Module 2:

Deduction Maintenance and Garnishments

Learning Points

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

Healthcare Reward

Hybrid Retirement

LWOP

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

Virginia Child Support

Percentage Garnishment with Existing Child Support

Learning Points, continued

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.

H0ZDC Screen

Enter a new deduction on H0ZDC

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

<div align="center">

(CLICK)   (CLICK)

GU   **TAB**   **company #, employee #**   **TAB**   **H0ZDC**

</div>

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:

<div align="center">

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

</div>

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 – Healthcare Reward

Healthcare Reward Setup on H0ZDC screen

Using the Report U130 shown below, establish the healthcare reward deductions for Alicia J. Johnson – EE# 01003258400. Remember to scroll H0ZDC to get a blank line, then enter the following:

_____

```
CO. NO.  100XX                    COMMONWEALTH OF VIRGINIA                  REPORT U130   PAYB2300

                                 DEPARTMENT  OF  ACCOUNTS                RUN ON 03/13/20XX AT 19:05:29
                              BES/CIPPS TRANSACTION ERROR LISTING                        PAGE    2
                              PAY PERIOD 03/10/20XX – 03/24/20XX

      AGENCY 100XX    ** MUST MANUALLY ENTER CHANGE INTO CIPPS **

      CHG                                                           ERROR MESSAGE/

      IND     FIELD                                OLD BES VALUE  /  NEW BES VALUE

      -----  -------------------------------------------   ---------------------------------  -----------------------------------------
      TR    EMPLOYEE NAME/NUMBER: ALICIA J JOHNSON/01003258400          NO CIPPS RECORD

            TRANS EFFECTIVE DATE: 030120XX

            PROVIDER CODE:                                               044

            PLAN CODE:                                                    S

            EE HC PREMIUM-DED 24-SEMI-MONTHLY:                          43.00

            HC REWARD (DED 25) - SEMI-MONTHLY:                           8.50

            ER HC PREMIUM-DED 26-SEMI-M ONTHLY:                        271.50
```

Example # 2 – Hybrid Retirement

Hybrid Retirement Setup on HMCU1 screen	Hybrid retirement deductions should only be manually setup by the agency if the employee is on the Report U184, MISC INS/ANNUITY/FEE ERROR LISTING.
	Using the information below, establish the hybrid deduction for Karen T. Browning – EE# 01003254700.

```
CO. NO.  100XX                  COMMONWEALTH OF VIRGINIA                REPORT U184   PAYB0027

                                DEPARTMENT  OF  ACCOUNTS              RUN ON 03/05/20XX AT 19:08:39

                              VNAV/CIPPS TRANSACTION ERROR LISTING                    PAGE   1

    AGENCY 100XX        FOR MONTH OF MARCH     20XX

            FIELD DESCRIPTION              FIELD VALUE         ERROR MESSAGE

    ------------------------------------------------------------------------   -------------------------------------------
            EMPLOYEE NAME/NUMBER: 01003254700              EMPLOYEE NOT FOUND ON CIPPS MASTER

    XAH     VRS PLAN CODE                     HB

            VSDP PARTICIPANT INDICATOR        N

            VOLUNTARY HYBRID 457 PERCENTAGE   4.0
```

Example # 3 – LWOP

LWOP Setup on HMCU1 screen

Carol Martin (01068420000) went out on LWOP status effective 5/9/XX. Therefore, she should not receive benefits effective June 20XX. Update the HMCU1 screen to reflect this change using "G".

Example # 4 – Deferred Compensation

Deferred Compensation Setup

Using the Report U063 shown below, establish the deferred compensation deductions for Karen T. Browning – EE# 01003254700. Remember to scroll HØZDC to get a blank line, then enter the following:

_____

CO. NO. 100XX	COMMONWEALTH OF VIRGINIA				REPORT U063 PAYB0019	
	DEPARTMENT OF ACCOUNTS				RUN ON 06/06/20XX AT 19:23:05	
	DC/CIPPS DEFERRED COMP/CASH MATCH ERROR REPORT				PAGE 3	
AGENCY #100XX – TRAINING COMPANY # XX						
					STANDARD	50 PLUS
EMPLOYEE NAME/NUMBER	ERROR MESSAGE	DEDNO	DED AMT		CU AMOUNT	CU AMOUNT
BROWNING, KAREN T/01003254700	CIPPS RECORD NOT FOUND	038	100.00			

_____

Cash Match Setup

Check the employee's retirement plan on HMCU1 and, if applicable, establish the employer cash match, deduction 045. In this instance, Karen Browning 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.

Example # 5 - 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 ½ 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.

Example # 6 – Miscellaneous Insurance & Fee

FBMC and Fee Setup

FBMC deductions should only be manually setup by the agency if the employee is on the Report U148, MISC INS/ANNUITY/FEE ERROR LISTING.

Reviewed the FBMC Miscellaneous Insurance report and discovered a deduction must be setup for employee Julia P. Newton - #01087103200.

Field	Employee Information
COMPANY	100XX
EMPLOYEE NUMBER	01087103200
DEDUCTION NUMBER	041
AMT/PCT	25.00
FR	09
DEDUCTION NUMBER	054
AMT/PCT	0.15
FR	09

Example # 7 – 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 # 8 – 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                    # OF   DED 21    DED 22   DED 23
NUMBER      NAME                  PAYS   DEP CARE  MED R    FLEX ADM       ERROR MESSAGE
                                  HOBU0  MTD       MTD      MTD


01100560500 NAMESMITH, DAVID   24    50.00     57.00     3.65   EMP HAS ADM FEES/NO MED &NO DEP CARE
```

Field	Employee Information
COMPANY	100XX
EMPLOYEE NUMBER	01100560500
DEDUCTION NUMBER	021
AMT/PCT	50.00
FR	09
DEDUCTION NUMBER	022
AMT/PCT	57.00
FR	09
DEDUCTION NUMBER	023
AMT/PCT	3.65
FR	09

Example # 9 – 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/0 General District Court
ADDRESS 3	CASE # 95 01
ADDRESS 4	1501 East Clay Street
ADDRESS 5	Richmond, VA 23219

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
UTILITY	000011250000000001
FR	09

Example # 10 – 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

Establish the tax lien and garnishment fee deductions on the Employee Deduction (H0ZDC) screen.

Fixed Ded

Field	Employee Information
NO	003
AMT/PCT	200.00
UTILITY	00000000000000011
GOAL	1000.00
FR	09

Garn Fee

Field	Employee Information
NO	019
AMT/PCT	20.00
GOAL	20.00
UTILITY	00000000000000001
FR	09

Example # 11 –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	00001150000000000
FR	09

NO	019
AMT/PCT	5.00
UTILITY	00001150000000000

Example # 12 – 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/0 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.

Review Questions: Deduction Maintenance and Garnishments

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.

End of Module 2