

Department of Accounts

Payroll Bulletin

Calendar Year 2011

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the Payroll
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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

State Payroll Operations

Director **Lora L. George**
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Optional Group Life Premium Update

Optional Group Life Premium Update

Effective July 1, 2011 (July 15, 2011 payday) the Optional Group Life rates for the three age brackets shown below will be reduced. The rates will continue to be based on the salary of the member and the age of the member or spouse as of January 1, 2011 (the July 1, 2011 5% salary increase will not be reflected until January 1, 2012.)

Age 30 – 34 Reduced \$0.01 from \$0.07 to \$0.06, per month, per \$1,000 of coverage
Age 50 – 54 Reduced \$0.01 from \$0.22 to \$0.21, per month, per \$1,000 of coverage
Age 55 – 59 Reduced \$0.03 from \$0.43 to \$0.40, per month, per \$1,000 of coverage

Reports documenting the coverage and premium amounts will be distributed around the middle of June. The file to change the Deduction 35 amounts will be loaded on June 30. Be sure to review the Report U024, OPTIONAL GROUP LIFE PREMIUM LISTING, and Report U025, OPTIONAL GROUP LIFE ERROR REPORT, in sufficient time to identify and make any necessary adjustments prior to certification.

Questions regarding coverage or premiums should be directed to Joe Chang at Minnesota Life at:

Joe Chang, Richmond Branch Office
joseph.chang@minnesotalife.com
Phone: 1-800-441-2258, ext. 101
Fax: 804-644-2460

Creditor Garnishments

Disposable Income Garnishments in Virginia are governed by § 34-29 of the Code of Virginia which limits the amount that may be withheld for garnishment to 25% of disposable earnings or the amount by which disposable earnings for the week exceed 40 times the federal minimum hourly wage prescribed by § 206 (a) (1) of Title 29 of the United States Code in effect at the time earnings are payable, whichever is less.

The following definitions are taken from § 34-29 of the Code of Virginia as a reminder of what constitutes “earnings” and “disposable earnings”:

(1) The term "earnings" means compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonus, payments to an independent contractor, or otherwise, whether paid directly to the individual or deposited with another entity or person on behalf of and traceable to the individual, and includes periodic payments pursuant to a pension or retirement program,

(2) The term "disposable earnings" means that part of the earnings of any individual remaining after the deduction from those earnings of any amounts required by law to be withheld

Because the employee-paid member portion (5%) is required by law amounts deducted for garnishments may need to be adjusted effective July 1, 2011 to ensure that the mandatory employee contribution for retirement has been subtracted when determining disposable income.

Note: Since percentage deductions may not calculate pre-tax deductions correctly in determining “disposable pay” according to the definition per the CCPA and Code of Virginia 34-29, it is recommended that only flat amounts be established for garnishments for now.

Additional Information

Additional information regarding the proper calculation of garnishments may be found on the Virginia Department of Labor and Industry’s website:

http://www.doli.virginia.gov/laborlaw/laborlaw_faqs_garnishment.html

FIPS Code Error Report

Review Quarterly Report

The U090, FIPS Code Error Report, is produced quarterly and must be reviewed to ensure that the FIPS codes for all employees are established correctly. FIPS codes are included in reports provided to the Virginia Employment Commission and incorrect or missing codes may require adjustments. See CAPP Topic 50910 for more information.

Increase in VGEA Dues

Effective 7/1/2011 The VGEA Board of Directors approved an increase of \$2.00 per pay period in dues for active members effective July 1. They will be sending out a newsletter in mid-June to their members that will include an announcement of the increase.

Unfortunately, due to the usage of various “sub-deduction” numbers within a deduction for associations, we are unable to globally increase the deduction in CIPPS. Manual changes to the H0ZDC screen may be required by each agency. The new amount should be \$4.00 per semi-monthly pay period (\$8/month, \$96/year) and should begin with the pay check dated 7/15/2011.

NOTE: If your agency uses a specific deduction number solely for VGEA you can send an email requesting a mass transaction to increase the amount withheld for that deduction number. Send the request to J.R. Rodgers at john.rodgers@doa.virginia.gov no later than close of business on Wednesday, July 6.
