OSPS Users’ Forum
October 14, 2015

PAYROLL SYSTEM SUPPORT
OREGON STATEWIDE PAYROLL SERVICES
FINANCIAL BUSINESS SYSTEMS
ENTERPRISE GOODS AND SERVICES

DAS
DEPARTMENT OF ADMINISTRATIVE SERVICES
Cupcakes!
<table>
<thead>
<tr>
<th>Agenda</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Welcome and Introductions</td>
<td>Geri Greeno-Sanders, OSPS</td>
</tr>
<tr>
<td>Sick Leave for Temps</td>
<td>Bridget Otto, CHRO</td>
</tr>
<tr>
<td>PEBB Updates</td>
<td>Bobbie Barott, PEBB</td>
</tr>
<tr>
<td></td>
<td>Miriam Sierra, PEBB</td>
</tr>
<tr>
<td>Year End</td>
<td>Melissa Tominaga, OSPS</td>
</tr>
<tr>
<td></td>
<td>Geri Greeno-Sanders, OSPS</td>
</tr>
<tr>
<td>OSPS Updates and Reminders</td>
<td>Geri Greeno-Sanders, OSPS</td>
</tr>
<tr>
<td>ePayroll Updates</td>
<td>Geri Greeno-Sanders, OSPS</td>
</tr>
<tr>
<td>Upcoming Training Opportunities</td>
<td>Geri Greeno-Sanders, OSPS</td>
</tr>
</tbody>
</table>
Sick Leave for Temporary Employees*

- SB 454
- Requires state government to implement sick leave.
- CHRO is developing policy and partnering with OSPS to develop process for agency payroll
- Information provided in handout is general guidance and should not be acted upon at this time.

General Highlights
- Effective January 1, 2016
- Accrual is one hour of leave for every 30 hours worked
- Eligible to use on 91st day of employment
- No cash value at termination
- Restoration if rehired within 180 days of separation

*Information provided by DAS CHRO
2015 Year End

YEAR END REMINDERS
CORRECTED W2’s
HOW TO PREVENT OSPS FROM CONTACTING YOU
YEAR END DATES
YEAR END Timelines
WORKING WITH OVERPAYMENTS
HELPFUL HANDOUTS
Year End Reminders

- **DO NOT** release December dated January 1 checks early.
  - This will ensure employees do not cash their checks in December.
  - Checks cashed in December require wages to be included in the current tax year wages.
  - Checks cashed early require a corrected W2 for the employee for both 2015 and 2016.
- **W2**’s.
  - OSPA will use the address in PPDB that is in there as of December Run 2.
- **W4**’s.
  - Employees claiming exempt must fill out new W4 each year.
  - If agency does not receive a new W4, employee is set back to:
    - Single and 0 or,
    - To the last W4 received which was not exempt.
- Clear net pay negatives before year end.
  - This will ensure employees receive accurate W2’s for the tax year.
W2c Process

- Payroll has a fiduciary responsibility to process and report correct wage and tax information for employees.

- OSPS:
  - Submits the tax payments.
  - Reconciles and reports quarterly and annual payroll taxes to DOR, IRS & SSA.

- These reports and form(s) are tools to assist in maintaining correct payroll data for employees.
W2c Process

**Responsibility**
- You have the legal and fiduciary responsibility to correct the information as soon as you discover the error and determine the correct information to report.

**Reasons**
- Incorrect SSN
- Misspelled name
- Overpayments crossing tax years
- Early redemption of December paid January paycheck
- Under reported wages
W 2c Process

- Fill out and submit the Request for Corrected W 2 form. You can find it on our website*. The OSPA Reference Manual for Income Taxes* has a great walkthrough for this form.

- The OSPA Reference Manual for Income Taxes also has multiple examples; please use this resource.


W2c Process

- If the employee’s taxable income was overstated and too much tax withheld, OSPS will submit a W-3c and request a refund of social security and Medicare taxes.

- If the employee’s social security and Medicare income was understated, which resulted in taxes being underwithheld, OSPS will:
  - Submit a W-3c and an additional payment to the IRS for social security and Medicare taxes
  - Ask the Accounting and Business Services Section, Operations Division, DAS to invoice your agency to reimburse the Joint Payroll Account for the additional taxes
W2c Process

- If you receive an invoice from DAS:
  - Work with your agency’s accounting staff to pay the Joint Payroll Account
  - Work out a repayment plan with the employee for the employee’s share of the taxes
  - If the employee will repay through a payroll deduction, make the PANN entry on the P070 Deductions and Deduction Adjustments screen
  - If the employee will repay through a check or money order, complete Payment Notification Form. Send the form and the payment to PSS for processing.
W2c Process

- OSPS will process the Corrected W2 Request form and produce the W2c along with a cover memo.

- We will distribute the W2c and memo to the Agencies via the Secure Mailbox or US Mail for Agencies outside of Salem.
RESOURCES

- Constructive receipt – IRS Pub 538*
- OSPS Reference Manual
- You do not need to request a W-2c if:
  - The employee was overpaid in a prior year and has not repaid the agency
  - The correction is for the current year
  - The employee has reported an address change
  - The employee has reported a name change because of a change in marital status

**Work Your Reports**

- E260-200 Net Pay Negative Report (Run 1 only)
- E305-007 Negative Vendor Ded Used in Vendor Check Print
- E357-030 Separated Employees with Net Pay Positive Adjustments
- XREF68B Tax and Retirement Negatives Report-Current
- B850-01 November or December Pay Reported in Two Tax Years
HOW TO PREVENT OSPS FROM CONTACTING YOU

- E260-200 Net Pay Negative Report
  - Lists every employee with a net pay negative after Run 1.
  - Can cause a corrected W2 if item not cleared by December Run 2.
  - Shows employees owing money i.e. insurance & overpayments.
  - Shows termed employees that need to have small balances written off to taxes.
  - Where to find the reason for a net pay negative:
    - P190
    - P010
    - Employee record
    - P070 screen
    - P050 screen
    - P370 screen
  - Net pay negative amounts must be cleared before December final run 2.
HOW TO PREVENT OSPS FROM CONTACTING YOU

- **E305-007 Negative Vendor Ded Used in Vendor Check Print**
  - Shows vendor deductions that have been reversed off.
  - Vendor Negatives can be cleared one of three ways:
    - Add back the deleted deduction,
    - Another employee in your agency has the same deduction code,
      - Be careful as this can cause confusion with the vendor when you use one employee to clear a negative caused by another employee.
    - Send agency BT to OSPS for the vendor negative amount.
  - The E305-007 report is always one payroll run behind.
  - Where to find the reason for the vendor negative
    - XFREF23 Vendor Check Summary Detail
    - XFREF76 Deduction Register Detail Report
    - Employee record
    - Payroll register
    - P070 screen
    - P190 screen
  - OSPS will invoice the agency if the negative amount is not cleared within three months.
HOW TO PREVENT OSPS FROM CONTACTING YOU

- E357-030 Separated Employees with Net Pay Positive Adjustments
  - Terminated employees with positive net pay balances.
  - Common causes:
    - Small changes in vacation payout or hours,
    - Tax changes,
    - Rounding on the final check.
  - Everything on this report should be less than the check minimum of $10.00.
  - Review list of employees and send in a request to OSPS HelpDesk to have the employee balances written off to taxes.
  - Payment must be issued to employee for amounts over $10.00.
HOW TO PREVENT OSPS FROM CONTACTING YOU

• XREF68N YTD Tax and Retirement Negatives Report-Current
  o Reflects the P090 screen.
  o The W2 will not print if the P090 screen has any negative amounts on it.
  o Common errors:
     ✷ An employee on LWOP had pre-tax insurance instead of post tax insurance deductions for self-pay,
     ✷ A PERS adjustment was made on the P060 and the wrong retirement amounts were used,
     ✷ An agency tried to credit an employee for something in the prior tax year.
B850-01 November or December Pay Reported in Two Tax Years
- Generated when an employee’s November or December pay processed in two different tax years
- You may need to request a corrected W2 if you don’t correct the duplicate entries prior to December run 2 final.

After reviewing the report:
- If OSPA has reported wages in the correct tax year and the employee did not receive an overpayment, no action is required.
- If wages are not correct and December has not yet closed, set a November corrective
- If wages are not correct and December is closed, you will need to do a corrected W2.
  - Contact Melissa Tominaga for assistance.
Year End - All About the Dates!

- **P010 Final Check Dates and why they matter**
  - P010 Dates tell OSPA what date to print on paychecks.
  - Dates force the calculation of wages into the specified tax year.

- **Reasons to set P010 Dates in OSPA:**
  - An employee is separating from state service.
  - An employee transferred to another state agency in any month except December.
  - A corrective is set for November payroll run.
  - To force a December payment into the old tax year.

- **After November Run 2**
  - A corrective can only be set for November pay period.
  - Corrections to prior months can only be made in November pay period.
If during December pay period you have:
- Entered changes in November pay period.
- Set the corrective flag for the November pay period.

Notify OSPA so we can:
- Enter the November P010 dates.
- Use the P010 dates for November changes.
- Apply November corrections to the old tax year (2015).
- Apply December payroll to the new tax year (2016).

December dates after Run 1 final
- Is there a set on the P190 screen for December run 1? - If yes, did that set calculate taxes for the new tax year (2016)?
- Can you stop the ACH if applicable? - If yes, reverse check or cancel the ACH that the set created. Ask OGPS to set P010 dates.
- If there is no P190 set for December run 1, the P010 dates can be set.
Year End - All About the Dates!

- **Separations in December**
  - If separating employee will receive his/her pay during December, payment needs to be included in the current year’s W2 (2015).
  - Force the wages into the current tax year by entering December P010 dates.

- **Transfers in December**
  - Do not request check dates for transfers in December.
  - Without check dates, OSPA will combine the December wages from both agencies and report in the new tax year (2016).

- **If you owe money to an employee who separated prior to December**
  - Make entries on P050 screen.
    - When you make the entry OSPA will give you an error.
    - Make a screen print and write “please make entry”, sign and date the screen print.
    - Fax the screen print to OSPS.
  - If correction is prior to December 31, use 12/31/YY on P050 screen. This will calculate the entry in the current tax year (2015).
  - If correction is after December 31, use 01/31/YY on the P050 screen. This will calculate the entry in the new tax year (2016).
Year End - All About the Dates!

- **January Dates**
  - P010 dates cannot be entered, changed or deleted until after final December run 2.

- **Important to remember**
  - If you need to process a correction to November, and the employee separates before December run 1, no corrective flag should be set for November. - Contact OSPS for assistance to ensure wages are not calculated in the next tax year.
  - Fringe benefits received in the current tax year should be reported to you prior to December run 1.
    - Example: employee received reimbursement for meals that are taxable in current tax year (2015).
    - Meals should be reported in OSPA prior to December run 1 to ensure they are included in current year W2.
  - OSPS will not issue any manual checks after the ACH stop cutoff on December 30th for the 2015 tax year.
2015 OSPA Year End Time Line

October

November Final Run 2

After Nov Run 2 - 2015 fixes

YE Reports

December Final Run 2

Outdated Items
<table>
<thead>
<tr>
<th>October Run 1 (10/26/15)</th>
<th>Agency</th>
<th>OSPS/DAS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Review the report to confirm all DP taxes are removed and begin calculating for new plan year</td>
<td>Provide report listing outdated DPT adjustments from P050, effective 11/30/15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>October Run 2 (11/06/15)</th>
<th>Agency</th>
<th>OSPS/DAS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Review report for accuracy.</td>
<td>Provide report listing outdated Charitable Fund Drive deductions from P070 effective 11/30/15</td>
</tr>
</tbody>
</table>
## November Final Run 2 (12/09/15)

<table>
<thead>
<tr>
<th>Agency</th>
<th>OSPS/DAS</th>
</tr>
</thead>
</table>
| For months prior to November (Dec 2014 to Oct 2015) – last chance  
  • Set P010 dates, except for separating employees  
  • Set correctives for tax year 2015  
  • Enter cash payments for 2015 expense reimbursements for ongoing employees | Assist agencies with complex corrections – ie, an October check is cut and no flag is set. |
2015 OSPA Year End Time Line

After Nov Run 2 - 2015 fixes

YE Reports

December Final Run 2

Close of the 2015 Tax Year
<table>
<thead>
<tr>
<th>Agency</th>
<th>OSPS/DAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash payments which tax year? All retro payments need to be made on Nov P050. Set corrective flag in Nov and request manual check</td>
<td>Set P010 dates, enter P050 entries and verify corrective flag</td>
</tr>
<tr>
<td>Request P010 dates for December terms</td>
<td>Enter P010 dates</td>
</tr>
<tr>
<td>No P010s for transfers</td>
<td>Review P010 date requests</td>
</tr>
</tbody>
</table>
2015 OSPA Year End Time Line

What to Look For

YE Reports

December Final Run 2
<table>
<thead>
<tr>
<th>Report</th>
<th>Agency</th>
<th>OSPS/DAS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>12/10/15: E492 Terminated Employees Having Leave Balances</strong></td>
<td>Review &amp; correct: P435 adj, P060 adj or request manual check Clear by 12/31/15</td>
<td>If pay date is in 2016 EE receives 2016 W-2</td>
</tr>
<tr>
<td>Date</td>
<td>Description</td>
<td>Agency</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------------------------------------</td>
<td>-----------------------------------------</td>
</tr>
<tr>
<td>12/10/15:</td>
<td>E357-030 Separated Employees with Net Pay</td>
<td>Review &amp; correct: typically by P060 - Clear by 1/09/2016 OR request manual check by 12/31/15</td>
</tr>
<tr>
<td></td>
<td>Positive Adjustment</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/29/15:</td>
<td>B850-01 Nov or Dec Pay Reported in Two Tax Years</td>
<td>Review &amp; correct: Did employee receive overpayment? Are wages posted in correct year?</td>
</tr>
</tbody>
</table>
2015 OSPA Year End Time Line

December Final Run 2

Last Chance - 2015
### For 2015 tax year last day to...

**Work all year end reports:**
- XREF10-A
- ANNLDEC
- E260-200: Net Pay Negative
- E357-030: Separate EEs w/ Net Pay Pos
- E492: Term EEs Having Leave Balances
- XREF68N: EEs w/ Negative Report
- B850-01: Nov or Dec Pay Reported in Two Tax Years

**Correct negative YTD amounts** – see XREF68N

**Request any final Po60 tax adjustments for separated employees** – see E357-030 & E492

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**Request check reversals**

**Enter non-cash reimbursements or taxable fringe benefits**

**Record return of overpayments for tax year 2015** – this may result in W-2c
## Important Dates

<table>
<thead>
<tr>
<th>Agency</th>
<th>OSPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/11/16: Last date to update employee</td>
<td>1/12/16: 2014 W-2 file sent to Printing</td>
</tr>
<tr>
<td>addresses for W-2 printing</td>
<td>and Distribution</td>
</tr>
<tr>
<td>1/12/16: Able to set P010 dates and set</td>
<td>1/22/16: Outdate 2015 Governor’s Food</td>
</tr>
<tr>
<td>corrective flags for 2016 tax year</td>
<td>Drive P070 for 02/28/16 pay period</td>
</tr>
<tr>
<td>1/13/16: E381-30-2, W-2 Distribution List</td>
<td>1/31/16: 2015 1099s distribution deadline</td>
</tr>
<tr>
<td>available online</td>
<td></td>
</tr>
<tr>
<td>1/15/16: P&amp;D distribution of 2015 W-2s</td>
<td></td>
</tr>
<tr>
<td>(2-4 day turnaround)</td>
<td></td>
</tr>
<tr>
<td>1/31/16: 2015 W-2s distribution deadline</td>
<td></td>
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</tbody>
</table>
Year End - Overpayments

Why/When Overpayments Occur

- Late reporting of LWOP.
- Delayed pay-related personnel actions.
  - Ending work out of class or other differential pay from PPDB after Run 1,
  - Termination date not entered in PPDB.
- Administrative error.
  - Deductions not entered until after Run 1 (insurance premiums, garnishments, etc.),
  - Vendor deductions removed after Run 1.

Overpayment Notification to Employee

- Earnings statement that reflects overpayment is generated which serves as the notice (paystub).
- Agency may have standard letters/process in place for notification.
Year End - Overpayments

- **OAM 45.20.00.PO** - “Overpayment returns are due and payable on discovery of the overpayment.”
  - Net pay negatives generally are collected from the following Run 1 payroll.
  - When they are not collected on the following Run 1, the Agency must reimburse the Joint Payroll Account.
  - If the employee has an overpayment that will be repaid by the end of the year (December 31st) in which it occurred and this net pay negative is in November, OSPA will automatically reduce the employee’s December wages. You do not need to make any adjustments.
Year End - Overpayments

- **Collection of Overpayments**
  - If the employee is not expected to work/earn enough hours in the December paid January pay period to re-pay an overpayment at year end, you will need to reverse the entries that created the net pay negative in OSPA, so the employee’s wages/taxes are not understated for the current year. The Agency is then responsible to collect the net pay negative by working with the Agency’s accounting office to establish an account receivable (A/R).

  - When the employee does not repay all or part of the overpayment in the same year it is still taxable for that year. The employee received and used the funds during the year. After the employee has repaid the full amount, request a corrected W-2 for the year in which the overpayment occurred from the OSPS Accountant.

  - Do not make negative P050 entries to correct prior year overpayments; prior year negative entries will understate wages for the current tax year. Work with your Agency’s accounting staff to set-up an A/R and request a corrected W-2 when the employee repays the full amount.
Helpful Handouts

- **Year End Handout**
  - Important Dates between now and December final run 2

- **Corrected W2 Handout**
  - Guidance on when to request a corrected W2

- **Separations at Year End**
  - Reminders regarding setting P010 dates and making prior month corrections

- **Year End Transfer Flow Chart**
  - Guidance on working with transfers at year end

- **Year End Procedures**
  - Updated recommended procedures available on OSPS Website
Year end questions?

Contact: Melissa Tominaga
Phone: (503) 373-0738
Email: Melissa.TOMINAGA@oregon.gov
PEBB Interface Updates
- PEBB Rejections are at the individual deduction transaction level.
- 901 deduction codes for core benefits will be added automatically on OSPA.
- All PEBB Plan Year 2015 related codes will be end dated as of 11/30/15.
  - do not manually add PEBB codes for December pay period unless rejections occur.

New short term/long term disability exception on E120-042
- Short and Long term disability premiums should be based on employee’s monthly salary (RG* pay codes).
- If employee has LWOP in the month exception will show
  - 5425 - DISABILITY DED SHORT ON HRS WORKED
- If employee has 80+ hours, deduction will still pro-rate; payroll staff need to calculate the difference.
- If employee has less than 80 hours, calculate full premium based on monthly salary.
OSPS Updates and Reminders

- **PEBB Codes Outdated**
  - Trillium (not a 2016 medical plan option)
  - 3% Deduction Codes
  - 5% Deduction codes that are no longer in effect
    - Kaiser Deductible (FT and PT Plans)
    - Providence Choice (FT and PT Plans)
    - AllCare PEBB (FT and PT Plans)
    - MODA Summit and MODA Synergy (FT and PT Plans)
  - For prior year corrections use plan code ZZZ or 001

- **Date changes for November Run 1**
  - Preliminary run 1 will be Thursday November 19th
  - Exception Reports available Friday November 20th
  - Final run 1 will be Monday November 23rd
  - ACH stops are due by 10:15am on Wednesday November 25th
Extra November Holiday (Day After Thanksgiving) for most State employees

Coded like all other holidays
- HO for regular scheduled work day
- STS on scheduled day off

If the holiday is worked
- HP for paid time up to eight (8) hours
- HPI for paid time greater than eight (8) hours
- CTH for time and one half (1.5) leave accrual for FLSA non-exempt
- STH for time and one half (1.5) leave accrual for FLSA exempt

OSPS is working to change the default coding from CTS to STS when the holiday falls on an employees regular day off.
- Hope to have it in place by November holidays.
- Section 207(o) of the FLSA provides a distinction between “compensatory time off” and “other compensatory time”.
- “Other” compensatory time is not considered overtime under the FLSA.
**OSPS Updates and Reminders**

- **Holiday Coding Examples (Alternate Work Schedule)**
  - **Monday-Thursday 9 hours/ Friday 4 hours**
    - **eTime will default to the following**
      - RG-9, RG-9, RG-6 HO-3, HO-9, HO-4
    - **Coding**
      - RG-9, RG-9, RG-5 HO-4, HO-8, HO-4
      - RG-9, RG-9, RG-9, HO-8 Paid Leave-1, HO-4 STS-4
      - The STS can be used at a later date
      - If allowed in CBA the STS can be paid using HST
  - **Mon-Thurs 10 hours**
    - **eTime will default to the following**
      - RG-10, RG-10, RG-10, HO-8 RG2, STS-8
      - On the Thursday 10 hour day the 2 RG will need to be paid leave or worked on Mon-Wed
  - **Tues-Fri 10 hours**
    - **eTime will default to the following**
      - RG-10, RG-10, RG-10, HO-8 RG2, HO-8 RG-2
      - On the 10 hour days the 2 RG will need to be paid leave or worked on Tues or Wed.
• Vacation Payoffs

○ **VAP**- **VAC PAYOFF**: Payoff of accrued vacation time upon termination or *per specific contract language*. Paid at the equivalent hourly rate. **250 maximum payoff hours allowed. Use VAP prior to using VAQ or VAL.**

○ **VAQ**- **VA PAY ADD'L**: Used in conjunction with VAP to pay vacation hours above 250 when allowed *per CBA* or agency policy for Lottery, Judicial, Legislative Branch, Firefighter, and AEE benefit packages. **100 maximum payoff hours allowed. Use VAQ prior to VAL, but after VAP.**

○ **VAL**- **VA PAY EXTRA**: Payoff of accrued vacation time for firefighters at termination or *per specific contract language*. Paid at the equivalent hourly rate. **274 maximum payoff hours allowed. Use VAP and VAQ prior to using VAL.**
ePayroll Update

- Agencies fully implemented
  - DAS, Board of Nursing, ODFW, OHCS
  - DCBS, ODVA, PERS, Board of Accountancy
  - DOJ, ODPR, SOS, PUC
  - Tax Practitioners, Chiropractic Board, Real Estate, SOS
  - Board of Pharmacy, ERB, DOE, Treasury
  - State Library, Department of Energy, OLCC, Business Oregon

- Agencies currently onboarding some or all staff - DHS, State Lands, DOGAMI.

- Reminder there is a timecard Report (ETV7ALP) - now being produced with Prelim & Final Run 1 & Run 2

- Onsite agency demo & trainings available

- Interested in eTime? Contact Seth or Geri

- Updated version of ePayroll has been delayed indefinitely
Upcoming Training!

- **Introduction to Payroll Processing (Two 4 hour Sessions)**
  - **Day 1** – New Hires, Terms and Transfers
    - Understanding the basic screen functions used in these processes
    - October 20, 2015 8am - 12pm
    - DAS East Computer Lab
  - **Day 2** – Deductions, taxes and PERS oh my
    - In depth look at frequently used screens in OSPA
    - October 21, 2015 8am - 12pm
    - DAS East Computer lab

*Sign up for classes in iLearn.*
Upcoming Training!

- Trainings coming soon
  - Reports Training
  - Advanced Payroll Training
  - PCHG Screen iLearn Tutorial

- Check out our website for the latest training news and opportunities
  http://www.oregon.gov/DAS/EGS/FBS/OSPS/Pages/training.aspx

Sign up for classes in iLearn.
Next Forum...

DATE: January 13, 2016
TIME: 2:00 p.m.
PLACE: Employment Auditorium
AGENDA: TBD

Email Geri with your ideas about agenda items or training ideas at geri.l.greeno-sanders@Oregon.gov