



# OSPS Users' Forum

## October 17, 2018

*Payroll System Support*

*Oregon Statewide Payroll Services*

*Financial Business Systems*

*Enterprise Goods and Services*

**DAS**  
DEPARTMENT OF  
ADMINISTRATIVE  
SERVICES

# Agenda

Welcome and Introductions

Workday - Update

2018 Year End

PEBB Reminders

PERS 6%

OSPS Updates and Reminders

Upcoming Training Opportunities

*OSPS Presenters: Seth Lewis, Geri Greeno-Sanders, Sharae Epperheimer, Shanon Jackson*



# Workday – Updates

Shanon Jackson



# 2018 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.
  - For most, pay day is January 2, 2019
  - 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 2018 and 2019
- 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 o 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.

## W-2c 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.

## W-2c 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

- IRS New Safe Harbor Rule for 2018 Corrected W-2s
- Defines De Minimis Errors as:
  - No single amount in error differs from the correct amount by more than \$100.00
  - No single amount reported for tax withheld differs from the correct amount by more than \$25.00
- If the safe harbor applies, you will not have to correct the Form W-2 and it will be treated as having been filed with all of the correct required information
- However, the safe harbor does not apply if the **Payee** elects to have you issue a corrected return.

## 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
  - OSPA website:  
<http://www.oregon.gov/DAS/Financial/payroll/Pages/index.aspx>
  - OSPA Reference Manual for Income Taxes:  
<http://www.oregon.gov/das/Financial/Payroll/Documents/ProcessIncomeTaxes.pdf>

## W-2c 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 under withheld, 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

## W-2c 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.
- OSPS will process the Corrected W-2 Request form and produce the W-2c along with a cover memo.
- We will distribute the W-2c and memo to the Agencies via the Secure Mailbox or US Mail for Agencies outside of Salem.

## RESOURCES

- Prior Period Adjustments– IRS Pub 15\*
- Safe Harbor- General Instructions for Forms W-2 and W-3\*\*
- 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
- \*IRS Publication 15: <https://www.irs.gov/pub/irs-pdf/p15.pdf>
- \*\* General Instructions for Forms W-2 and W-3:  
[https://www.irs.gov/pub/irs-pdf/iw2w3.pdf?\\_ga=1.109648069.1797567584.1429207517](https://www.irs.gov/pub/irs-pdf/iw2w3.pdf?_ga=1.109648069.1797567584.1429207517)

## HOW TO PREVENT OSPS FROM CONTACTING YOU

- 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

- Clear net pay positives and negatives before year end
  - Start working to clear these with October payroll runs.
- Threshold changes to \$1.00 in November pay period
  - For termed employees, send request to clear to taxes prior to November run 1
  - System will generate a check (even for termed employees) on November run 1 for amounts greater than or equal to \$1.00

# 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 many 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 Poso 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.

# Year End- All About the Dates!

- **P010 Final Check Dates**
  - 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.

## Year End- All About the Dates!

- 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 (2018).
  - Apply December payroll to the new tax year (2019).
- 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 (2019)?
  - Can you stop the ACH if applicable? - If yes, reverse check or cancel the ACH that the set created. Ask OSPS to set P010 dates.
  - If there is no P190 set for December run 1, the P010 dates can be set.

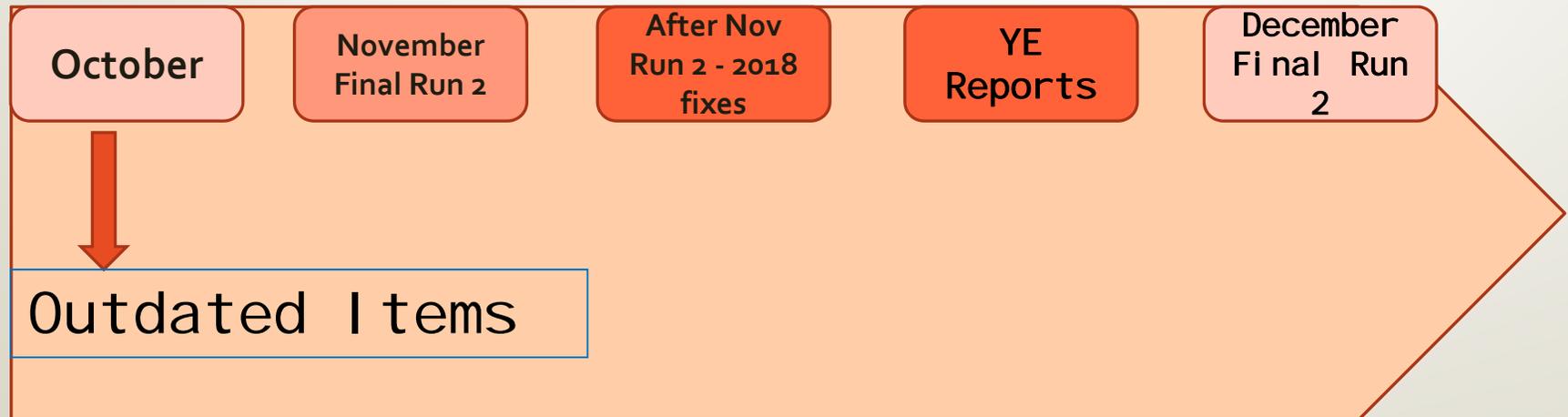
# Year End- All About the Dates!

- Separations in December
  - If separating employee will receive his/her pay during December, payment needs to be included in the current year's W2 (2018).
  - Force the wages into the current tax year by entering December P010 dates.
- Transfers in December
  - Do not request P010 check dates for transfers in December.
  - Without P010 check dates, OSPA will combine the December wages from both agencies and report in the new tax year (2019).
- 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 (2018).
  - If correction is after December 31, use 01/31/YY on the P050 screen. This will calculate the entry in the new tax year (2019).

## 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 (2018).
    - 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 28th for the 2018 tax year.

# 2018 OSPA Year End Time Line



## October Run 2 (11/08/18)

| Agency                      | OSPS/DAS  |
|-----------------------------|---|
| Review report for accuracy. | Provide report listing outdated Charitable Fund Drive deductions from P070 effective 11/30/18 |

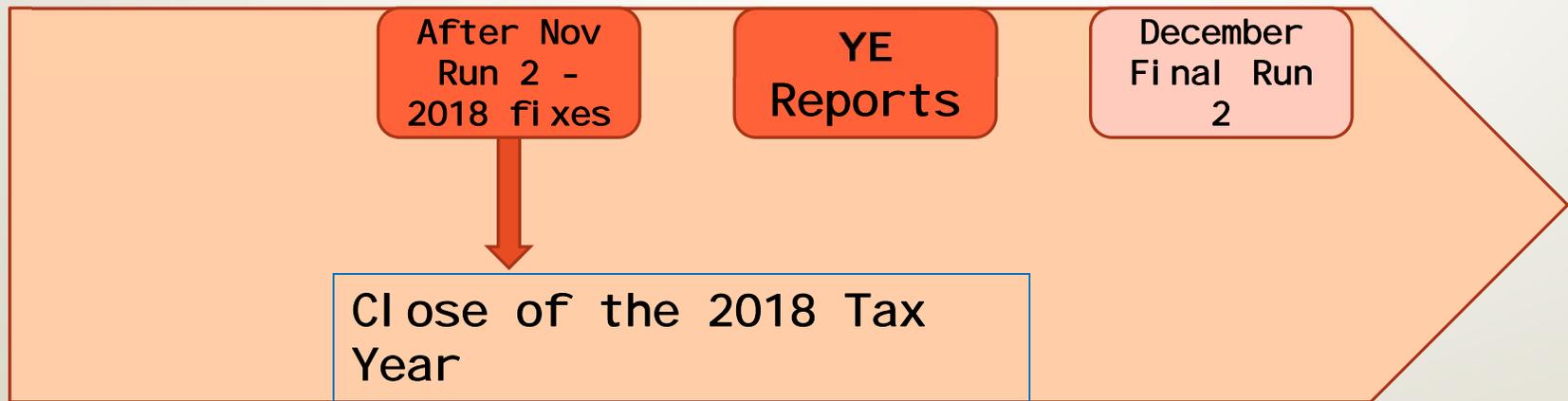
# 2018 OSPA Year End Time Line



## November Final Run 2 (12/10/18)

| Agency   | OSPS/DAS  |
|--|---|
| <p>For months prior to November (Dec 2017 to Oct 2018) – last chance to,</p> <ul style="list-style-type: none"><li>• Set Po10 dates, except for separating employees</li><li>• Set correctives for tax year 2018</li><li>• Enter cash payments for 2018 expense reimbursements for ongoing employees</li></ul> | <p>Assist agencies with complex corrections – ie, an October check is cut and no flag is set.</p> |

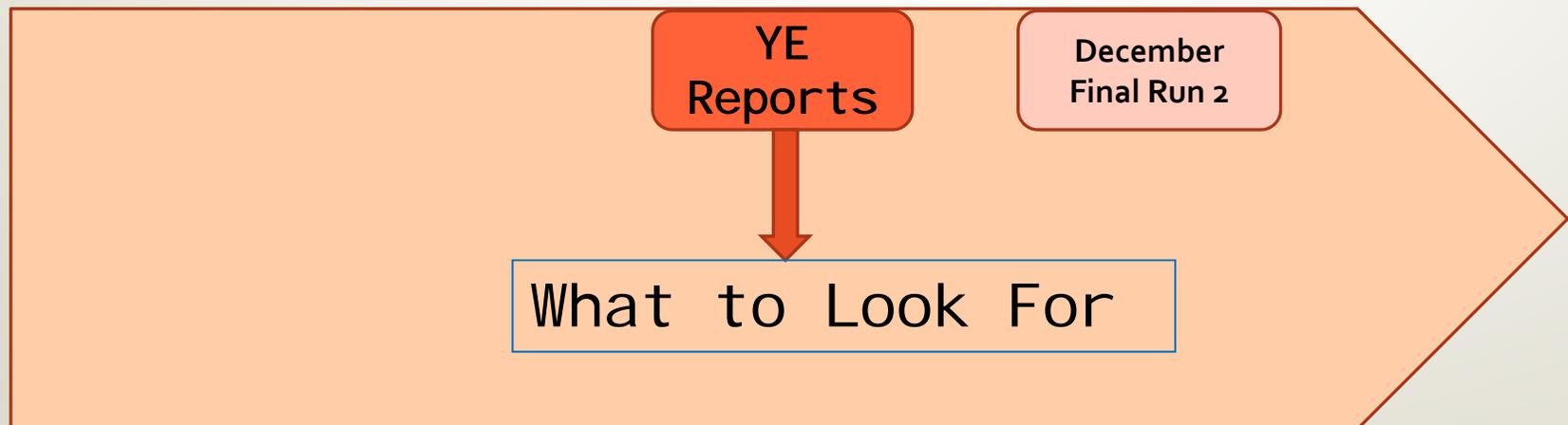
# 2018 OSPA Year End Time Line



# After Nov Run 2 – 2018 fixes (12/11/18 – 12/31/18)

| Agency  | OSPS/DAS  |
|---|---|
| Cash payments which tax year? All retro payments need to be made on Nov P050. Set corrective flag in Nov and request manual check | Set P010 dates, enter P050 entries and verify corrective flag |
| Request P010 dates for December terms   | Enter P010 dates  |
| No P010s for transfers  | Review P010 date requests                                     |

# 2018 OSPA Year End Time Line



# Year End Reports – Important Dates

| Report  | Agency   | Results: If not cleared...                    |
|---|--|---|
| 11/27/18: E260-200 Net Pay Negative Report                | Review & correct<br><u>Clear by 12/31/18</u>   | 2018 W-2 is incorrect and W-2c will be needed |
| 12/11/18: E492 Terminated Employees Having Leave Balances | Review & correct: P435 adj, Po60 adj or request manual check<br><u>Clear by 12/31/18</u> | If pay date is in 2019 EE receives 2019 W-2   |

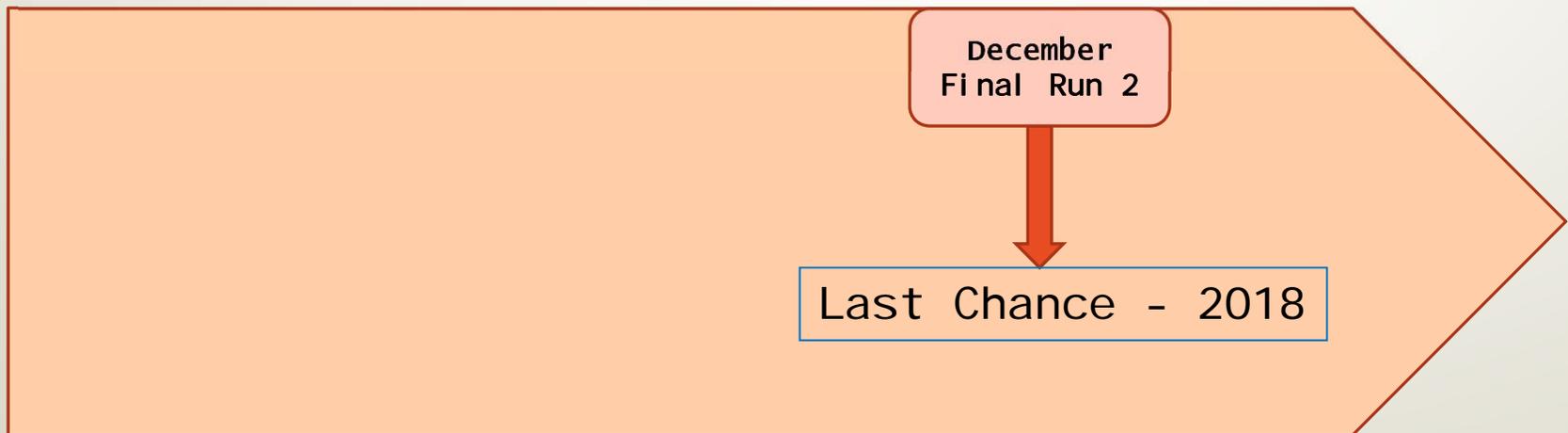
| Report                   | Agency   | OSPS/DAS   |
|--------------------------|--|--|
| 11/27/18: ANNLDEC Report | Review for completeness. Confirm dollar amount from OSPS accountant. | Send email to agency for final deceased payout. Create and send 1099s for State of Oregon. |

# Year End Reports – Important Dates

| Report  | Agency   | Results: If not cleared...                       |
|---|--|--|
| 12/11/2018: E357-030 Separated Employees with Net Pay Positive Adjustment | Review & correct: Request check by 12/31/18 or clear by 1/09/2019                  | Agency will need to request a 2018 and 2019 W-2C |
| 12/11/18: XREF68N Employees with Negative Report                          | Review and correct: start with looking at Pogo for negatives. Clear by 1/09/2019   | No 2018 W2 produced for EE                       |
| 12/27/18: B850-01 Nov or Dec Pay Reported in 2 Tax Years                  | Review & correct: Did employee have overpayment? Are wages posted in correct year? | 2018 W2 is incorrect and W-2c will be needed     |

# 2018 OSPA Year End Time Line

ENDING



# December Run 2 – 1/09/19

| For 2018 tax year last day to...  |  |
|---|--|
| Work all year end reports: <ul style="list-style-type: none"><li>• XREF10-A</li><li>• ANNLDEC</li><li>• E260-200: Net Pay Negative</li><li>• E357-030: Separate EEs w/ Net Pay Pos</li><li>• E492: Term EEs Having Leave Balances</li><li>• XREF68N: EEs w/ Negative Report</li><li>• B850-01: Nov or Dec Pay Reported in Two Tax Years</li></ul> | Correct negative YTD amounts – see XREF68N   |
|   | Request any final Po60 tax adjustments for separated employees – see E357-030 & E492 |
|   | Request check reversals  |
|   | Enter non-cash reimbursements or taxable fringe benefits                             |
|   | Record return of overpayments for tax year 2018 – this may result in W-2c            |

# Important Dates

| Agency   |
|--|
| 1/09/19: Last date to update employee addresses for W-2 printing           |
| 1/10/19: Able to set P010 dates and set corrective flags for 2019 tax year |
| 1/16/19: E381-30-2, W-2 Distribution List available online                 |
| 1/31/19: 2018 W-2s distribution deadline                                   |

| OSPS   |
|--|
| 1/16/19: 2018 W-2 file sent to Printing and Distribution                 |
| 1/23/19: Outdate 2018 Governor's Food Drive P070 for 02/28/19 pay period |
| 1/31/19: 2018 1099s distribution deadline                                |

# Helpful Handouts

- Year End Handout
  - Important Dates between now and January 31
- Corrected W2 Handout
  - Guidance on when to request a corrected W2
- Separations at Year End
  - Reminders regarding setting Po10 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: OSPS Help Desk

Phone: (503) 378-6777

Email: [OSPS.Help@Oregon.gov](mailto:OSPS.Help@Oregon.gov)





# PEBB Related Changes

Family tier subsidy – Rate Change

# Family Tier Medical Subsidy

- Subsidy for employees enrolled in family tier medical plans only
  - \$15.00 for full time medical plans
  - \$30.00 for part time medical plans
    - Rate is based on enrolling in a full time or part time plan
- Subsidy is applied to employee share of medical premium
- If subsidy is more than employee share, employee share will be \$0.00
  - For part time employees enrolled in a part time medical plan:
    - Family tier subsidy is applied first to the employee share of the medical premium
    - Part time subsidy is calculated
    - If any family tier subsidy is left over, it is applied to the medical premium
    - Part time subsidy is applied

# Family Tier Medical Subsidy

- PEBB subsidy amount + employee share + employer share = PEBB admin fee + vendor total
  - Subsidy is only for employee and family coverage
  - DDD, 104, 804, 806, and 807
- Do not delete the 901 entry for forced medical entries.
  - If you do, PEBB will send you notice you are short the subsidy amount
  - Must go into P070 and re-enter 901 for forced medical entry
  - Set corrective
  - Adjustment type must match (A, F, W)

# PEBB to OSPA plan year 2019 timeline

- Update deduction tables with new rates by November 13
- Outdate all PEBB related codes in OSPA on November 13 with 11/30/18 end dates
- OSPS turns off PEBB interface on November 15
- PEBB does term and re-enroll in PDB on November 15
- Load all open enrollment transactions on November 17 with start dates of 12/31/18
- Turn on PEBB interface on November 19



# PERS 6% Pick Up

Reminders & Changes

# Upcoming Changes

- PERS 6% pick-up changing to employee paid
  - AFSCME February (paid March) 2019
  - Mgmt Service February (paid March) 2019
  - AEE June (paid July) 2019
  - AFSCME Parole & Probation June (paid July) 2019

## Non- PERS subject vs. PERS subject

SEIU: Use non-PERS subject retro codes on Po50 for anything October 2016 or prior

AFSCME / Mgmt Service: use non-PERS subject retro codes on Po50 screen for anything January 2019 or prior

AEE & AFSCME P&P: use non-PERS subject retro codes on Po50 screen for anything June 2019 or prior

## Po60 entries & retro pay codes

- Currently for SEIU represented employees
  - Make Po60 entries to ensure retro entries (prior to Nov 2016) are employer paid
  - This will prevent prior month PERS payments from going employee paid
- Retroactive Pay Codes that are Non-PERS/PERS subject – see pay code list online



# OSPS Updates & Reminders

December Terms

ACA

Direct Deposit – Travel Reimbursement Form

Upcoming Trainings

# OSPS Updates and Reminders

- For employees separating from state service for any reason (not transfers) on a date that occurs after Dec R1 final and agencies do not want a final check to run with December run 1 payroll, agencies should
  - Remove all hours and HEM entries and check the P370 so nothing will run on run 1
  - After December R1 final, agencies can enter hours and HEM entries (if applicable), set P010 dates for December and request a manual check
- If an agency does not want to remove hours and applicable GPA entries, agencies should
  - Set December P010 dates for R1 to ensure the set is generated in the current tax year
- Letting the system generate a December R1 set for the new tax year, and then needing to issue a final check in the current tax year can cause problems.

# OSPS Updates and Reminders

- ACA Reminders
  - Coming up on the end of the standard measurement period
  - November 1 – October 31
  - If employee has 1560 hours they qualify for coverage in 2019 even if less than 80 paid hours
  - Separating employee has to have 80+ paid hours in final month to qualify for coverage in the month following separation
    - If separating in November with 80+ hours coverage ends December 31
    - If separating in November with less than 80 hours, coverage ends November 30

## OSPS Updates and Reminders

- Direct deposit forms that are marked with travel reimbursement should be sent to SFMS directly.
- Agencies need to work with their accounting department to make sure their employees are set up in SFMA with their name, OR#, and address before sending forms to SFMS.
- OSGP –DCNN and RTNN 600 plan codes. Annual limits are monitored by OSGP.
  - If you have employees retiring in December and have a high contribution, they should contact OSGP.
- Statewide Transit Tax – tax withheld will be on the W-2 in box 14

# Upcoming Training!

- OSPA For Beginners (Two 4 hour Sessions)
  - Day 1 – Interfaces and Screens
    - Understanding OSPA and basic system screens
    - October 23rd, 2018 1pm-5pm
    - DAS East Computer Lab
  - Day 2 – Frequently used processes
    - In depth look at frequently used processes
    - October 24<sup>th</sup>, 2018 1pm-5pm
    - DAS East Computer lab

*Sign up for classes in iLearn.*

# Upcoming Training!

- OSPA Critical Reports Training
  - Overview of OSPA critical reports
    - December 19, 2018 2:30pm-4:30pm
    - DAS West- SFMS Conference Room

# Next Forum...

- DATE: January 16, 2019
- TIME: 2:00 p.m.
- PLACE: Employment Auditorium
- AGENDA: PERS pick up, PEBB recap and TBD
- Email Sharae with your ideas about agenda items or training ideas at [sharae.epperheimer@Oregon.gov](mailto:sharae.epperheimer@Oregon.gov)