

Department of Accounts

Payroll Bulletin

Calendar Year 2020

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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 email payroll@doa.virginia.gov

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CARDINAL HCM CLEAN-UP

Dress Rehearsal In preparation for the next set of files that will be used in testing for conversion to Cardinal HCM, please pay careful attention to the items in the following list. All corrections should be made no later than October 31.

It is imperative that particular care is taken to ensure data entry is correct and complete. It is always a good idea to have the data reviewed by another individual after entry.

Employee Demographic Information

Names

- LName - if suffix, MUST have “,” then space then suffix - no periods or punctuation on suffix
- FName - can't be blank
- MI - must match SSN card
- Names/Social - must pass Social Security Verification (SSNVS system)

Addresses:

- 5 digit zip code is mandatory
- Do not include “-” if not providing the additional 4 digits
- Make sure 5 digits and 4 digits are separated by “-”
- Zip code must be either the full five digits or the full 10 digits, including “-”
- Do not use USVI as abbreviation for US Virgin Islands
- Must have Box Apt or Street Address
- State must be 2 character and proper state abbreviation
- City - no commas or punctuation
- Use the USPS link if you have questions about the zip or if one is not provided:
https://tools.usps.com/go/ZipLookupAction_input

Birthdates

- Verify all Birthdates that indicate employee is less than 13 years of age (greater than 2008)
- Birthdate > than State Begin Date (employment) date

State Begin Date > Date of Conversion

- new hires entered prior to the date conversion files are created with State Begin Dates that are after the date the conversion files are created will error out on conversion files.
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CARDINAL HCM CLEAN-UP, continued

Employee Demographic Information, cont.

The Employee Masterfile Inquiry in PAT provides an Excel spreadsheet that can be used to quickly review accuracy and completeness of employee data. Data can be sorted and filtered for easier evaluation.

Deductions

Garnishments/Child Support

- **MUST** have the appropriate record type value entered in the PRTY field (see page 5 of Bulletin 2017-06 <https://www.doa.virginia.gov/reference/payroll/bulletins/2017/2017-06.pdf> for a list of codes and additional instructions)
- This code is not part of the interface to CIPPS. It must be established manually on HOZDC as described in the section in that same bulletin entitled “**Add the Involuntary Deduction to HOZDC**”.
- You will need to search on each record type in the Payline Garnishment application to find the records that should have had a value added to the PRTY field in CIPPS. You don't need to do this for the regular creditor garnishments or Virginia child support since the conversion program defaults to “000” for those records.
- Garnishments and Child Supports must be entered as stated in CAPP Topic (utility fields must show the percentage for child supports)
- Child Support Deductions should have the \$5 Garn Fee

VSELP (Deduction 158)

- Must be deactivated if loan has been paid off (goal amount should be zero)
- Change the frequency to 00 to deactivate. If message says goals must be entered to turn off, enter an amount (.01) and turn it off.

Direct Deposits (Deductions 159 through 170)

- Do not use 169 AND 170 at the same time (even if one is fixed).
- The “2” must be at the start of the net direct deposit deduction (169, 170)
- Active (Frequency “09”) fixed direct deposit deduction with zero in amount field - either change frequency to “00” or add an amount

Post Tax Supplemental Insurance Deduction (041)

- Must have the miscellaneous insurance fee (054)

Inactive Deductions

- Deactivate deductions with frequency “09” but deduction is inactive because the end date has passed or the goal amount has been reached or is zero
- To search for inactive deductions look for deductions that have no YTD, but they have frequency not equal to “00”

The Employee Masterfile Deductions Inquiry in PAT provides an Excel spreadsheet that can be used to quickly review accuracy and completeness of employee data. Data can be sorted and filtered for easier evaluation.

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CARDINAL HCM CLEAN-UP, continued

Taxes

Federal Income Tax

- W-4s received prior to 2020
 - Number of exemptions claimed for W-4s prior to 2020 should not exceed 999 (happens because a number is entered but End of Field is not cleared)
 - If FIT Status is “4” there should **not** be an additional amount in FIT Extra AMT
 - *Agencies may wish to use FIT Status “6” for all employees with pre-2020 W-4s as a way of distinguishing between records for pre-2020 and 2020. If the employee has not requested an additional amount, leave the additional amount field blank. If your agency is interested in making this change to the pre-2020 HOBAD records, please contact SPO no later than Friday, October 16. Due to the effort involved in creating the transactions to affect this change, changes will be made for all requesting agencies at one time and one time only.*
- W-4s received in 2020
 - All employees with hire dates on or after 01/01/2020 must have an HJT01 screen established for EIN
 - FIT Status should be “4” or “A” only
 - FIT Marital Status “3” is allowed only if HJT01 screen is established
- Employees with H0BUO/PMIS Citizenship = “N” must have a FIT Resident Country = “901” and FICA Status = “1”

FICA

- FICA Status “1” is restricted to use for employees exempt from employment taxes (OASDI and HI). See Table 15 beginning on page 39 in IRS Publication 15 for a list of allowable exemptions <https://www.irs.gov/pub/irs-pdf/p15.pdf>
- Students receiving payments for participation in federal work study programs with FICA Status “1” must have a student role code on H0BUO.
- FICA Status “6” is restricted to use by DOA for those employees working for more than one agency who reach the OASDI maximum during the year. FICA Status “6” is also permitted for use for elected officials eligible for MQGE status.
- Employees with H0BUO/PMIS Citizenship = “N” must have a FIT Resident Country = “901” and FICA Status = “1”

Out of State Taxes

- Kentucky, Maryland and Pennsylvania have localities that must be included on the H0ATX
- All out-of-state tax accounts must have an account number in CIPPS
- Correct records with out of state FIPS Code (51998 on H0BUO), but SUI State and Work State on H0BAD are “47”
- If State code is MD (21) and the MW507 includes a number of exemptions, enter the number in both the State and Local Number of Exemptions fields
- State Status must be “A”, “1”, “4”, “6” or “9” (“1” is reserved for a state with no tax withholding, i.e., Florida and Texas. Use “A” to report exemption from State Withholding)

The Employee Masterfile Inquiry in PAT provides an Excel spreadsheet that can be used to quickly review accuracy and completeness of employee data. Data can be sorted and filtered for easier evaluation.

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CARDINAL HCM CLEAN-UP, continued

Leave

Birth date must be entered on HPIUS if there is a balance in Parental Leave

If a classified employee exceeds 90 days of continuous leave, the annual leave indicator should be an “N” and the 90 day leave indicator should be a “Y”. Failure to do so will cause the hours to convert as “faculty” leave types.

To report balances for employees in a “faculty” leave program, the annual leave indicator and the 90 day leave indicator must be “N”.

If an employee transfers from a classified to a wage position, the process indicator on HPIUS should be changed to an “N”. This will clear the leave balances overnight.

When an employee is in LWOP status, do not turn the annual leave indicator to “N”. Leave transactions for “XX” leave type automatically update the annual leave indicator to “U” as necessary to prevent the accrual for that pay period. Failure to follow these instructions will cause the leave balances to convert as a “faculty” leave type.

When an employee is terminated, the leave balances will clear overnight. Please be sure to clear the leave balances of separated employees that remain active in CIPPS while awaiting leave payout.

Deferral of Employee OASDI

Employee OASDI

The Commonwealth is not participating in the deferral of employee OASDI taxes due to the liability imposed on employees and the risk to the Commonwealth should the taxes not be “forgiven”.

Update to IRS Lock-In Letter Changes for 2020

2020 Lock-In Letters

The IRS will begin issuing new lock-in letters sometime beginning in 2020 based on 2020 W-4 values. Until a new Withholding Compliance Lock-In Letter 2800C is developed, the lock-in letters continue to contain a Marital Status and maximum Number of Exemptions that can be claimed for withholding purposes.

- If an employee has not submitted a 2020 W-4 form, continue to set up the lock-in the same way it has been set up in the past (CAPP Topic 50310, page 27)
 - If an employee has submitted a 2020 W-4 form, use the following for new or existing lock-in letters:
 - HOBES – Enter Marital Status in FIT-LOCK – MS as it appears in the letter after confirming that it matches what is on HOBAD. FIT-Lock EXMPTS should be zero.
 - Enter a Step 4a value (Annual Deductions) of \$12,900 for Married Employees Filing Jointly and \$8,600 for all other employees
 - Enter a Step 4b value (Annual Tax Credit) by multiplying the Number of Allowances in the lock-in letter by the allowance amount of \$4,300
 - Reevaluate each year in case amounts change
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VEC FC20/21 Paper Forms Discontinued - New Filing Requirements

**Paperless Filing
Required**

Due to a change in the Virginia Unemployment Compensation Act (60.2-512, Section B), effective January 1, 2021, paper Quarterly Reports (Forms FC20 and FC21) will no longer be accepted for filing of the quarterly tax and wage reports. As a reminder, DOA submits quarterly wage information to VEC for any person with SUI State Code "047"; however, agencies must make corrections and continue to log on to the VEC I-File to report the quarterly tax information. Report all information requested by the application, except details of wages by employee. Continue to attach a file containing the phrase "Employee wages for the agency will be submitted to VEC through Department of Accounts."

Employers receiving quarterly packets (for 3rd Quarter) should have already received the notice announcing the changes. All references to paper FC20/21s will be removed from the VEC website in the near future.

eForms FC20/21 is quick and easy to use. The only requirement to use eForms is internet access. Eforms FC20/21 for the VEC can be accessed at <https://employer.vec.virginia.gov/eForms/fc20>

Department of Education Student Loan Garnishments

**Forbearance
Date Extended**

The Department of Education has extended the suspension of payments on student loan garnishments through December 31, 2020.

<https://studentaid.gov/announcements-events/coronavirus>
