

# **Module 3: Deduction Maintenance and Garnishments**

## **Learning Points**

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In this module we will take a closer look at the Employee Deduction Screen, H0ZDC. You will enter new deductions or make changes to existing deductions. The following will be covered:

### **Statewide Deduction Matrix**

Refer to “Payroll Forms” section of DOA State Payroll Operations website.

### **H0ZDC Screen**

### **Manually Enter New Deduction**

**Deferred Compensation**

**Annuities**

**Flexible Spending Accounts**

### **Establishing and Processing Child Support, Garnishments and Tax Levy Deductions**

Refer to CAPP Topic 50405, *Court-Ordered Withholdings*

**Percentage Garnishments**

**Local/State Tax Lien**

**Garnishments Crossing Calendar Years**

**Virginia Child Support**

**Percentage Garnishment with Existing Child Support**

**Guaranteed Minimum Net (fixed amount deduction)**

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**Learning Points, continued**

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**Payroll@doa.virginia.gov**

The best way to reach us with questions and requests for support is via email. Please add State Payroll Operations to your Outlook contacts.

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## H0ZDC Screen

**Enter a new deduction on H0ZDC**

To create a new deduction, enter the following on the command line:

(CLICK) (CLICK)  
**GU TAB company #, employee # TAB H0ZDC**

Press ENTER.

The screen will display all the current deductions the employee has in numerical order. Press ENTER again to scroll through all the pages of deductions. On the last page, there will be blank lines to enter new deduction information.

**Change an existing deduction on H0ZDC**

To make changes to an existing deduction, enter the following:

**GUH TAB company #, employee #, deduction # TAB H0ZDC**

Press ENTER.

The screen will display only the deduction number entered on the command line.

Use a subcommand of 'R', key in the changes and press ENTER.

## Example # 1 – Deferred Compensation

**Deferred Compensation Setup**

Using the Report U063 shown below, establish the deferred compensation deductions for Scott Alcott – EE# 01059620700. Remember to scroll H0ZDC to get a blank line, then enter the following:

CO. NO.	111	COMMONWEALTH OF VIRGINIA		REPORT U063	PAYB0019
		DEPARTMENT OF ACCOUNTS		RUN ON 08/11/20XX AT 19:18:11	
		DC/CIPPS DEFERRED COMP/CASH MATCH ERROR REPORT		PAGE 1	
AGENCY #100XX - TRAINING COMPANY # XX					
EMPLOYEE NAME	EMPLOYEE NO	PARTIAL SSN	ERROR MESSAGE	DED 38 AMOUNT	
ALCOTT, SCOTT	01059620700	*****4141	NO CORRESPONDING CIPPS RECORD FOUND	50.00	

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**Example # 1 – Deferred Compensation, continued**

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**Cash Match Setup**

Check the employee's retirement plan on HMCU1 and, if applicable, establish the employer cash match, deduction 045. In this instance, Mr. Alcott is eligible for the match:

NO	045
AMT/PCT	Enter ½ of deduction 038 Amount up to a limit of \$20
Goal	Enter 480.00 which is the max annual limit of the cash match
FR	09

The Annual 457 limits are specified in the first Payroll Bulletin published every calendar year. Persons under the age of 50 are established with a zero goal amount. Persons over age 50 are generally established with the Age 50 Catch-Up amount as goal. For more information, read the annual Payroll Bulletin and the IRS regulations for Deferred Compensation. CIPPS will stop ALL 457-related deductions if the combined total year-to-date amounts reach the Normal Annual Limit. If a goal amount is entered, CIPPS adds that amount to the Normal Amount Limit and will stop deductions when the total, higher limit is met.

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## Example # 2 - Annuities

**Annuity and Admin Fee** Annuities should only be manually setup by the agency if the employee is on the Report U148, MISC INS/ANNUITY/FEE ERROR LISTING.

Using the information below, establish the annuity deduction for Alfred Nelson – EE# 01046284200 – and the corresponding administration fee and cash match.

Field	Employee Information
NO	039
AMT/PCT	150.00
Goal	Standard 403(b) limit (the current limit is _____) unless employee is over 50 years old, has the 15-year catch up, or both.*  The standard limit with the over 50 catch up is _____
Utility Field	Auto filled after pressing enter
FR	09

NO	042
AMT/PCT	0.35
FR	09

**Annuity Cash Match Setup**

Field	Employee Information
NO	046
AMT/PCT	Enter 1/2 of deduction 039 Amount up to a limit of \$20
Goal	Enter \$480 which is the max annual limit of the cash match
FR	09

\* The Annual 403(b) limits are specified in the first Payroll Bulletin published every calendar year. Persons under the age of 50 are established with a goal amount equal to the standard 403(b) limit. Persons over age 50 are generally established with the standard limit, plus the Age 50 Catch-Up amount and/or 15-year catch up amount (if applicable), as goal. Refer to the annual Payroll Bulletin and the IRS Publication 571 for 403(b) plans.

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## Example # 3 – Flexible Spending Accounts

### Flexible Spending Accounts Setup

Flex deductions should only be manually setup by the agency if the employee is on the Report U130, BES/CIPPS Transaction Error Report, or Report U075, Reimbursement Accounts Error Report.

Using the information provided on the U130 report below, establish the Dependent Care Reimbursement Deduction and administrative fee. Remember, there is a goal associated with deduction 23 which is the per month amount times the number of months remaining in the plan year. Also, don't forget to enter an end date of 06/30/20XX to correspond with the end of the plan year.

### Report U130

CO. NO.	100XX	COMMONWEALTH OF VIRGINIA	REPORT U130	PAYB2300
		DEPARTMENT OF ACCOUNTS	RUN ON 08/11/20XX AT 19:33:11	
		BES/CIPPS TRANSACTION ERROR LISTING	PAGE 46	
		PAY PERIOD 06/25/2014 - 07/09/2014		
TRAINING COMPANY # XX		** MUST MANUALLY ENTER CHANGE INTO CIPPS **		
CHG				ERROR MESSAGE/
IND		OLD BES VALUE	/	NEW BES VALUE
-----				
NW	EMPLOYEE NAME/NUMBER: PHILLIP RANDALL/01325687400			NO CIPPS RECORD
	TRANS EFFECTIVE DATE: 080120XX			
	PROVIDER CODE:			046
	PLAN CODE:			D
	DEPENDENT CARE (DED 21) PER PAY:			54.00
	FLEX FEE (DED 23) 1ST PAY OF MONTH:			3.65
	EE HC PREMIUM-DED 24-SEMI-MONTHLY:			122.00
	HC REWARD (DED 25) - SEMI-MONTHLY:			0.00
	ER HC PREMIUM-DED 26-SEMI-MONTHLY:			474.00

## Example # 4 – Flexible Spending Accounts

**Flex  
Accounts  
Maintenance  
and Setup**

Flex deductions should only be changed by the agency if the employee is on the Report U130 BES/CIPPS Transaction Error Report or Report U075, Reimbursement Accounts Error Report. Using the Report U075 below, make the necessary changes to the employee’s dependent care deduction and medical reimbursement deduction. Be sure to verify that the Flex Admin Fee amount is correct.

CO. NO. 100XX		COMMONWEALTH OF VIRGINIA				REPORT U075	PAYB1274
		FLEX REIMBURSEMENT ACCOUNTS ERROR REPORT				RUN ON 07/31/2014 AT 22:55:15	
		PAY PERIOD ENDING - 07/24/20XX				PAGE 3	
EMPLOYEE NUMBER	NAME	# OF PAYS	DED 21 DEP CARE HOBUE	DED 22 MED R MTD	DED 23 FLEX ADM MTD	ERROR MESSAGE	
01100560500	NAMESMITH, DAVID	24	50.00	57.00	3.65	EMP HAS ADM FEES/NO MED &NO DEP CARE	

## Example # 5 – Garnishments – Percentage Deduction

**Garnishment  
Percentage  
Deduction**

Set up a garnishment for John Stroud (01155053600). Using the information in the table below enter the data on the Deduction Payment Name & Address (H0901) screen. **DO NOT ENTER SSNs ON THE H0901 SCREEN.**

Field	Employee Information
COMPANY	100XX
EMPLOYEE NUMBER	01155053600
NAME NUMBER	1
PAYEE NAME	VA Power
ADDRESS 2	C/O General District Court
ADDRESS 3	CASE # 95 01
ADDRESS 4	1501 East Clay Street
ADDRESS 5	Richmond, VA 23219

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**Example # 5 – Garnishments – Percentage Deduction, continued**

**Garnishment – Percentage Deduction, continued** Once H0901 is complete, establish the garnishment and garnishment fee deductions on the Employee Deduction (H0ZDC) screen.

Field	Employee Information
NO	003
AMT/PCT	.25000
GOAL	500.00
UTILITY	200011250000062911
FR	09
NO	019
AMT/PCT	10.00
GOAL	10.00
<b>UTILITY</b>	<b>000011250000000001</b>
FR	09

**Example # 6 – Garnishments – Local/State Tax Lien**

**Tax Lien with a Fixed Deduction: H0901 Screen** A local tax lien against Alfred Nelson is received. Using the table information below create the payee and employee deduction information in CIPPS.

Field	Employee Information
COMPANY	100XX
EMPLOYEE NUMBER	01046284200
NAME NUMBER	1
PAYEE NAME	City of Richmond
ADDRESS 2	Commissioner of Revenue
ADDRESS 3	P.O. Box 151
ADDRESS 4	Richmond, VA 23219

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**Example # 6 – Garnishments – Local/State Tax Lien, continued**

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**Tax Lien  
 with a Fixed  
 Deduction:  
 H0ZDC  
 Screen**

Using either method establish the tax lien and garnishment fee deductions on the Employee Deduction (H0ZDC) screen.

	Field	Employee Information
Method 1	NO	003
	AMT/PCT	200.00
	UTILITY	0000000000000000011
	GOAL	1000.00
	FR	09

Method 2	NO	006
	AMT/PCT	200.00
	END DATE	03/21/20XX
	UTILITY	000000010000000010
	GOAL	1000.00
	FR	09

Garn Fee	NO	019
	AMT/PCT	20.00
	GOAL	20.00
	UTILITY	000000000000000001
	FR	09

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## Example # 7 – Garnishments Crossing Calendar Years

**Garnishment Crossing Calendar Years** On January 4, you noticed that the year-to-date amount for Timothy McClelland’s garnishment is now zero.

\$400 was collected in the previous year and only \$200 should be taken this year to complete the garnishment. Using the information below adjust the Employee Deduction screen to decrement the goal and collect the remaining amount due.

Field	Employee Information
GOAL	200.00
UTILITY	000000010000000010

## Example # 8 –Virginia Child Support Deduction

**Virginia Child Support** Scott Alcott (01059620700) has been ordered to pay child support to Virginia in the amount of \$125 per pay period. Scott supports another spouse and children so the order is limited to 50% of disposable earnings.

Establish the child support and garnishment fee deductions on the Employee Deduction (H0ZDC) screen.

Field	Employee Information
NO	001
AMT/PCT	125.00
UTILITY	000011500000000000
FR	09

NO	019
AMT/PCT	5.00
UTILITY	000011500000000000

## Example # 9 – Percentage Garnishment Order with existing Child Support Deduction

**Garnishment  
 – Percentage  
 Deduction**

Scott Alcott receives a garnishment for 25% of disposable earnings and a total amount of \$3000. Using the information in the table below enter the data on the Deduction Payment Name & Address (H0901) screen. **DO NOT ENTER SSNs ON THE H0901 SCREEN.**

Field	Employee Information
COMPANY	100XX
EMPLOYEE NUMBER	01059620700
NAME NUMBER	1
PAYEE NAME	HANK'S TATTOO PARLOUR
ADDRESS 2	C/O General District Court
ADDRESS 3	CASE # 95 01
ADDRESS 4	1501 East Clay Street
ADDRESS 5	Richmond, VA 23219

Establish the garnishment on the Employee Deduction (H0ZDC) screen.

Field	Employee Information
NO	003
AMT/PCT	.25000
UTILITY	200011250000062911
GOAL AMOUNT	3000.00
FR	09
NO	019
AMT/PCT	NO CHANGE (SEE NOTE)
UTILITY	NO CHANGE (SEE NOTE)

**NOTE:** Because the employee has an existing Child Support Deduction, a Garnishment Fee is already established to take \$5 each pay period. The employee still owes a one-time \$10 fee for the new Garnishment. The \$10 fee should be collected via an HUD01 Deduction Override for Deduction 019 rather than establishing the amount on the screen. Otherwise the goal amount would conflict with the Code of Virginia which provides for a fee collection of \$5 each pay period.

## Example # 10 – Garnishment – Guaranteed Minimum Net

**Guaranteed Minimum Net**

You have received a \$350.00 garnishment for a semi-monthly, wage employee whose hours worked vary from pay period to pay period. The employee is guaranteed a minimum net amount, regardless of how few hours are worked. Set up the guaranteed minimum net deduction using the information in the table.

Field	Employee Information
COMPANY	10XX
EMPLOYEE NUMBER	01020356800
NAME NUMBER	1
PAYEE NAME	Dominion Power
ADDRESS 2	c/o General District Court
ADDRESS 3	CASE # 96 101
ADDRESS 4	1501 East Clay Street
ADDRESS 5	Richmond, Va 23218

Complete the Employee Deduction (H0ZDC) screen using the information in the table below.

Field	Employee Information
NO	003
AMT/PCT	350.00
GOAL	1000.00
UTILITY	000011250000062911
FR	09
NO	019
AMT/PCT	10.00
GOAL	10.00
UTILITY	000000010000000000
FR	09

## **Review Questions: Deduction Maintenance and Garnishments**

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1. Pretax Deductions have greater priority than Post Tax Deductions. Within each group, deductions are withheld from an employee's pay in \_\_\_\_\_ order.
  
2. Employee benefits such as Healthcare may either be entered and changed through input to BES and automatically updated in CIPPS, or through entry on the \_\_\_\_\_ screen, which also shows the employee's Retirement plan.
  
3. When entering a flat dollar amount for garnishment deductions, the first position of the utility field contains a value of \_\_\_\_\_.
  
4. When entering a percentage for garnishment deductions, the first position of the utility field contains a value of \_\_\_\_\_.
  
5. For support and garnishment deductions, the third party names and addresses are entered on screen: \_\_\_\_\_. The 'name number' is then entered in position \_\_\_\_\_ of the utility field on H0ZDC.
  
6. If you want to stop a deduction, you enter a value of \_\_\_ in the frequency on the H0ZDC screen. For retirement deductions, a value of \_\_\_\_\_ will turn off all related deductions.

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**End of Module 3**