In This Issue of the Payroll Bulletin…….	✓ **Bi-Weekly Certification Schedule and Update** ✓ **Monitoring 401(a)(17) Compensation Limits for ORPHE** ✓ **PMIS/CIPPS Data Comparison**	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

Mandatory Bi-Weekly Wage Payrolls

Bi-Weekly Wage Update

Bulletin #2016-13 announced the mandatory migration to a bi-weekly pay schedule for all semi-monthly wage employees effective for Fiscal Year 2018. Agencies were given a choice of three bi-weekly pay schedules to use for their hourly employees and asked to notify DOA which schedule they would follow. Many agencies have elected to begin the transition early so a certification schedule has been included at the end of this bulletin. If you have not already notified DOA of your chosen schedule, please do so immediately.

Monthly Payrolls for Hourly Employees

Agencies with monthly payrolls for non-traditional hourly employees such as students and adjunct faculty were allowed to continue those cycles until further notice. Please note that ALL wage payrolls, including monthly adjunct, federal work study students, etc., are required to transition to a bi-weekly schedule by the end of the current academic year. All payments for the new academic year must be made using the bi-weekly schedule.

Transition Reminders: Overtime

Changes in FLSA work periods are delicate and can affect the overtime rate to be paid during that particular work period. Manual calculations may be required in CIPPS in order to pay the employee the correct overtime rate during the transition. Transition plans should be approved by the agency Human Resource Officer. In addition, make sure that the agency Payroll Officer is aware of changes that could involve "weighted average" overtime rates, as these must be calculated manually in CIPPS.

Mandatory Bi-Weekly Wage Payrolls, cont.

Transition Reminders: Changes on H0BID, H0BUO, H0ZDC

The following fields on the H0BID for each employee going to a bi-weekly frequency should be changed as soon as the last semi-monthly or monthly payroll has been certified and before the first bi-weekly payroll is certified:

- H0BID: Frequency – must be between 40 and 69; co-ordinate with TAL, if necessary; the PSB has identified frequencies for use by agencies receiving services
- H0BID: Standard Hours – default is 80
- H0BUO: Number of Pays – 26
- H0ZDC: Deductions that should not be taken in the two extra pay periods that occur each calendar year (designated by 0 in Period Indicator on the Certification Schedule) should be changed to frequency 08 to ensure that they are only taken twice each month. Examples may include but are not limited to: parking, post-tax deductions for miscellaneous insurances.
- H0ZDC: Child Support – review the order to ensure the bi-weekly amount is deducted as opposed to a semi-monthly or monthly amount.
- H0ZDC: Garnishments – review the utility field to ensure the CCPA protected amount reflects the correct amount for a bi-weekly payroll ($580).

Monitoring 401(a)(17) Compensation Limits for ORPHE

Administrative Change

Virginia Retirement System recently modified the administrative procedures related to monitoring the 401(a)(17) compensation limits for participants in the Optional Retirement Plan for Higher Education (ORPHE). This change applies to the ORPHE only.

Section 401(a)(17) of the Internal Revenue Code limits the amount of compensation that can be used to calculate contributions to tax-qualified plans on an annual basis. These limits are based on the participant's employment date. If the employment date is before April 9, 1996, then the compensation limits fall under the grandfathered limits. For participants hired on or after April 9, 1996, then the compensation limits are the standard limits. The current limits may be accessed here. The IRS reviews these limits annually and may increase them.

At VRS, the 401(a)(17) limits are calculated by plan year. The Optional Retirement Plan for Higher Education (ORPHE) plan year is from 7/1 to 6/30 of the following year. The limits are based on compensation when it was earned. **This is a change from previous years. Previously, limits were determined by when compensation to the plan was contributed and not earned**. As such, limits were determined using the first pay date in July to the last pay date the following June.

Presently, the 401(a)(17) compensation limits are based on whether the contributions to the plan were exceeded between the second pay date in July of the current plan year and the first pay date of July of the following plan year. In essence, this year's compensation limits are calculated by shifting the start and end dates forward one pay period from what was the practice last year. This is done to capture when contributions to the OPRHE were earned.

PMIS/CIPPS Data Compare

Discrepancies between PMIS and CIPPS

Two reports were created when the interface between PMIS and CIPPS was first implemented in 2008. These reports were created to provide a means for ensuring that the shared fields between the two systems are in sync. The reports are run on Fridays by request.

Report U053, PMIS/CIPPS Data Discrepancies, groups differing data elements together by employee. Report U077, PMIS/CIPPS Data Discrepancies by Element, lists the same differing data, but groups the information by data type as opposed to employee.

These reports may be useful especially now and may be requested by sending an email to the Payroll@doa.virginia.gov email address requesting one or both reports, as needed.

Bi-Weekly Wage Certification
Calendar Year 2017

Cycle 1 Pay Period End	Cycle 2 Pay Period End	Cycle 3 Pay Period End	Per Ind	DOA Certify Deadline	PAYDAY
4/1/2017	4/2/2017	3/30/2017	0	4/11/2017	4/14/2017
4/15/2017	4/16/2017	4/13/2017	1	4/25/2017	4/28/2017
4/29/2017	4/30/2017	4/27/2017	2	5/9/2017	5/12/2017
5/13/2017	5/14/2017	5/11/2017	1	5/23/2017	5/26/2017
5/27/2017	5/28/2017	5/25/2017	2	6/6/2017	6/9/2017
6/10/2017	6/11/2017	6/8/2017	1	6/20/2017	6/23/2017
6/24/2017	6/25/2017	6/22/2017	2	6/30/2017	7/7/2017
7/8/2017	7/9/2017	7/6/2017	1	7/18/2017	7/21/2017
7/22/2017	7/23/2017	7/20/2017	2	8/1/2017	8/4/2017
8/5/2017	8/6/2017	8/3/2017	1	8/15/2017	8/18/2017
8/19/2017	8/20/2017	8/17/2017	2	8/29/2017	9/1/2017
9/2/2017	9/3/2017	8/31/2017	0	9/12/2017	9/15/2017
9/16/2017	9/17/2017	9/14/2017	1	9/26/2017	9/29/2017
9/30/2017	10/1/2017	9/28/2017	2	10/10/2017	10/13/2017
10/14/2017	10/15/2017	10/12/2017	1	10/24/2017	10/27/2017
10/28/2017	10/29/2017	10/26/2017	2	11/7/2017	11/10/2017*
11/11/2017	11/12/2017	11/9/2017	1	11/20/2017	11/24/2017*
11/25/2017	11/26/2017	11/23/2017	2	12/5/2017	12/8/2017
12/9/2017	12/10/2017	12/7/2017	1	12/19/2017	12/22/2017*

* Pay day falls on a scheduled State holiday, but banks are open.

State Holidays 2017

January 2 -	New Year's Day (observed)
January 13 -	Lee-Jackson Day
January 16 -	Martin Luther King, Jr. Day
February 20 -	George Washington Day
May 29 -	Memorial Day
July 3 -	Day before Independence Day
July 4 -	Independence Day
September 4 -	Labor Day
October 9 -	Columbus Day
November 10 -	Veterans Day (observed)
November 22 -	Half day before Thanksgiving
November 23, 24 -	Thanksgiving and Day After
December 22 -	Half day before Christmas
December 25 and 26 -	Christmas and Day After