

Department of Accounts

Payroll Bulletin

Calendar Year 2024

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2024 Calendar Year Payroll Operations

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

- ✓ Payroll Accounting
- ✓ Payroll Deductions
- ✓ Year End Leave Processing
- ✓ Payroll Contact Personnel

The Payroll Bulletin is published periodically to provide CIPPS agencies guidance regarding Commonwealth payroll operations. If you have any questions about this bulletin, please send an email to payroll@doa.virginia.gov

State Payroll Operations

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Introduction

This Payroll Bulletin addresses key **2024** calendar year payroll processing issues. This bulletin should be distributed to and carefully reviewed by appropriate payroll, human resource, and fiscal personnel within your agency. The 2024 annual schedule for SM, MTH and BW payroll processing is available in the Payroll Navigation section of the Payroll Operations reference page on the DOA website.

Payroll Accounting

IRS Guidance

The Internal Revenue Service website is <https://www.irs.gov/forms-instructions> Publication 15, Employer's Tax Guide and Publication 15-B, Employer's Supplemental Tax Guide are available on the Forms & Publications tab and should be reviewed every calendar year. Additionally, the IRS provides the State & Local Government Fringe Benefit Guide, Publication 5137.

Social Security Tax Withholding

The maximum wage base for 2024 withholding will increase to **\$168,600** for OASDI (Old Age, Survivors, and Disability Insurance). The wage base for HI (Hospital Insurance) remains unlimited (i.e., all wages are HI taxable). Wages paid in excess of \$200,000 in 2024 will be subject to an extra 0.9% HI tax that will only be withheld from employees' wages. Employers will not pay the extra tax.

The OASDI tax rate will remain 6.2% each for employees and employers (\$10,453.20 each). For HI, the rate is 1.45% each for employees and employers, with the additional 0.9% for employees only on wages in excess of \$200,000.

OASDI taxes will cease to be calculated and withheld when the maximum has been reached for an individual Employee Id Number. No agency action is required since HCM recognizes the OASDI maximum for employees across agencies.

Likewise, HCM will begin to collect the additional 0.9% for employees whose total taxable wages exceed \$200,000 across agencies processing pay in Cardinal.

Payroll Accounting, continued

Exempt Status Employees who claim exempt from withholding on their W-4 during the prior year must complete a new W-4 form by February 15th to maintain their exempt status. If a newly completed W-4 form is not received by February 15th, immediately begin to withhold Federal income tax as if they had checked the box for Single or Married filing separately in Step 1(c) and made no entries in Step 2, Step 3, or Step 4 of the 2020 Form W-4. If the employee gives you a new Form W-4 claiming exemption from withholding after February 15, you may apply the exemption to future wages, but don't refund taxes withheld while the exempt status wasn't in place.

Information on how to identify this population will be provided in late January/early February.

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.
<https://www.irs.gov/pub/irs-pdf/p15.pdf>

North Carolina Residents The Virginia Department of Taxation *Income Tax Withholding Guide for Employers* states that payments to nonresidents not covered under reciprocity for services **performed in Virginia** are subject to Virginia withholding.

North Carolina's *Income Tax Withholding Tables and Instructions for Employers* states "An employee who is a resident of this State is subject to North Carolina withholding on all of his wages, whether he works within or outside the State; except that, to prevent double withholding and to anticipate any allowable tax credit, North Carolina withholding is not required from wages paid to a resident for services performed in another state if that state requires the employer to withhold. Withholding does not relieve the employee of the obligation to file a North Carolina individual income tax return and pay any balance due after tax credit."

Therefore, North Carolina residents working in Virginia must pay employment taxes to Virginia and must complete a Virginia income tax return. Only those North Carolina resident employees who are physically working in North Carolina can be excluded from Virginia reporting and withholding.

States with Reciprocal Agreements Virginia has reciprocal agreements with: District of Columbia, Kentucky, Maryland, Pennsylvania, and West Virginia. Agencies may, as a courtesy, allow employees who physically work in Virginia, but reside in these states to have withholding taxes taken based on their resident state instead of the work state.

Withholding for Other States Agencies that hire employees to telework from other states create a business presence (nexus) in those states and are required to research the withholding tax, unemployment insurance and workers compensation insurance implications associated with that employment. Agencies must request withholding and unemployment accounts as necessary for employees not physically working in Virginia.

Notify SPO as soon as a new employee has been hired in a state previously unreported so that the state can be added to the Company State Tax Table for the agency. Provide the tax account id as soon as it has been received for the other state(s) so that the state tax information on the W-2s will be correct. Contact the Department of Human Resource Management for information on workers compensation in other states.

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Payroll Accounting, continued

**Virginia
Minimum
Wage**

Virginia's minimum wage remains at \$12.00 per hour during 2024. Minimum salary for employees is \$24,960 per year.
<https://law.lis.virginia.gov/vacode/title40.1/chapter3/section40.1-28.10/>

Name Changes

Employees requesting name changes should be reminded to notify the Social Security Administration (SSA) of the change immediately. Name changes for existing employees should not be entered in HCM 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 HCM but not with the SSA, the name will not match SSA records when DOA remits the W-2 file, possibly resulting in agency penalties. Refer to section 4 of Publication 15 (Circular E) for more information.

You may use the Social Security Number Verification Service (SSNVS) at [SSA.gov/employer/ssnv.htm](http://www.socialsecurity.gov/employer/ssnv.htm) to verify that an employee name matches an SSN.

<http://www.socialsecurity.gov/employer/critical.htm>

Payroll Deductions

CVC Deduction

DHRM will provide a file that will be used by State Payroll Operations to establish CVC deductions for calendar year 2024. This file will be processed during the first pay period of January. Reports will be provided by DHRM and some manual entry may be required as well.

Remember that CVC deductions are general deductions. Please use an end date of 12/24/2024 on all deductions entered manually.

**Optional Life
Update**

Optional Group Life Premiums updated for 2024 will be loaded during the 12/25-01/09 pay period by State Payroll Operations. Please review the Optional Group Life Upload Err Report once you have been notified that the job has completed and take the necessary steps to correct records that did not load.

Navigator > Payroll for North America > Payroll Processing USA > Pay Period Reports > Minnesota Life Upload Err Rp

For questions regarding OGL, contact Holly Greer-Riggs in the Richmond Branch Office of Securian Financial at 1-800-441-2258 x101 or via email at holly.GreerRiggs@securian.com or FAX 804-644-2460.

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Payroll Deductions, continued

Qualified Defined Contribution Benefit Plans

Employees of the Commonwealth who are employed by a college or university may use both the 457 Deferred Compensation/Roth Plan and a 403(b) Tax Deferred/Roth Account. The maximum limits on 457 and 403(b) plan elective deferrals have been increased by \$2,000 for calendar year 2023:

Goals for the 457 Deferred Compensation Plan are not established per individual deduction in employee records since those who participate in the Hybrid plan may also have an additional voluntary deduction that is considered part of the 457 Plan. The Employee Voluntary Hybrid Contribution is linked with the existing 457 Deferred Comp contribution and 457 Roth contribution to ensure that the combined total does not exceed the annual maximum.*

Deferral Category	457 Deferred Compensation Plan	403(b) Tax-Deferred Account
Normal Annual Limit	\$23,000 (1)(5)	\$23,000 (1)(5)
Age 50 Catch-Up	\$7,500 (2)	\$7,500 (2)(5)
457 Standard Catch-Up	\$23,000 (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 **\$46,000 for 2024**.
- (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 **\$33,500 in 2024**. (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 **\$79,500 in 2024** if eligible for the full 403(b) 15-Year Catch-Up, 403(b) age 50 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.

Misc. Deduction TPA Processing Schedule

The calendar year 2024 cut-off date schedule governing new enrollment and change processing for the miscellaneous insurance and annuity third party administrator (FBMC) can be found on the website in the Payroll Navigation section at <https://www.doa.virginia.gov/reference/payroll/>

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Year-End Leave Processing

Year-End Processing for Absence Management

In accordance with DHRM policy annual leave balances will be reduced to the maximum accrual limits (indicated in the Annual Leave Policy, Number 4.10) on January 16, 2024. The annual leave job will run first thing in the morning and 2023 should be closed with balances visible in Employee Self Service by noon provided there are no problems. All leave for 2023 must be entered in accordance with the timesheet due date of Friday, January 12. Adjustments made after that time will be treated as prior period adjustments.

Leave Questions

Direct leave questions to VCCC and include Cardinal Absence Management in the subject line.

Payroll Contact Personnel

Communication Guidance

All sensitive documents must be submitted via the proper folder per agency in SPO SharePoint. Use E-mail to avoid “telephone tag” and always include the employee number (name is not necessary) and all necessary relevant information. Questions may also be submitted to Payroll@DOA.Virginia.GOV This will significantly reduce the amount of time it takes DOA personnel to address questions or concerns.

Payroll Operations – ACH and Void Payments

Name	Functional Area	E-mail	Phone (804-)
Shawntee’ Kornegay	Direct Deposit & Stop Payments; Void Checks; Deposit Certificates; Report Distribution/Recovery; Gross Pay Differences	Shawntee.kornegay1@doa.virginia.gov	371-4883
Cathy Gravatt		Cathy.gravatt@doa.virginia.gov	371-8385

Payroll Operations – Benefit Accounting

Name	Functional Area	E-mail	Phone (804-)
Stacy Taylor	Benefit Accounting Supervisor	Stacy.Taylor@doa.virginia.gov	786-0227
Renee Ancarrow	AFSCME, Annuities, CVC, CWA, Defined Benefits,	Renee.Ancarrow@doa.virginia.gov	225-4699
Rosemary Sapp-Reid	Defined Contributions, Health Insurance, Misc Insurances, Optional Group Life	Rosemary.Sapp-Reid@doa.virginia.gov	692-0239

Payroll Operations – Garnishment Processing

Name	Functional Area	E-mail	Phone (804-)
Trenika Satterwhite	Garnishment Processing Supervisor (garnishment stop payments)	Trenika.Satterwhite@doa.virginia.gov	225-3065
Martha Grande	Garnishment set up, release, error correction	Martha.Grande@doa.virginia.gov	225-4666
Crystal Hopkins		Crystal.Hopkins@doa.virginia.gov	225-4663

Payroll Contact Personnel, continued

Payroll Operations – HCM Payroll Processing

Name	Functional Area	E-mail	Phone (804-)
Amy Barber	HCM Accounting Supervisor (SPOT Approvals)	Amy.Barbour@doa.virginia.gov	225-2336
Kevin McElroy	SPOT review, Error corrections, mass deductions	Kevin.mcelroy@doa.virginia.gov	225-2336
Stephanie Finklin		Stephanie.Finklin@doa.virginia.gov	225-2246

Payroll Operations – Tax Accounting

Name	Functional Area	E-mail	Phone (804-)
Tiffany Harris	941s; HCM Balance Adjustments; W2Cs	Tiffany.Harris@doa.virginia.gov	225-2386

Payroll Operations - Management

Name	Functional Area	E-mail	Phone (804-)
Carmelita Holmes, Assistant Director	General Information, Operations, Benefit and Tax Accounting Support	Carmelita.holmes@doa.virginia.gov	371-7800
Cathy McGill, Director		Cathy.McGill@doa.virginia.gov	225-2245

Payroll Operations

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