

# *Department of Accounts*

## *Payroll Bulletin*

Calendar Year 2012

December 12, 2011

Volume 2012-01

### **2012 Calendar Year Payroll Operations and Leave Processing**

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

- ✓ Payroll Accounting
- ✓ Payroll Deductions
- ✓ Payroll and Leave Contact  
Personnel
- ✓ Payroll Operations Calendars
- ✓ Payroll Certification Schedule

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](mailto:cathy.mcgill@doa.virginia.gov)

State Payroll Operations

**Director**                      **Lora L. George**

Assistant Director              Cathy C. McGill

---

#### **Introduction**

This Payroll Bulletin addresses key **2012** calendar year payroll and leave processing issues. This bulletin should be distributed to and carefully reviewed by appropriate payroll and fiscal personnel within your agency.

---

#### **Agency Profile Updates**

DOA maintains a database of the payroll operation profiles of each agency to facilitate communications and assistance. Included in this database are contact names, phone numbers (voice and fax), E-mail addresses and report distribution information.

Verification reports showing the contact information we currently have in our database will be distributed this month. Please review the reports and provide any changes to Cathy McGill via email at [cathy.mcgill@doa.virginia.gov](mailto:cathy.mcgill@doa.virginia.gov) or FAX to (804) 225-3499. These reports are distributed semi-annually; however, if your agency undergoes personnel changes within your organization (Fiscal Officer, Human Resource Officer, Benefits Administrator, and Payroll Officer) during 2012 please notify Payroll Operations at the time of the change.

---

### **Payroll Accounting**

---

#### **IRS Deposit Notices**

As with 2011, the IRS will send FTD notices to all agencies whose Federal tax deposit schedule has changed for 2012. When you receive an FTD notice, FAX a copy to Cathy Gravatt at (804) 225-3499.

If your agency experienced **significant** changes in the amount of taxes paid and you do not receive a notice, review Publication 15 (*Circular E, Employer's Tax Guide*) to ensure your deposit requirements will not change. The IRS has not made the 2012 version of Publication 15 available yet. You may look for it in the Forms and Publications section at [www.irs.gov](http://www.irs.gov).

---

*Continued on next page*

## Payroll Accounting, Continued

---

### W-4 Form

Employees who claim exempt from withholding during the prior year on their W-4 must complete a new W-4 Form by February 15<sup>th</sup> to maintain their exempt status. If such employees do not provide a newly completed W-4 Form by February 15<sup>th</sup>, immediately begin to withhold Federal income tax as if they are single, with zero withholding allowances. Agencies can request CIPPS report #823, **Employees With FIT Status Not Equal to 4, 5, or 6**, to identify employees with current exempt W-4s (FIT status "A").

IRS regulations stipulate which employees are eligible to file a W-4 Form with exempt status. Refer to Section 9 of Publication 15 (Circular E) for more information.

Remember that employers are no longer required to submit copies of W-4s to the IRS for employees who claim more than 10 exemptions. In cases where problems are identified, the employer will receive a written notice (called a lock-in letter) from the IRS with specific instructions for withholding on the affected employee.

The 2012 version of the W-4 is available from the IRS website at:

<http://www.irs.gov/pub/irs-pdf/fw4.pdf?portlet=103>

---

### Social Security Tax Withholding

The maximum wage base for 2012 withholding will increase to **\$110,100** for OASDI (Old Age, Survivors, and Disability Insurance). The wage base for HI (Hospital Insurance) remains unlimited (i.e., all wages are HI taxable).

Unless Congress approves legislation currently under consideration, the OASDI tax rate will return to 6.2% each for employees and employers. For HI, the rate is 1.45% each for employees and employers.

When the maximum has been reached for an individual Employee Id Number within an agency, OASDI taxes will cease to be calculated and withheld. No agency action is required since CIPPS recognizes the OASDI maximum.

DOA monitors totals for employees with records at more than one CIPPS agency and will change the FICA status to "6" once the OASDI max has been reached. **Don't forget to change the FICA status from "6" back to a "4" for the new calendar year.** Report #825, FICA Status not Equal to 4 and Employee Status Equal 1 or 2, may be requested on HSRUT for review.

---

### IRS PUBS & FORMS

The IRS web site address is <http://www.irs.gov/>

If you do not have internet access, IRS publications and forms can be ordered by calling 1-800-TAX-FORM (1-800-829-3676).

---

*Continued on next page*

## Payroll Accounting, Continued

---

**Name Changes** Employees requesting name changes in CIPPS should be reminded to notify the Social Security Administration (SSA) of the change immediately. Name changes for existing employees are part of the PMIS/CIPPS interface and changes to employee names should not be entered in PMIS until the employee provides a new SS card showing the changed name or documentation proving SSA notification. If the employee's name is changed in CIPPS but not with the SSA, the name will not match SSA records when DOA remits the W-2 tape, possibly resulting in agency penalties. Refer to section 4 of Publication 15 (Circular E) for more information. You can verify up to 10 names/SSNs online and find out immediately if there is a mismatch. Go to [www.ssa.gov/bso/bsowelcome.htm](http://www.ssa.gov/bso/bsowelcome.htm) and register for a PIN and password. Your activation code will be sent to your supervisor. Input the activation code to turn on SSNVS. Log into Business Services Online with your PIN and password and enter the SSNs for verification.  
<http://www.socialsecurity.gov/employer/critical.htm>

---

**Helpful Reminders**

Some items that should be considered when beginning a new calendar year:

- **Ensure all garnishments that have been satisfied due to a goal being reached are deactivated (frequency changed to 00).**
  - Review the pending file reports and delete transactions no longer required.
  - When entering a certification or edit request in 2012 with a pay period begin date with a 2011 value, you will receive a Warning message stating "YEAR NOT SAME AS CURRENT YEAR." This is an informational message. However, you must hit the enter button again for the data on PYCTF/PYEDT to be accepted in the system.
- 

## Payroll Deductions

---

**Flex Reimbursement Accounts**

Flex accounts set up through the interface with BES now use an end-date instead of a goal as the means of turning off the deduction. DOA will **NOT** process any mass transactions at calendar year-end to change any fields related to the flex accounts on HOZDC. If you manually set up accounts using a goal, you must review the deduction to ensure that the correct amount will be withheld for the remainder of the plan year (January through June deductions).

---

*Continued on next page*

## Payroll Deductions, Continued

**CVC Deduction #62** DOA will process a mass transaction at year-end to turn-off Deduction #62 (changes frequency from '09' to '00') and to change the Deduction #62 AMT/PCT, GOAL and UTILITY fields on H0ZDC to all zeros.

**DOA will process an update provided by DHRM to establish CVC deductions for calendar year 2012 the first week of January. Reports will be provided by DHRM and some manual entry may be required as well.**

**REMINDER – Do not attempt to enter CVC deductions until CIPPS files are restored following year-end processing, scheduled for December 29, 2011 through January 2, 2012.**

**Optional Group Life Update** Reports U024 - Optional Group Life Premium Listing and U025 - Optional Group Life Errors will be produced sometime next week. CIPPS will be updated the first week of January with the new Optional Group Life rates. Look for notification on the CIPPS Broadcast Screen. For questions regarding OGL, contact Joe Chang in the Richmond Branch Office of Minnesota Life at 1-800-441-2258 x101 or via email at [joseph.chang@minnesotamutual.com](mailto:joseph.chang@minnesotamutual.com) or FAX 804-644-2460.

**Qualified Benefit Plans** Employees of the Commonwealth who are employed by a college or university may use both the 457 Deferred Compensation Plan and a 403(b) Tax Deferred Account. The maximum limits on 457 and 403(b) plan elective deferrals for calendar year 2012 are:

Deferral Category	457 Deferred Compensation Plan	403(b) Tax-Deferred Account
Normal Annual Limit	\$17,000 (1)(5)	\$17,000 (1)(5)
Age 50 Catch-Up	\$5,500 (2)	\$5,500 (2)(5)
457 Standard Catch-Up	\$17,000 (3)(5)	N/A
403(b) 15-Year Catch-Up	N/A	\$3,000 (4)(5)

- (1) Eligible participants may contribute the normal annual limit to both plans.
- (2) Eligible participants may contribute the Age 50 Catch-Up to both plans.
- (3) The 457 Standard Catch-Up may not be used in the same year that the 457 Age 50 Catch-Up is used. The 457 Standard Catch-Up can only be used in the three years preceding "normal retirement age" as designated on the Normal Retirement Age Election Form. The Standard Catch-Up plus the Normal Annual Limit results in a total possible deferral to the 457 Plan of **\$34,000 for 2012**.
- (4) The 403(b) 15-Year Catch-Up, the 403(b) age 50 Catch-Up and the 403(b) Normal Annual Limit can all be used in the same year for a total deferral of **\$25,500 in 2012**. (Note: there is a lifetime limit of \$15,000 on the 15-yr catch up.)
- (5) The 457 Standard Catch-Up and the 403(b) 15-Year Catch-Up may both be used in the same year. A participant in both plans could potentially defer **\$54,000 in 2012** if eligible for the full 403(b) 15-Year Catch-Up and the full 457 Standard Catch-Up.

***Note: Questions concerning eligibility for Catch-Up contributions should be directed to the applicable Plan provider.***

*Continued on next page*

## Payroll Deductions, Continued

**Misc. Deduction TPA Processing Schedule** The calendar year 2012 cut-off date schedule governing new enrollment and change processing for the miscellaneous insurance and annuity third party administrator (FBMC) follows:

Pay period	FBMC Cut-Off	CHANGE LIST TO Agency	DOA Certify Deadline	PAYDAY
12/25/11-01/09/12	12/21/2011	1/3/2011	1/6/12	1/12/12
01/10/12-01/24/12	1/10/2012	1/19/2012	1/26/12	2/1/12
01/25/12-02/09/12	1/27/2012	2/03/2012	2/10/12	2/16/12
02/10/12-02/24/12	2/9/2012	2/16/2012	2/24/12	3/1/12
02/25/12-03/09/12	2/27/2012	3/5/2012	3/12/12	3/16/12
03/10/12-03/24/12	3/12/2012	3/19/2012	3/26/12	3/30/12
03/25/12-04/09/12	3/27/2012	4/3/2012	4/10/12	4/16/12
04/10/12-04/24/12	4/11/2012	4/18/2012	4/25/12	5/1/12
04/25/12-05/09/12	4/26/2012	5/3/2012	5/10/12	5/16/12
05/10/12-05/24/12	5/11/2012	5/18/2012	5/25/12	6/1/12
05/25/12-06/09/12	5/25/2012	6/4/2012	6/11/12	6/15/12
06/10/12-06/24/12	6/12/2012	6/19/2012	6/26/12	7/2/12
06/25/12-07/09/12	6/25/2012	7/2/2012	7/10/12	7/16/12
07/10/12-07/24/12	7/12/2012	7/19/2012	7/26/12	8/1/12
07/25/12-08/09/12	7/27/2012	8/3/2012	8/10/12	8/16/12
08/10/12-08/24/12	8/13/2012	8/20/2012	8/27/12	8/31/12
08/25/12-09/09/12	8/24/2012	8/31/2012	9/10/12	9/14/12
09/10/12-09/24/12	9/10/2012	9/17/2012	9/24/12	9/28/12
09/25/12-10/09/12	9/25/2012	10/2/2012	10/10/12	10/16/12
10/10/12-10/24/12	10/12/2012	10/19/2012	10/26/12	11/1/12
10/25/12-11/09/12	10/26/2012	11/2/2012	11/9/12	11/16/12
11/10/12-11/24/12	11/7/2012	11/15/2012	11/26/12	11/30/12
11/25/12-12/09/12	11/26/2012	12/3/2012	12/10/12	12/14/12
12/10/12-12/24/12	12/7/2012	12/14/2012	12/21/12	12/31/12

This schedule is posted on DOA's web site at the following address:

[http://www.doa.virginia.gov/Payroll/TPA/TPA\\_Calendar\\_2012.pdf](http://www.doa.virginia.gov/Payroll/TPA/TPA_Calendar_2012.pdf)

*Continued on next page*

## Payroll and Leave Contact Personnel

**Communication Guidance** Address all processing questions to the individuals listed. Contact the appropriate DOA personnel to ensure accurate and consistent responses. Use E-mail and FAX to avoid “telephone tag” and provide all necessary relevant information. This will significantly reduce the amount of time it takes DOA personnel to address questions or concerns. **Review your CIPPS broadcast screen throughout the day for important messages.**

### Payroll Operations – CIPPS Assistance

Name	Functional Area	E-mail	Phone (804 Area Code)
John (J.R.) Rodgers	Technical Support; Mass Transactions, Special Pay, Deduction, or Report Set-up	<a href="mailto:john.rodgers@doa.virginia.gov">john.rodgers@doa.virginia.gov</a>	225-3079
Martha Laster	Non US citizens, I-9s, deceased pay	<a href="mailto:Martha.laster@doa.virginia.gov">Martha.laster@doa.virginia.gov</a>	225-2382
Shannon Gulasky	Agency Payroll and Leave Procedural Support	<a href="mailto:Shannon.gulasky@doa.virginia.gov">Shannon.gulasky@doa.virginia.gov</a>	225-3065

### Payroll Operations – PR/Benefits Accounting

Name	Functional Area	E-mail	Phone (804 Area Code)
Denise Waddy	Healthcare Reconciliations; Deferred Compensation; Deferred Compensation Cash Match; Political Appointee ORP	<a href="mailto:denise.waddy@doa.virginia.gov">denise.waddy@doa.virginia.gov</a>	225-2246
Cathy Gravatt	941s; Void Checks; Employee Masterfile Maintenance; CIPPS/CARS Interface; CIPPS Adjustments; Supplemental Insurances; ORPs (other than political appointee)	<a href="mailto:cathy.gravatt@doa.virginia.gov">cathy.gravatt@doa.virginia.gov</a>	225-2386
Denise Halderman	941-X; W-2Cs; Payroll Accounting; Benefits Accounting; CIPPS Security; Flexible Reimbursement Accounts;	<a href="mailto:denise.halderman@doa.virginia.gov">denise.halderman@doa.virginia.gov</a> v	371-8912
Cathy Royal	CIPPS/PMIS Audit; CVC; VPEP; VEST; Annuities and Annuity Cash Match	<a href="mailto:catherine.royal@doa.virginia.gov">catherine.royal@doa.virginia.gov</a>	225-2390

*Continued on next page*

## Payroll and Leave Contact Personnel, Continued

### Payroll Operations - Production

Name	Functional Area	E-mail	Phone (804 Area Code)
Felecia Smith	Direct Deposit Stop Payments, Checkwrites; Direct Deposit; Deposit Certificates; CIPPS Production Jobs & Report Distribution/Recovery; AD-HOC Reports/U1's; Stop Payments-Void Earnings Notices; Gross Pay Differences	<a href="mailto:felecia.smith@doa.virginia.gov">felecia.smith@doa.virginia.gov</a>	371-8385
Diana Jones	Direct Deposit Stop Payments, Checkwrites; Direct Deposit; Deposit Certificates; CIPPS Production Jobs & Report Distribution/Recovery; AD-HOC Reports/U1's; Stop Payments-Void Earnings Notices; Gross Pay Differences	<a href="mailto:diana.jones@doa.virginia.gov">diana.jones@doa.virginia.gov</a>	371-4883

### Payroll Operations - Management

Name and Title	Functional Area	E-mail	Phone (804 Area Code)
Lora George, Director, State Payroll Operations	General Information	<a href="mailto:lora.george@doa.virginia.gov">lora.george@doa.virginia.gov</a>	225-2245
Cathy McGill, Assistant Director, State Payroll Operations	General Information, Technical Support, Mass Transactions, Special Pay, Deduction, or Report Set-up; CIPPS Production Jobs & Report Distribution/Recovery; Gross Pay Differences	<a href="mailto:cathy.mcgill@doa.virginia.gov">cathy.mcgill@doa.virginia.gov</a>	371-7800

**Payroll  
Operations  
FAX Number**

- (804) 225-3499

*Continued on next page*

## January 2012

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 9AM - CIPPS files open - no edits or payruns	2 <b>State Holiday: New Years</b>	3 Deferred Comp Transaction Upload  TPA Upload	4	5	6 Semi-monthly salaried certification Period #1 (12/25-01/09)  Deferred Comp Transaction Upload	7 9AM - CIPPS files open - no edits or payruns
8 9AM - CIPPS files open - no edits or payruns	9 <b>CYE Cert Due</b>	10	11 Leave keying deadline (12/25-01/09)	12 Payday for semi-monthly salaried employees	13 <b>State Holiday: Lee-Jackson Day</b>  9AM - CIPPS files open - no edits or payruns	14 9AM - CIPPS files open - no edits or payruns
15 9AM - CIPPS files open - no edits or payruns	16 <b>State Holiday: M L King, Jr. Day</b>  9AM - CIPPS files open - no edits or payruns	17	18	19 TPA Upload	20 Deferred Comp Auto Enroll Transaction Upload	21 9AM - CIPPS files open - no edits or payruns
22 9AM - CIPPS files open - no edits or payruns	23	24 Deferred Comp Transaction Upload	25	26 Semi-monthly salaried certification deadline Period #2 (01/10-01/24)	27	28 9AM - CIPPS files open - no edits or payruns
29 9AM - CIPPS files open - no edits or payruns	30	31 Leave keying Deadline (01/10-01/24)  December Healthcare Cert Due				

## February 2012

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 Payday for semi-monthly salaried employees  Deferred Comp Transaction Upload	2	3 TPA Upload	4 9AM - CIPPS files open - no edits or payruns
5 9AM - CIPPS files open - no edits or payruns	6 Deferred Comp Transaction Upload	7	8	9	10 Semi-monthly salaried certification Period #1 (01/25-02/09)	11 9AM - CIPPS files open - no edits or payruns
12 9AM - CIPPS files open - no edits or payruns	13	14	15 Leave keying deadline (01/25-02/09)	16 Payday for semi-monthly salaried employees  TPA Upload	17	18 9AM - CIPPS files open - no edits or payruns
19 9AM - CIPPS files open - no edits or payruns	20 <b>State Holiday: George Washington's Birthday</b>  9AM - CIPPS files open - no edits or payruns	21 Deferred Comp Auto Enroll Transaction Upload	22	23	24 Semi-monthly salaried certification Period #2 (02/10-02/24)	25 9AM - CIPPS files open - no edits or payruns
26 9AM - CIPPS files open - no edits or payruns	27	28	29 Leave keying deadline (02/10-02/24)  January Healthcare Cert Due			

## March 2012

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 Payday for semi-monthly salaried employees  Deferred Comp Transaction Upload	2	3 9AM - CIPPS files open - no edits or payruns
4 9AM - CIPPS files open - no edits or payruns	5 Deferred Comp Transaction Upload  TPA Upload	6			9	10 9AM - CIPPS files open - no edits or payruns
11 9AM - CIPPS files open - no edits or payruns	12 Semi-monthly salaried certification Period #1 (02/25-03/09)	13	14	15 Leave keying deadline (02/25-03/09)	16 Payday for semi-monthly salaried employees	17 9AM - CIPPS files open - no edits or payruns
18 9AM - CIPPS files open - no edits or payruns	19 Deferred Comp Auto Enroll Transaction Upload  TPA Upload	20	21	22	23	24 9AM - CIPPS files open - no edits or payruns
25 9AM - CIPPS files open - no edits or payruns	26 Semi-monthly salaried certification Period #2 (03/10-03/24)	27	28	29 Leave keying deadline (03/10-03/24)	30 Payday for semi-monthly salaried employees  February Healthcare Cert Due	31 9AM - CIPPS files open - no edits or payruns

## April 2012

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 9AM - CIPPS files open - no edits or payruns	2 Deferred Comp Transaction Upload	3 TPA Upload	4	5	6 Deferred Comp Transaction Upload	7 9AM - CIPPS files open - no edits or payruns
8 9AM - CIPPS files open - no edits or payruns	9 <b>1<sup>st</sup> QTR Cert Due</b>	10 Semi-monthly salaried certification Period #1 (03/25-04/09)	11	12	13 Leave keying deadline (03/25-04/09)	14 9AM - CIPPS files open - no edits or payruns
15 9AM - CIPPS files open - no edits or payruns	16 Payday for semi-monthly salaried employees	17	18 TPA Upload	19	20 Deferred Comp Auto Enroll Transaction Upload	21 9AM - CIPPS files open - no edits or payruns
22 9AM - CIPPS files open - no edits or payruns	23	24	25 Semi-monthly salaried certification Period #2 (04/10-04/24)	26	27	28 9AM - CIPPS files open - no edits or payruns
29 9AM - CIPPS files open - no edits or payruns	30 Leave keying deadline (04/10-04/24)  March Healthcare Cert Due					

## May 2012

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 Payday for semi-monthly salaried employees	2 Deferred Comp Transaction Upload	3 TPA Upload	4	5 9AM - CIPPS files open - no edits or payruns
6 9AM - CIPPS files open - no edits or payruns	7 Deferred Comp Transaction Upload	8	9	10 Semi-monthly salaried certification Period #1 (04/25-05/09)	11	12 9AM - CIPPS files open - no edits or payruns
13 9AM - CIPPS files open - no edits or payruns	14	15 Leave keying deadline (04/25-05/09)	16 Payday for semi-monthly salaried employees	17	18 Deferred Comp Auto Enroll Transaction Upload  TPA Upload	19 9AM - CIPPS files open - no edits or payruns
20 9AM - CIPPS files open - no edits or payruns	21	22	23 Deferred Comp Transaction Upload	24	25 Semi-monthly salaried certification Period #2 (05/10-05/24)	26 9AM - CIPPS files open - no edits or payruns
27 9AM - CIPPS files open - no edits or payruns	28 <b>State Holiday: Memorial Day</b>  9AM - CIPPS files open - no edits or payruns	29	30	31 Leave keying deadline (05/10-05/24)  April Healthcare Cert Due		

## Certification Schedule

The Payroll Operations Calendar for the period June through November 2012 will be issued in May. The calendar for December 2012 will be issued in November. For agency planning purposes, the certification dates and paydays for this period are listed below.

<b>Month and Period</b>	<b>Certification Date</b>	<b>Pay Date</b>
<b>June</b> <i>1st pay period 5/25 - 6/9</i> <i>2nd pay period 6/10 - 6/24</i>	6/11 6/26	6/15 7/2
<b>July</b> <i>1st pay period 6/25 - 7/9</i> <i>2nd pay period 7/10 - 7/24</i>	7/10 7/26	7/16 8/1
<b>August</b> <i>1st pay period 7/25 - 8/9</i> <i>2nd pay period 8/10 - 8/24</i>	8/10 8/27	8/16 8/31
<b>September</b> <i>1st pay period 8/25 - 9/9</i> <i>2nd pay period 9/10 - 9/24</i>	9/10 9/24	9/14 9/28
<b>October</b> <i>1st pay period 9/25 - 10/9</i> <i>2nd pay period 10/10 - 10/24</i>	10/10 10/26	10/16 11/1
<b>November</b> <i>1st pay period 10/25 - 11/9</i> <i>2nd pay period 11/10 - 11/24</i>	11/09 11/26	11/16 11/30
<b>December</b> <i>1st pay period 11/25 - 12/9</i> <i>2nd pay period 12/10 - 12/24</i>	12/10 12/21	12/14 12/31