

Advanced Employee Masterfile Maintenance

Structure of Manual Pay Screens

HTPSA: EMPLOYEE SPECIAL PAY ADJUSTMENT

```

> GUH      10010,00999999900                                ON HTPSA

      -----EMPLOYEE SPECIAL PAY ADJUSTMENT-----

__ COMPANY--> 00000 EMPLOYEE NO--> 0000000000 - X PAGE NUMBER--> 00000

TRN CHECK NO.      CHK DT      BEG DT      END DT      REAS  TU      NET      PA RES + Y
503 0000000000    00000000    00000000    00000000    ____    000    000000000000 000000  - -
      S/LC/F DPT/DIV OT SH      FROM      TO      HOURS  AMT / LAB CODE  SUI ST
400 000000    _____    0  0 00000000 00000000 00000000 000000000000      00      - -
400 000000    _____    0  0 00000000 00000000 00000000 000000000000      00      - -
      PA
      SW ST/LOC FIT / OASDI      SIT / HI      LOCAL / DI      OTHER      GROSS      + Y
500  _  000000 000000000000 000000000000 000000000000 000000000000 000000000000  - -
      000000000000 000000000000 000000000000
      PAY S/LC/F DP/DV PISU      FROM      TO      HOURS  AMT / LABOR NON TAXABLE + Y
6XX 000 000000    _____    0  00 00000000 00000000 00000000 000000000000 000000000000  - -
6XX 000 000000    _____    0  00 00000000 00000000 00000000 000000000000 000000000000  - -

TAXES 000000000000 +NET 000000000000 =TOT PAYS 000000000000 =GROSS 000000000000
A287W-NO RECORD/S FOUND

                                06/01/15  10:18:32  1 M3LL CIP5 _____
  
```

HTODA: EMPLOYEE DEDUCTION REFUND/ADJUSTMENT

> GUH 10010,00999999900										ON HTODA	
--EMPLOYEE DEDUCTION REFUND/ADJUSTMENT--											
___ COMPANY--> 00000 EMPLOYEE NO--> 0000000000 - X PAGE NUMBER--> 00000											
TRN	CHECK NO.	CHK DT	BEG DT	END DT	REAS	TU	NET	PA RES	+	Y	
MISC AMT 1											
503	0000000000	00000000	00000000	00000000	___	000	00000000000	000000	__	__	
00000000000											
PA	ST/LOC	FIT	OASDI	HI	OTHER	GROSS	+	Y			
SW		SIT	LOCAL	DI							
500	__	000000	000000000000	000000000000	000000000000	000000000000	000000000000	000000000000	__	__	
000000000000 000000000000 000000000000											
----- VOLUNTARY DEDUCTIONS -----											
550	000	000000000000	000	000000000000	000	000000000000	000	000000000000	__	__	
000 000000000000 000 000000000000 000 000000000000											
550	000	000000000000	000	000000000000	000	000000000000	000	000000000000	__	__	
000 000000000000 000 000000000000 000 000000000000											
DEDUCTIONS + TAXES + NET = TOTAL PAYS = GROSS											
000000000000 000000000000 000000000000 000000000000 000000000000											
A287W-NO RECORD/S FOUND											
06/01/15 10:22:22 1 M3LL CIP5											

HTQTA: EMPLOYEE TAX REFUND/ADJUSTMENT

```

> GUH      10010,00999999900                                ON HTQTA

      -----EMPLOYEE TAX REFUND/ADJUSTMENT-----

__ COMPANY--> 00000 EMPLOYEE NO--> 00000000000 - X PAGE NUMBER--> 00000

TRN  CHECK NO.    CHK DT    BEG DT    END DT    REAS  TU      NET      PA RES + Y
503  0000000000  00000000  00000000  00000000  ____  000    00000000000 0000000  _ _

      ----- T A X - W I T H H E L D -----
      PA ST/LOC FIT / OASDI  SIT / HI  LOCAL / DI  OTHER      GROSS      + Y
      SW
500  _  000000  000000000000  000000000000  000000000000  000000000000  000000000000  _ _
      000000000000  000000000000  000000000000
500  _  000000  000000000000  000000000000  000000000000  000000000000  000000000000  _ _
      000000000000  000000000000  000000000000

      TAXES      +      NET      =      TOTAL PAYS      =      GROSS
      000000000000  000000000000      000000000000      000000000000

A287W-NO RECORD/S FOUND

                                06/01/15  10:27:09  1 M3LL CIP5
    
```

HTM00: MANUAL PAY BUILDER

```
> GUH      10010,00999999900                                ON HTM00

----- MANUAL PAY BUILDER -----

__ COMPANY--> 00000 EMPLOYEE NO--> 0000000000 - X PAGE NUMBER--> 00000

      CHECK NUMBER          0000000000
      OLD CHECK NUMBER      0000000000
      CHECK DATE            00000000
      BEGINNING DATE        00000000
      ENDING DATE           00000000
      TAX UNIT              000
      SUI STATE             00
      REASON                _____
      METHOD                 _____
      PA STATE/LOCAL        000000
      MISC AMT 1            .00
      Y/Q INDICATOR        _____
* * * SCREENS WILL BE ACCESSED IN FOLLOWING ORDER * * *
      PAYS -----> HTPA
      SPECIAL PAYS -----> HTMSP
      TAXES AND DEDUCTIONS ---> HTMTD
      BALANCE DETAILS -----> HTMCK

A287W-NO RECORD/S FOUND                                06/01/15  10:28:31  1 M3LL CIP5
```

Structure of Manual Pay Screens

HTMPA: MANUAL PAYS - REGULAR PAYS (400)

```

> GUH      10010,00999999900                                ON HTMPA

      -- MANUAL PAYS - REGULAR PAYS (400) --

R  COMPANY--> 00000  EMPLOYEE NO--> 0000000000 - X  PAGE NUMBER--> 00000

      OT SH      HOURS      SAL /AMOUNT  DPT/SEC  LABOR CODE      ST/LOC  ADJ
              F  DIV/OF  FR-DATE   TO-DATE
0   0     .00      .00      _____  _____  000000  -
              _____  00000000  00000000
0   0     .00      .00      _____  _____  000000  -
              _____  00000000  00000000
0   0     .00      .00      _____  _____  000000  -
              _____  00000000  00000000
0   0     .00      .00      _____  _____  000000  -
              _____  00000000  00000000
0   0     .00      .00      _____  _____  000000  -
              _____  00000000  00000000
0   0     .00      .00      _____  _____  000000  -
              _____  00000000  00000000
              _____  00000000  00000000
              _____  00000000  00000000

A287W-NO RECORD/S FOUND

                                06/01/15  10:29:44  1 M3LL CIP5 _____
    
```

Structure of Manual Pay Screens

HTMSP: MANUAL PAYS - SPECIAL PAYS (6XX)

```

> GUH 10010,00999999900 ON HTMSP

      -- MANUAL PAYS - SPECIAL PAYS (6XX) --

R COMPANY--> 00000 EMPLOYEE NO--> 0000000000 - X PAGE NUMBER--> 00000

  PAY#  HOURS  SPL PAY AMT  DPT/SEC  LABOR CODE  ST/LOC  PI  ADJ
                F  DIV/OF  FR-DATE  TO-DATE  NON-TAXABLE
  000    .00    .00    _____  _____  000000  0  -
                00000000  00000000  .00
  000    .00    .00    _____  _____  000000  0  -
                00000000  00000000  .00
  000    .00    .00    _____  _____  000000  0  -
                00000000  00000000  .00
  000    .00    .00    _____  _____  000000  0  -
                00000000  00000000  .00
  000    .00    .00    _____  _____  000000  0  -
                00000000  00000000  .00
  000    .00    .00    _____  _____  000000  0  -
                00000000  00000000  .00
  000    .00    .00    _____  _____  000000  0  -
                00000000  00000000  .00
  -
  
```

A287W-NO RECORD/S FOUND

06/01/15 10:31:49 1 M3LL CIP5 _____

Structure of Manual Pay Screens

HTMTD: MANUAL PAYS - TAXES AND DEDUCTIONS

> GUH		10010,00999999900					ON HTMTD			
MANUAL PAYS TAXES AND DEDUCTIONS										
R COMPANY--> 00000 EMPLOYEE NO--> 0000000000 - X PAGE NUMBER--> 00000										
PA			*----- TAXES (500) -----*							
SW	ST/LOC	FIT / SIT	OASDI / LOCAL		HI / DI		OTHER / GROSS		ADJ	
-	000000	.00	.00		.00		.00		-	
		.00	.00		.00		.00		-	
-	000000	.00	.00		.00		.00		-	
		.00	.00		.00		.00		-	
-	000000	.00	.00		.00		.00		-	
		.00	.00		.00		.00		-	
-	000000	.00	.00		.00		.00		-	
		.00	.00		.00		.00		-	
----- DEDUCTIONS (550) -----										
	0	.00	0	.00	0	.00	0	.00	-	
			0	.00	0	.00	0	.00	-	
	0	.00	0	.00	0	.00	0	.00	-	
			0	.00	0	.00	0	.00	-	
	0	.00	0	.00	0	.00	0	.00	-	
			0	.00	0	.00	0	.00	-	
A287W-NO RECORD/S FOUND				06/01/15		10:32:45		1 M3LL CIP5		

Structure of Manual Pay Screens

HTMCK: MANUAL PAY SUMMARY

> GDH 10010,00999999900 ON HTMCK

MANUAL PAY SUMMARY

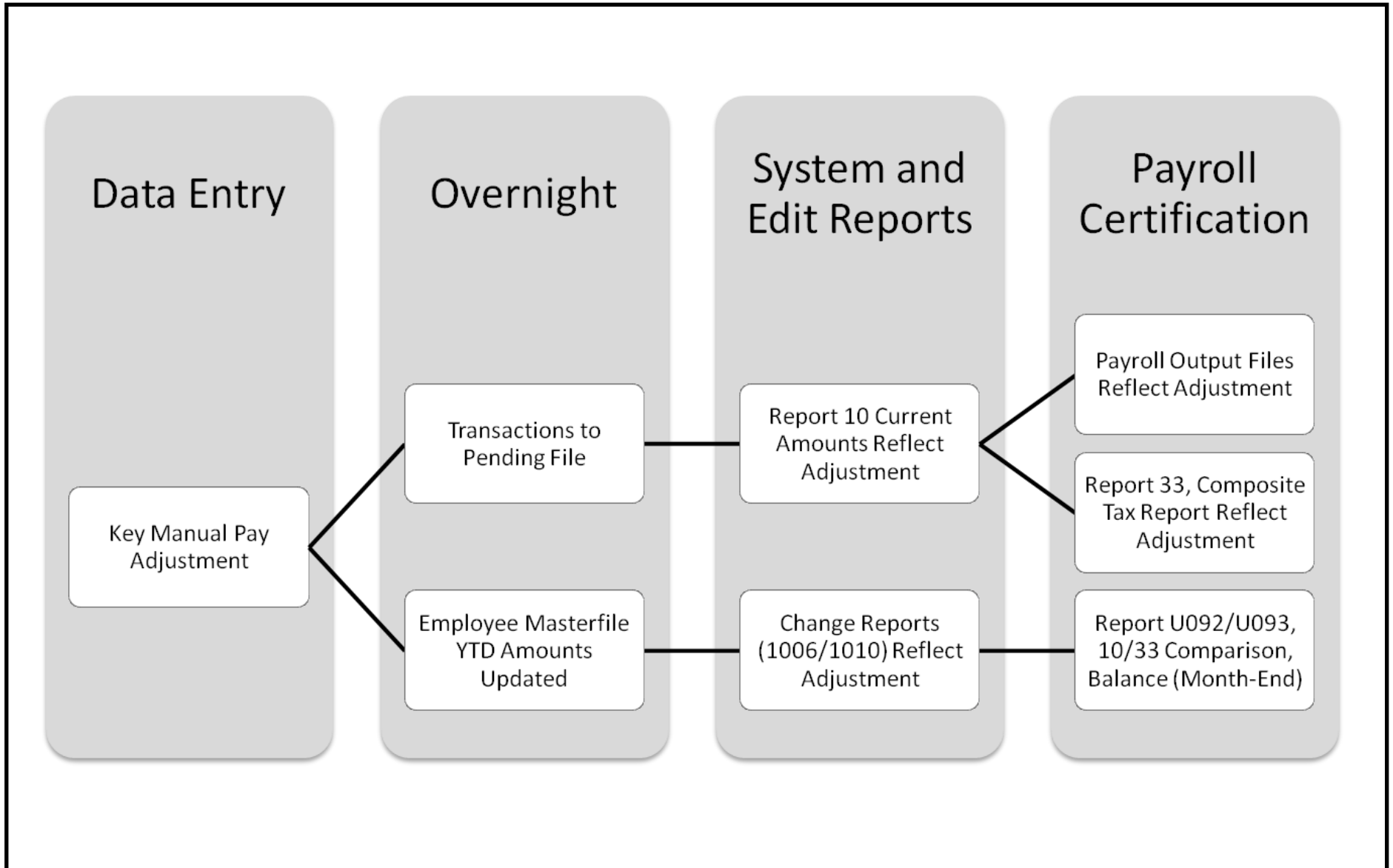
```

COMPANY--> 00000  EMPLOYEE NO--> 00000000000 - 0  PAGE NUMBER--> 00000
NAME->
CHECK NUMBER 0000000000  CHECK DATE 00000000
BEGIN DATE 00000000  END DATE 00000000  GROSS PAY .00
..... BALANCING CALCULATIONS .....  ..... TAXES .....
REG PAY .00  FEDERAL .00
SPEC PAY + .00  TAXES .00  STATE .00
NONPAID - .00  DEDS + .00  LOCAL/SD .00
-----  -----  OASDI .00
TOT PAYS .00  TAX/DED .00  HI .00
TAX/DED -  D.I. .00
NET-ONLY + .00  SPEC. LOCAL .00
-----
NET PAY .00  <===== EQUAL =====> NET .00
..... VOLUNTARY DEDUCTIONS .....
    
```

A287W-NO RECORD/S FOUND

06/01/15 10:33:16 1 M3LL CIP5 _____

Complete Manual Pay Process Timeline



Combining Related Deductions on HTODA Paid Update

When you are adjusting employee AND employee deductions, it is usually necessary to complete only one paid update manual pay adjustment. Each HTODA screen allows up to 14 deductions to be refunded at the same time. CIPPS knows whether or a not a deduction is employee-paid or is an employer-paid memo deduction. The net pay amount should only include the total of all employee-paid deductions being refunded.

Where the deductions being adjusted are related (e.g., VRS, health care, etc.) it is important to record the adjustments in one set of transactions. This ensures that all related deductions are included in the vendor file automatically when payroll is certified. Unlike paid adjustments, non-paid adjustments must be manually added to the vendor file.

The example below illustrates the correct method for refunding/adjusting VRS deductions for our sample employee. Notice how this balances

```

> GUH      10010,00999999900,1                                ON HTODA

                --EMPLOYEE DEDUCTION REFUND/ADJUSTMENT--

___ COMPANY--> 10010 EMPLOYEE NO--> 0099999990 - 0 PAGE NUMBER--> 00001
TRN  CHECK NO.   CHK DT   BEG DT   END DT   REAS  TU      NET      PA RES + Y
MISC AMT 1
503 1001099901  06162015  05252015  06092015  ___   000   00000015643 000000 P Y
000000000000
PA  ST/LOC      FIT          OASDI          HI          OTHER          GROSS          + Y
SW          SIT          LOCAL          DI
500  _   000000  000000000000  000000000000  000000000000  000000000000  000000000000 P Y
          000000000000  000000000000  000000000000

                *----- VOLUNTARY DEDUCTIONS -----*
550  012 00000015643  115 00000003285  116 00000038576  120 00000003723  M Y
136 00000002065  000 000000000000  000 000000000000
550  000 000000000000  000 000000000000  000 000000000000  000 000000000000  --
000 000000000000  000 000000000000  000 000000000000

DEDUCTIONS  +  TAXES  +  NET  =  TOTAL PAYS  =  GROSS
00000015643-  000000000000  00000015643  000000000000  000000000000
    
```

06/03/15 07:20:55 1 M3L1 CIP5 _____

Combining Related Deductions on HTODA Paid Update

Here, we have keyed the total of all deductions as the net amount. CIPPS warns that the adjustment does not balance. Note the message is a "warning". If you did not correct the error, CIPPS will process the adjustment and you will have paid too much into the employee's net check!

ALWAYS:

- Review all messages when keying manual pay adjustments.
- Have another person review what was keyed.
- Print your screen after you key the manual pay to use as a reference should an error occur when it processes.

```

> GUH 10010,00999999900,1 ON HTODA

--EMPLOYEE DEDUCTION REFUND/ADJUSTMENT--

R_ COMPANY--> 10010 EMPLOYEE NO--> 0099999990 - 0 PAGE NUMBER--> 00001
TRN CHECK NO. CHK DT BEG DT END DT REAS TU NET PA RES + Y
MISC AMT 1
503 1001099901 06162015 05252015 06092015 _ 000 63292 000000 P Y
000000000000
PA ST/LOC FIT OASDI HI OTHER GROSS + Y
SW SIT LOCAL DI
500 _ 000000 00000000000 00000000000 00000000000 00000000000 00000000000 P Y
00000000000 00000000000 00000000000

*----- VOLUNTARY DEDUCTIONS -----*
550 012 00000015643 115 00000003285 116 00000038576 120 00000003723 M Y
136 00000002065 000 00000000000 000 00000000000
550 000 00000000000 000 00000000000 000 00000000000 000 00000000000 _ _
000 00000000000 000 00000000000 000 00000000000

DEDUCTIONS + TAXES + NET = TOTAL PAYS = GROSS
00000015643- 00000000000 00000063292 00000000000 00000000000
6084W-MANUAL PAY SET DOES NOT BALANCE

06/03/15 07:47:55 1 M3L1 CIP5
    
```

Refunding FICA Pre-tax Deductions to Employees Not Receiving Regular Pay using HTODA Manual Pay

Overview

At times, it is necessary to refund Premium Conversion (deduction 024) to an employee who is not receiving any regular pay due to the current employment status. This may be a terminated employee or an employee on LWOP from whom too much pre-tax health care premium was deducted.

A \$100.00 premium conversion refund is used in this example. If necessary, reactivate the employee to non-auto status in CIPPS. To do this, go to HOBES change the employment status from '3' to a '1' and remove the Term Date. Ensure the employee is non-auto on HOBID.

Calculate FICA Taxes

Calculate the net amount – after OASDI and HI taxes are taken – actually to be paid to the employee. You will need the amount of OASDI tax, HI tax, and net payable for these adjustments.

Refund Net Amount

Key a **paid** update (P/M) on HTODA to refund that amount from deduction 024:

```

> GUH 10010,999999900,1                                     ON HTODA

          --EMPLOYEE DEDUCTION REFUND/ADJUSTMENT--

COMPANY--> 10010 EMPLOYEE NO--> 0099999990 - 0 PAGE NUMBER--> 00001
TRN  CHECK NO.   CHK DT   BEG DT   END DT   REAS  TU      NET      PA RES + Y
MISC AMT 1
503 1001099991  08152014  07252014  08092014   ___   000   000000009235 000000 P Y
000000000000
PA  ST/LOC      FIT          OASDI          HI          OTHER      GROSS      + Y
SW
500  _   000000  000000000000  000000000000  000000000000  000000000000  000000000000 P Y
          000000000000  000000000000  000000000000

          *----- VOLUNTARY DEDUCTIONS -----*
550  024 000000009235 000 000000000000 000 000000000000 000 000000000000 M Y
000 000000000000 000 000000000000 000 000000000000
550  000 000000000000 000 000000000000 000 000000000000 000 000000000000  --
000 000000000000 000 000000000000 000 000000000000

DEDUCTIONS  +  TAXES  +  NET  =  TOTAL PAYS  =  GROSS
000000009235-  000000000000  000000009235  000000000000  000000000000

          11/07/14  14:10:39  1  M3L1  CIP5
    
```

Remember that you **must** key an HUA03 transaction for one penny (0.01) in order for CIPPS to process any paid update you key for an employee who is otherwise not receiving any regular pay (700 on HUA03) or special pay as regular pay (7XX on HUC01).

Continued on next page

Reclassify FICA Tax Amounts

Key a **non-paid** update (+/-) on HTODA to re-classify un-paid amount from deduction 024 to OASDI and HI taxes:

```

> GUH 10010,999999900,2                                     ON HTODA

                --EMPLOYEE DEDUCTION REFUND/ADJUSTMENT--

COMPANY--> 10010  EMPLOYEE NO--> 0099999990  - 0  PAGE NUMBER--> 00002
TRN  CHECK NO.   CHK DT   BEG DT   END DT   REAS  TU      NET      PA RES + Y
MISC AMT 1
503  1001099992  08152014  07252014  08092014  ___   000  00000000000 000000 + Y
000000000000
PA  ST/LOC      FIT          OASDI          HI          OTHER      GROSS      + Y
SW                               SIT          LOCAL          DI
500  _   000000  000000000000  000000000620  000000000145  000000000000 000000000000 + Y
000000000000  000000000000  000000000000

                *----- VOLUNTARY DEDUCTIONS -----*
550  024 000000000765  000 000000000000  000 000000000000  000 000000000000  - Y
000 000000000000  000 000000000000  000 000000000000
550  000 000000000000  000 000000000000  000 000000000000  000 000000000000  - -
000 000000000000  000 000000000000  000 000000000000

DEDUCTIONS  +  TAXES  +  NET  =  TOTAL PAYS  =  GROSS
000000000765-  000000000765  000000000000  000000000000  000000000000

                11/07/14  14:13:17  1  M3L1  CIP5
    
```

Due Agency and Deceased Net checks

The order in which CIPPS processes deductions – pre-tax, tax, garnishment, post-tax – allows you to use this method whether the net is paid to the employee or to another payee. If you need to issue a check to the agency for the net of this refund, establish deduction 010, DUE AGY, on H0ZDC for the amount owed. Deduction 013, DEC-NET, should be established on H0ZDC to issue a check for the net refund amount payable to the beneficiary or estate of a deceased employee.

Refer to the latest payroll bulletin that discusses Deceased Pay Processing for additional guidance on using deduction 010 and deduction 013. Payroll bulletins may be found on the State Payroll Operations website: (http://www.doa.virginia.gov/Payroll/Payroll_Bulletins/Payroll_Bulletins_Main.cfm).

Earnings Reclassification with Reciprocal State Taxation

Overview

Situations occur where it is necessary to reclassify regular earnings to another type of earnings or vice versa. In most circumstances, reclassification of earnings may be accomplished by keying an HTPSA in CIPPS. Even in certain situations like Workers' Compensation, where the adjustment affects taxable wages for FIT, OASDI, HI, and SIT taxes, HTPSA may still be used for employees whose resident state and work state are both Virginia.

When state taxation is assigned to the employee's resident state because of an existing reciprocal agreement between that state and Virginia, the existing process has been incomplete and required outside assistance. To date, this process has been to key the earnings reclassification for Virginia only. At the end of the quarter, agencies would submit to State Payroll Operations an Employee File Adjustment Form, with screen prints of the resident state tax Masterfile. State Payroll Operations personnel would manually update the resident state taxable earnings in CIPPS.

The Manual Pay Builder in CIPPS, screens HTM00 through HTMCK, provides the only method by which reciprocal state taxable earnings may be adjusted correctly through the system.

Manual Pay Builder

Keying the Manual Pay Builder begins with the HTM00 screen. The information on HTM00 is the unique identifier for the manual pay.

1. On HTM00, key these fields: Company, Employee No, Page Number, Check Number, Check Date, Beginning Date, and Ending Date. Put a 'Y' in the Y/Q Indicator field. CIPPS will move to the next screen when you press ENTER.
2. On HTMPA, key the regular pay to be adjusted.
3. On HTMSP, key the special pay to be adjusted.
4. On HTMTD, replace the pre-loaded ST/LOC value (usually '470000') on the first line with the ST/LOC value for the employee's resident state & local.
5. Review the Manual Pay Summary on HTMCK to ensure everything balanced.
6. Press ENTER again to return to the HTM00 screen. Scroll through the Manual Pay Builder screens to review & verify everything shows as entered.

Continued on next page

Earnings Reclassification with Reciprocal State Taxation

```

> GUH 10010,00999999900,1 ON HTMTD

MANUAL PAYS TAXES AND DEDUCTIONS

R COMPANY--> 10010 EMPLOYEE NO--> 0099999990 - 0 PAGE NUMBER--> 00001

PA *----- TAXES (500) -----*
SW ST/LOC FIT / SIT OASDI / LOCAL HI / DI OTHER / GROSS ADJ
- 210017 .00 .00 .00 .00 .00
.00 .00 .00
- 000000 .00 .00 .00 .00 .00
.00 .00 .00
- 000000 .00 .00 .00 .00 .00
.00 .00 .00
- 000000 .00 .00 .00 .00 .00
.00 .00 .00
*----- DEDUCTIONS (550) -----*
0 .00 0 .00 0 .00 0 .00
0 .00 0 .00 0 .00 0 .00
0 .00 0 .00 0 .00 0 .00
0 .00 0 .00 0 .00 0 .00
A287W-NO RECORD/S FOUND 06/01/15 11:16:35 1 M3LL CIP5
    
```

HTMTD Screen with MD (21) state and Prince Georges County (0017) local codes entered

Reviewing the Manual Pay

PA STATE/LOCAL

This field is optional. Employers with Pennsylvania residents may enter the employee's resident state and local if the employee is subject to PA Act 32 local tax. If no value is entered, the resident state and resident local entered on the HOBAD screen are defaulted into this field when you press Enter.

Continued on next page

Earnings Reclassification with Reciprocal State Taxation

```
> GUH 10010,00999999900,1 ON HTM00

----- MANUAL PAY BUILDER -----

__ COMPANY--> 10010 EMPLOYEE NO--> 0099999990 - 0 PAGE NUMBER--> 00001

CHECK NUMBER          1001099991
OLD CHECK NUMBER      0000000000
CHECK DATE            08152014
BEGINNING DATE        05252014
ENDING DATE           06092014
TAX UNIT              001
SUI STATE             00
REASON                ---
METHOD
PA STATE/LOCAL      210017
MISC AMT 1            .00
Y/Q INDICATOR        Y
* * * SCREENS WILL BE ACCESSED IN FOLLOWING ORDER * * *
PAYS -----> HTPA
SPECIAL PAYS -----> HTMSP
TAXES AND DEDUCTIONS ---> HTMTD
BALANCE DETAILS -----> HTMCK
A287W-NO RECORD/S FOUND 06/01/15 11:14:06 1 M3LL CIP5
```

HTM00 after keying – MD (21) resident state and Prince Georges County (0017) local

The PA STATE/LOCAL value on HTM00 should be compared to the resident state and local codes entered on the HTMTD screen. If there is a discrepancy and the HTMTD is determined to be wrong, correct the HTMTD screen.

If the resident state and local code combination entered on HTMTD is correct:

1. check that an H0ATX record for that state and local exists;
2. verify that the state status on H0ATX is correct for both the work state and resident state records; and
3. verify that the H0BAD screen has been properly configured for work state and res

Work State on HTMTD

CIPPS will re-generate a line on HTMTD for the work state. This is correct. This transaction cannot be deleted.

Refer to CAPP Topic 50315, *Employee Tax Maintenance*, for additional assistance with configuring the employee tax Masterfile. Contact payroll@doa.virginia.gov if you have questions.

Processing Non-Cash Taxable Benefits as earnings and pay Employee FICA taxes for Terminated Employees

Overview

Although an employee has terminated, the employer is still required to timely report and timely pay FICA taxes owed on all taxable income regardless of whether the taxes were withheld from the employee's pay. When you receive non-cash benefit information after an employee has terminated, the amount that the employee received must be "grossed-up". This is done by dividing the amount paid by a factor which accounts for the current year OASDI and HI tax rates. To calculate this factor, subtract from 1 the current year combined OASDI and HI tax rate. For 2015 the rate is .0765 (7.65%). $1 - 0.0765 = 0.9235$.

In our example, we are recording the receipt of a \$25.00 gift card by the employee prior to termination. \$25.00 is the stated amount, or the amount actually received by the employee. When we divide \$25.00 by the factor, the increased total wages to be reported as taxable is \$27.07.

Record Taxable Earnings:

In CIPPS you will key two (2) special payment transactions on HUE01. First, you will key special pay 049, NC AWDS, to record the amount received by the employee. Special pay 049 adds to all taxable wage accumulators the amount entered on HUE01.

The second special payment transaction you will enter on HUE01 is special pay 071, ER PD TX. Because SP 049 is already adding \$25.00 to taxable wages, you only need to enter the difference between the calculated increased total wages and the amount of SP049: \$2.07 (\$27.07 - \$25.00).

Tax-Check-Deduction indicators for both special pay entries should be 0-0-0.

```

> GUH 10010,1000 ON HUE01
-----SPECIAL PAYMENTS-----
COMPANY--> 10010 BATCH NUMBER--> 1000 PAGE NUMBER--> 00001
EMPLOYEE T T C D
NUMBER C PAY STATE DEPT A H E DATE DATE HOURS RATE/AMT
D TRN NO LOCAL SEC X K D FROM TO WORKFIELD ADJ AU
(2ND LINE) F DIV/OF LABOR CODE
0099999990 0 9XX 049 000000 0 0 0 00000000 00000000 0000000 000000002500
0099999990 0 9XX 071 000000 0 0 0 00000000 00000000 0000000 00000000207
0000000000 X 9XX 000 000000 0 0 0 00000000 00000000 0000000 000000000000
0000000000 X 9XX 000 000000 0 0 0 00000000 00000000 0000000 000000000000
0000000000 X 9XX 000 000000 0 0 0 00000000 00000000 0000000 000000000000
0000000000 X 9XX 000 000000 0 0 0 00000000 00000000 0000000 000000000000
0000000000 X 9XX 000 000000 0 0 0 00000000 00000000 0000000 000000000000
05/27/15 08:31:51 1 M3L1 CID5
  
```

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Record the FICA taxes:

The second, and very important, part of this process is to record the Employee OASDI and HI tax amounts. First, calculate the amount of each tax using the increased total wages amount, \$27.07. For 2015 the OASDI tax rate is 0.062 (6.2%) and the HI tax rate is 0.0145 (1.45%). The tax amounts are:

OASDI: 1.68 (27.07 x 0.062)
 HI: 0.39 (27.07 x 0.0145)
 Total: 2.07

Key a non-paid update on HTQTA. Enter the total OASDI/HI tax amount in the Net amount field with – Y in the “+” and “Y” indicator fields on the 503 line. On the 500 transaction line, enter the amount for OASDI tax and HI tax in the respective fields. Use ‘+ y’ for the indicators. An example is shown below:

```

> GUH 10010,00999999900,1 ON HTQTA
-----EMPLOYEE TAX REFUND/ADJUSTMENT-----
__ COMPANY--> 10010 EMPLOYEE NO--> 0099999990 - 0 PAGE NUMBER--> 00001
TRN CHECK NO. CHK DT BEG DT END DT REAS TU NET PA RES + Y
503 1001099991 05292015 05102015 05242015 ___ 000 00000000207 000000 - Y

----- T A X - W I T H H E L D -----
PA ST/LOC FIT / OASDI SIT / HI LOCAL / DI OTHER GROSS + Y
SW
500 _ 000000 000000000000 000000000000 000000000000 000000000000 000000000000 + Y
00000000168 00000000039 000000000000
500 _ 000000 000000000000 000000000000 000000000000 000000000000 000000000000 - -
000000000000 000000000000 000000000000

TAXES + NET = TOTAL PAYS = GROSS
00000000207 00000000207- 000000000000 000000000000

05/27/15 08:46:51 1 M3L1 CID5
    
```

References:

- IRS Publication 15-A, Section 7
- IRS Publication 15, Circular E, Employer’s Tax Guide

Contact payroll@doa.virginia.gov if you have any questions.