

# *Department of Accounts*

## *Payroll Bulletin*

Calendar Year 2018

September 25, 2018

Volume 2018-12

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

State Payroll Operations

Acting Director

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### **New Special Pay 057 – Non-Cash Recruitment Bonus**

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#### **Student Loan Repayment Bonus**

DHRM has revised Policy 3.05 to include a “Student Loan Repayment Bonus” for use as a new hire recruitment incentive.

Upon approval of a “Student Loan Repayment Bonus”, the agency makes the payment directly to the creditor. The bonus is not processed in CIPPS, however the amount paid to the creditor is a taxable fringe benefit to the employee and the appropriate taxes must be withheld through payroll.

To record the Student Loan Repayment Bonus and withhold the appropriate taxes, key a transaction on HUE01 using **Special Pay #057 – NC RCRT BONUS** (Non-Cash Recruitment Bonus) for the amount paid to the creditor. This transaction will withhold the employer and employee taxes due on the next available paycheck.

**KEY THIS TRANSACTION IMMEDIATELY AFTER ACCOUNTS PAYABLE MAKES THE PAYMENT TO AVOID IRS PENALTIES FOR LATE TAX DEPOSITS.**

If you have any questions, please send an email to [payroll@doa.virginia.gov](mailto:payroll@doa.virginia.gov).

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### **Leave Share Processing**

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#### **Partial Pay Spreadsheet Revised**

DHRM Policy 4.35 details the eligibility and authorization for the Leave Share Program.

When an employee receives compensation as a result of leave donations, agencies should use Special Pay 006, “Leave Share”.

The [“Partial Pay Calculations” Spreadsheet](#) found on our website has been revised to include a line to record payments made to the employee for “Leave Share”. Employees receiving donations in the Leave Share program must be on LWOP Status. Hours keyed for “Leave Share” (Row 18) or LWOP (Row 17) reduce the number of regular hours paid to the employee for the pay period.

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## Payline Reminders

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### Payline Reminders

- New hires cannot establish a Payline security record until the day after their first payroll is certified. State Payroll Ops receives many emails from confused new hires that are unable to access Payline because they tried to log in prematurely. To avoid confusion, please communicate the date when they can successfully access their records.
  - If the employee does not know their 9-digit Commonwealth Employee ID, DOA will not provide that information for security reasons. The employee will be sent to the agency Payline contacts to obtain the correct employee ID. If your agency issues a different employee ID for internal purposes, please make sure your employees understand that they must use the 9-digit Commonwealth Employee ID to access Payline.
  - If an employee requests historical payroll information not available in Payline, they will again be referred to the agency Payline contact. DOA cannot verify the employee's identity. Therefore, any request for historical information must come from individuals identified as agency contacts. If the information is available, it will be sent in a secure manner to the requestor.
  - For security reasons, employees can only change their password once in a 24 hour period. State Payroll Ops cannot override that feature. If the employee needs to access their payroll information during the waiting period, they will be referred to the agency Payline contacts.
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## H0BB1 Screen Update

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### New Fatal Message

A new fatal message prevents users from removing the routing numbers and account numbers on H0BB1 if connected to an active direct deposit deduction on H0ZDC.

Before removing the old or inactive accounts on H0BB1, users must make the associated deduction on H0ZDC inactive. CIPPS will consider the associated bank deduction inactive if the frequency is "00" **AND** the utility field is set to all zeros.

The VACU Loan (Ded #158) uses a decrementing goal that automatically changes the frequency to "00" when the goal amount reaches \$0. If the loan is paid outside of payroll, an outstanding goal amount remains on H0ZDC. Vendor protections do not allow users to clear the goal. Enter .01 as the goal to turn the frequency to "00" and set the utility to all zeros in these cases.

Keeping old accounts increases the risk of sending funds to a closed or invalid account, thereby causing missed employee deposits on payday. Please remove any account information on H0BB1 that is no longer active. Historical account information is available on Report 26 (Direct Deposit Transmission Report) and Report 1006 (Change Listing).

SPO receives daily notifications from SunTrust when funds are returned for closed or invalid account information. Invalid bank account numbers will be deleted from H0BB1 by State Payroll Ops. In these cases, Report 1006 will show that a SPO representative has deactivated the deduction **AND** cleared any associated accounts on H0BB1.

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## IRS Update – Moving and Relocation

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**IRS Update  
9/21/18**

On September 21, 2018, the IRS issued a notice (IR-2018-190) that Moving and Relocation expenses incurred in 2017 but paid in 2018 are non-taxable under Notice 2018-75.

<https://www.irs.gov/newsroom/irs-2018-employer-reimbursements-for-employees-2017-moves-are-generally-tax-free>

An adjustment is necessary to correct the 2018 taxable fields if you paid an employee using Special Pay 04 (Moving and Relocation Taxable) for Moving and Relocation expenses incurred in 2017.

Please send an email to [payroll@doa.virginia.gov](mailto:payroll@doa.virginia.gov) to receive instructions on how to re-classify these expenses.

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