

**2008  
OSPS YEAR END  
MINI-CONFERENCE**

**GROSS PAY  
CORRECTIONS  
  
PRESENTATION  
HANDOUTS**

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## Highly-Compensated Employee Correction

### Worksheet for Year-End Decisions

**Scenario:**

On 12/1/08 payday, your employee who makes \$9,000 per month points out a discrepancy with her November paycheck – she ran out of leave for the last week and was on leave without pay. You need to cancel and rewrite this check to the employee.

Standard Questions	Answer
What is today's date?	
Where does this fall within payroll runs?	
Where does this fall within the calendar year?	
Has there been a P190 set for the pay period yet?	
What tax year is the original P190 set in?	
Is there a pending set reversal?	
Are there November or December dates on the P010 screen?	<b>CIRCLE ONE:</b> No Yes, November Yes, December
What are you correcting?	
Will your correction <u>increase</u> or <u>decrease</u> the employee's taxable wage?	<b>CIRCLE ONE:</b> INCREASE DECREASE

**Other relevant questions:**

What significance does her salary play at year end?

What is the maximum for Social Security withholding for 2008?

Look at where this date falls within payroll runs. Can you still set a November corrective?

**Solution:**

# RESOURCES

- OSPS Processing Calendar
- Flow Chart: None
- Recommended Practice: Year End Payroll Processing

# SOLUTION

## Worksheet for Year-End Decisions

### Scenario:

On 12/1/08 payday, your employee who makes \$9,000 per month points out a discrepancy with her November paycheck – she ran out of leave for the last week and was on leave without pay. You need to cancel and rewrite this check to the employee.

Standard Questions	Answer
What is today's date?	12/1/08
Where does this fall within payroll runs?	After Nov Run 1, Before Nov Run 2
Where does this fall within the calendar year?	2008
Has there been a P190 set for the pay period yet?	Yes
What tax year is the original P190 set in?	2008
Is there a pending set reversal?	Yes
Are there November or December dates on the P010 screen?	CIRCLE ONE: No Yes, November    Yes, December
What are you correcting?	Remove some November time
Will your correction <u>increase</u> or <u>decrease</u> the employee's taxable wage?	CIRCLE ONE: INCREASE    DECREASE

### Other relevant questions:

What significance does her salary play at year end?    May go over Soc Sec maximum.

What is the maximum for Social Security withholding for 2008? \$102,000

Before November, what was the employee's gross wage? \$99,000

Look at where this date falls within payroll runs. Can you still set a November corrective?    YES

### Solution:

When you make corrections to November's time and pull a P370, you will not get an accurate total. This is because November's check would have taken the employee over the Soc Sec maximum for the year, and OSPA will not withhold any more Soc Sec tax. OSPA does not read the tax calculation on the check reversal until the next payroll run. To pay your employee correctly, you will need to hand-calculate the Soc Sec tax and subtract it from the P370 screen calculation (verify P370 didn't already calculate some Soc Sec tax).