

Department of Accounts

Payroll Bulletin

Calendar Year 2011

November 1, 2011

Volume 2011-18

*In This Issue of
the Payroll
Bulletin.....*

- ✓ **Elimination of Health Insurance Codes for LWOP**
- ✓ **LT code on HMCU1 turns off Imputed Life on H10AS**
- ✓ **IRS Qualified Transportation and Commuter/Transit Pass Limits for 2012**

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**
Assistant Director Cathy C. McGill

Elimination of Health Insurance Codes for LWOP

LWOP Codes for Health Insurance Eliminated

Effective December 1, 2011 codes used on HMCU1 to indicate employees in a LWOP status will no longer be allowed in CIPPS. Previously these codes established the employee-paid deduction for health insurance premiums at a rate of zero (\$0) and the employer-paid deduction at the full premium amount. In lieu of LWOP health care codes the automated reconciliation between BES and CIPPS will ensure that the Health Insurance Fund (HIF) receives all the funds due. The automated recon provides a clear audit trail for audit/fiscal staff to identify employees whose entire health insurance premium is paid by the agency due to LWOP or insufficient pay situations. It is the agency's responsibility to collect the funds from the identified employee in accordance with DHRM's guidelines.

All LWOP health care codes must be modified by December 1 to reflect active employee codes. HMCU1 will be modified to only provide for a single position Plan Type at that time.

LT Code on HMCU1 turns off Imputed Life on H10AS

LT and Imputed Life

The uniform premium cost of providing life insurance coverage in excess of \$50,000 is a taxable benefit known as "imputed life". Because imputed life represents the group insurance premiums paid by the employer, it should only calculate in conjunction with employer group insurance premiums.

For this reason, CIPPS will deactivate Special Pay 014 (Imputed Life) when "LT" is entered on HMCU1 to deactivate Group Insurance premiums.

Conversely, CIPPS will activate Special Pay 014 (provided it already exists on H10AS) when any retirement plan code is entered on HMCU1 to activate Group Insurance premiums.

IRS Qualified Transportation and Commuter/Transit Pass Limits for 2012

Change in Limits for 2012

The monthly limit on the value of qualified transportation fringe benefits exclusion for qualified parking provided by an employer to its employees for 2012 rises to \$240, up \$10 from the limit in 2011. IRC § 132(f)(2)(A)

However, the temporary increase in the monthly limit on the value of the qualified transportation fringe benefits exclusion for transportation in a commuter highway vehicle and transit pass provided by an employer to its employees expires and reverts to \$125 for 2012. § 132(f)(2)(B)
