

# *Department of Accounts*

## *Payroll Bulletin*

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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) 225-2245 or Email at [cathy.mcgill@doa.virginia.gov](mailto:cathy.mcgill@doa.virginia.gov)

State Payroll Operations

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## **PMIS Wage Employee Interface**

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### **New Wage Employee Interface Available**

A new interface with PMIS has been established to create and update CIPPS records for wage employees. The interface is **OPTIONAL**; however, agencies are strongly encouraged to participate.

Please review the requirements carefully and make plans to take the necessary steps to determine when your agency is ready to participate. When ready, send an email to [payroll@doa.virginia.gov](mailto:payroll@doa.virginia.gov) to initiate the process to enroll your agency in the wage employee interface.

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### **Wage Employee Interface Requirements**

- The interface is limited to “PMIS Wage” records. Certain wage records (i.e., Americorp, Students, Adjunct Faculty) are not entered into PMIS and therefore will not be a part of the interface.
- The 11 digit Employee ID of the CIPPS record must end in “80” instead of “00” (suffix). Once the agency registers to use the interface, State Payroll Operations will transfer the existing “PMIS Wage” records in CIPPS to a record ending in “80”. This change is necessary to eliminate the possibility of adversely affecting salaried records. The adjustment will also make it easier to transition an employee from a bi-weekly wage payroll to a semi-monthly salaried payroll.
- Agencies that send wage hours to CIPPS via batch upload must coordinate with the appropriate system contacts before requesting the interface. Once the CIPPS record is transferred to an “80” record, the batch transaction will reject if the employee ID in the transaction ends in “00”. TAL agencies should coordinate the change with DHRM TAL Support to avoid timing errors.

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## PMIS Wage Employee Interface, Continued

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### Wage New Hire Employees

When a new wage record is passed from PMIS through the interface, Report U163, WAGE/CIPPS NEW HIRE & TRANSFER UPDATES, will print with the details of the employee “shell record”. The employee number will be established in CIPPS with the suffix “80”. Take the following steps to complete and activate the “shell record”:

- The “shell record” will be established in frequency “69” which is an inactive frequency and should never be used for certifications. Using screen H0BID, change the frequency to a number that represents the active bi-weekly wage payroll.
- Change the organization code to match the conventions for your agency.
- Change the pay type of the employee from “6” to “1”. The record will be established as Pay Type “6” to keep inactive “shell records” from appearing on active reports.
- Leave the employee with time card status “non-auto”. Wage employees are not paid unless a time and attendance transaction has been entered with hours.
- Update the federal and state tax withholding amounts on screen H0BAD and H0ATX as shown on the employee’s W-4 and VA-4. The shell record is established with the appropriate defaults (single and 0).
- Establish an HMBU1 screen to charge the expenditures to the appropriate accounts. Failure to do so will cause the expenditures to be charged to the agency default coding.
- Establish the employee’s bank account(s) on H0BB1 and set up the deduction(s) on H0ZDC. Direct deposit is mandatory for all new wage employees unless they qualify for a global exception as outlined in CAPP Topic 50445.

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### Wage Interface – Change Fields and Effective Dates

Report U165, WAGE/CIPPS UPDATE LISTING, and Report U164, WAGE/CIPPS TRANSACTION ERROR LISTING, will print daily as changes come through the interface to update CIPPS. If the employee ID is not found in CIPPS with the suffix “80”, the error will print on Report U164. Anything that appears on Report U164 must be entered manually. Successful updates will appear on Report U165.

The interface will process PMIS transactions with effective dates less than the end of the current processing period for bi-weekly cycle #3. For example, the day after the bi-weekly certification deadline of May 21st, the Wage PMIS/CIPPS interface will accept transactions with effective dates through May 23rd.

Report U161, WAGE RECORDS WRITTEN TO CIPPS SUSPENSE, will print when a transaction has gone into suspense because it is out of range of the current period. Once the effective date falls within the current period, the transaction will appear on Report U165 with an “X” in the “Out of Suspense” column.

For a complete list of the fields updated via the interface, please refer to the PMIS to CIPPS crosswalk for Wage Employees found on our website.

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## Salary Increases Effective 6/10/2019

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**PMIS Agencies** DHRM will send a regrade file to DOA after the salary increases have been applied to PMIS. The file will be loaded shortly after the June 10 certification deadline for the 5/25-6/9/2019 payroll. The file will update the Salary Rate on HOBID as well as the Imputed Life amount on H10AS.

Since the effective date of the increases is 6/10/2019, the retirement contributions basis (SP 99 – CONTBASE) should not reflect the new salary until July. DOA will process a second file after the June 25 certification deadline for the 6/10-24/2019 payroll to increase the SP 99 – CONTBASE to the appropriate amount.

The following formula is used to calculate the semi-monthly salary rate in CIPPS:

PMIS: (STATE SALARY + NON-STATE SALARY + SPECIAL RATE) divided by PMIS:  
PAY SCHEDULE

If the pay schedule has “12” instead of “24”, the employee will end up with double pay in CIPPS. Please review these fields for accuracy in PMIS to ensure a successful regrade process in CIPPS.

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**PMIS Agencies  
– Variable  
Salary  
Adjustments**

**The regrade file will not contain variable salary adjustments based on performance.**

Agencies that elected to provide employees with a variable salary increase will see the update on the daily PMIS To CIPPS interface Report U082, PMIS/CIPPS UPDATE LISTING. The subsequent SP 99 – CONTBASE update will appear on Report U180, SPECIAL PAY 99 CONTRIBUTIONS BASE TRANSACTIONS RELEASED, during the 6/25-7/9 pay period.

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**Non-PMIS  
Agencies**

Non-PMIS agencies must key increases manually online.

Keep in mind that SP 99 - CONTBASE and SP 14 – IMPUTED LIFE will automatically update on H10AS when the semi-monthly salary is updated on HOBID.

It is appropriate for SP 14 – IMPUTED LIFE to change effective 6/10/2019. However, because the effective date of the increase is 6/10/2019, SP 99 – CONTBASE should not change until the 6/25-7/9 pay period. Use HUE01 to key a special pay override for SP 99 with the old rate to avoid withholding too much for the retirement contributions in the second half of June.

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## Non-Cash Recruitment Bonus Processing (SP057)

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**Avoid Financial  
Hardship on  
Employees  
when Collecting  
Taxes on  
Education  
Loans**

When an employee receives a recruitment/retention bonus in form of a student loan repayment, the agency pays the bonus directly to the creditor. This payment becomes a taxable fringe benefit to the employee.

As stated in a previous bulletin, it is important to add the value of the amount paid on the employee's behalf to their taxable income. This is accomplished by keying a transaction to special pay 057 for the payment. However, the taxes due for \$10,000 are significant and may cause a hardship to the employee if taken from one check.

The conditions of the recruitment/retention bonus require that the employee remain employed for a period of up to one year or the amount must be repaid. Because of that provision, the taxable amount of the bonus can be prorated over the 24 pay periods (or applicable number based on the contract). Pay the entire amount of \$10,000 directly to the creditor through Accounts Payable.

Establish Special Pay 057 on H10AS as shown below. The additional \$416.67 of taxable income will be added to the employee's pay check each pay period. This amount will be aggregated with the employee's regular pay each pay period for 24 pay periods causing a prorated amount of taxes to be withheld each period.

| SP No | Amount | Tax Ind | Check Ind | Ded Ind |
|-------|--------|---------|-----------|---------|
| 057   | 416.67 | 0       | 0         | 0       |

Please remember to change the frequency to "00" after 24 pay periods have processed.

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