, October	December 4
November, December, January	March 4
February, March, April	June 4

Note: Special Pay 033, HLTINCTV, is to be used to make these payments.

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Reminder: Overtime Payment Audit Report

Overtime Payment Audit Report

The Overtime Report (Report U050) reflects the amounts and hours of overtime paid to both salaried and hourly employees on a month-to-date and calendar year-to-date basis. The report reflects the distinction between the straight-time and premium-time overtime pay processed as well as the factors and/or rates used in processing the Overtime 1 and Overtime 2 pay amounts. Management should review the report to ensure accurate and appropriate overtime pay is being processed for those employees eligible to receive Overtime Pay.

Overtime payments should only be made for FLSA related overtime and not used for supplemental payments related to agency unique practices as it could impact both a Federal Wage and Hour Audit as well as distort information provided under FOIA.

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Reminder: Deferred Comp/Annuity Deductions from WC/STD-WC Benefits

Deductions for DC and/or Pre-Tax Annuities Not Allowed from Workers' Comp/STD-WC Benefits Employee retirement plans (403(b), 401(a), 457) are employer-compensated payroll deducted plans. Workers' Compensation (002) and/or Short Term Disability Plan payments (062) for approved work-related disabilities are **not** employer payroll compensation, they are a benefit; therefore, they are not eligible for pre-tax retirement deductions/reductions. Also, payments from these retirement plans are generally distributed to employees post-tax. In addition, remember that there is no Cash Match if there is no employee contribution.

Best Practice: Healthcare Payment from LWOP / WTA Employees

Copy of Employee Check When an employee continues healthccare coverage but is no longer receiving payments through payroll the employee is required to provide the employee portion of premiums by the first of the month of coverage. Agencies should maintain a copy of that payment with the monthly healthcare certification package as evidence that the funds were received reimbursing the agency for the automated charge. This will enhance the documentation presented to an audit review by the Auditor of Public Accounts.
