

DAS-SAE CENTRALIZED PAYROLL

WAGE ASSIGNMENTS,
PAYROLL ACCOUNTING &
ADDITIONAL INFORMATION

REVISED MARCH 2015

**DAS-SAE / CENTRALIZED PAYROLL
PAYROLL ACCOUNTING & ADDITIONAL INFORMATION**

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Payroll Accounting – Employee Deductions & State Shares

Employee deductions & state shares are collected each pay period are routinely processed by Centralized Payroll for distribution to various entities. Payments typically occur biweekly. The distributions of funds go to:

- Vendors – for deductions like credit union, union dues, One Gift and garnishment collections
- Tax Authorities – for Federal, State and FICA tax withholding collections
- Insurance Companies – for Wellmark, Delta Dental, Life and LTD premiums due
- Retirement plan administrators – for IPERS, Judicial, Peace Officers (POR), TIAA-CREF employee and state share collections
- Back to departments – imputed income & maintenance charges that are to be offset (pay & deduction should net to \$0)

If an employee's payroll deductions were calculated or taken in error, the process to fix involves several steps and will vary based on the situation. If an error occurs:

- Notify Centralized Payroll as soon as possible so it can be determined who needs to be involved and how to best resolve the error for the pay period in which it occurred. (cancel warrant with a rewrite vs. no cancel/rewrite and handle next pay period)
- If no cancel/rewrite occurs, the \$ collected may be 'held' in Central Payroll for adjustment/refund to the vendor/employee via the I/3 accounting system. The employee's payroll records are not updated if no cancel/rewrite occurs.
- PA's/HRA's will need to key a P1 or other payroll action to fix the error or stop the deduction for FUTURE pay periods.

Payroll Accounting – Wage Payment Errors

Employee wage **under-payment** errors should be handled through payroll processing. For missed regular hours to be paid, enter time type 500-Prior Pay Pd Hrs on HRIS timesheet on the following pay period, and key remarks stating dates/hours that are to be paid. Time type 500 hours are always paid at regular rate of pay. Therefore, if missed prior pay period hours are to be treated as Overtime pay, then P1 type 846 should be keyed to pay wages instead. Also key P1 type 271-Leave Balance Correction to restore missed sick/vacation accruals due.

Employee wage **over-payment** errors should be recovered through payroll processing as well. Employees cannot be allowed to write a check to repay overpaid wages back to their department, because the employee's year to date W-2 and IPERS covered wage totals will not be properly updated in HRIS unless payroll action is taken.

A cancel/rewrite is usually the best option to fix the overpayment because of implications involving timing of taxable wage reporting to Federal/State/IPERS authorities. A second option to correct the overpayment is for the error to be fixed over a period of time. Per the Admin Rule 53.4(7)b,

53.4(7) Pay corrections. An employee's pay shall be corrected if it is found to be in violation of these rules or a collective bargaining agreement. Corrections shall be made on the first day of a pay period.
b. Overpayment and underpayment. If an error results in an employee's being overpaid for wages, except for FICA, state and federal income taxes and IPERS contributions shall be collected. Also, premiums for health, dental and life insurance benefits that have been underpaid shall be subject to collection. **An employee may choose to repay the amount from wages in the pay period following discovery of the error or have the**

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overpayment deducted from succeeding pay periods not to exceed the number of pay periods during which the overpayment occurred, or the employee or appointing authority may submit an alternate repayment plan to the director. The repayment plan shall identify the details of the overpayment, the reasons why the department's recouping the amount of overpayment in the same number of pay periods as those during which the overpayment occurred presents a hardship to the employee, and the terms of the alternate repayment plan. The director shall notify the appointing authority of the decision on the alternate repayment plan. If the employee separates from employment, the amount remaining shall be deducted from wages, vacation payout, applicable sick leave payout and any wage correction payback from IPERS. The collection of overpaid wages shall not result in reducing the employee's pay below relevant state and federal minimum wage statutes for each hour actually worked during the pay period in which the collection of overpaid wages occurs.

Recoupment of wages in subsequent pay periods following the error should occur via a P1 action. Please contact Central Payroll to provide details on how the wage overpayment originally occurred, so we can determine how to proceed on fixing the wage overpayment error.

Payroll Accounting – Salaries Expense

Total Salary Expense for your employees is fully charged to your department through a series of accounting documents that are interfaced from HRIS to I/3 Financial each time a payroll cycle occurs. These documents have specific 2 digit codes that identify the type of payroll interface. (See Appendix A for a full listing of codes.)

- Total Net pay is charged to your department on a JVA document
- Total employee share deductions are charged to your department on IET documents
- Total state shares are charged to your department on IET documents
- Net pay + EE deductions + state shares = Total charged to salaries

Example:

Doc ID - 411PC18200312

Was a payroll warrant cancellation document for Dept 411.

This occurred on day #182 of the calendar year (Julian date)

Payroll journals available in I/3 Data Warehouse will identify each of these components separately. A sample payroll journal is shown in Appendix B. Any payroll distributions that are set up to occur will post as a CDE or JV1 document on the accounting system.

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Garnishments/ Wage Assignments/Child Support/Student Loans

Any notices received for child support/garnishments/student loan should be sent to Centralized Payroll for processing.

Types of Garnishments/Wage Assignments that are processed for State Employees by Centralized Payroll include:

- Child Support Income Withholding – Iowa Code Chapter 252D (Includes \$2.00 processing fee) – Lisa Ayers
 - Student Loan Wage Assignments – Lisa Ayers
 - Court Ordered Wage Assignments for: Court fines, creditor payments, etc. – Lisa Elliott
 - IRS Tax levies – Internal Revenue Code – Lisa Elliott
 - IA Dept. of Revenue Tax levies – Iowa Code Chapter 421.17 – Lisa Elliott
 - Bankruptcy Trustee withholding orders – US Bankruptcy Code & Iowa Code chapter 421.17 – Lisa Elliott
 - Debts due to various state agencies: DHS, Prison Industries accounts receivable etc. – Admin Rules Chapter 151 Sec 701- Lisa Elliott
 - Creditor Garnishments (Sheriff garnishments) – Iowa Code Chapter 642 – Lisa Elliott
-
- All notifications received by a State agency should be forwarded to Centralized Payroll for review and processing.
 - Do not keep copies of the notices in personnel files. This is confidential information between Centralized Payroll and the employee. If employees have questions on these matters, refer them to Centralized Payroll.
 - Centralized Payroll can only honor a court ordered garnishment or wage assignment. ‘Voluntary’ wage assignments cannot be honored for State of Iowa employees – only exception is IRS Voluntary Payroll Deduction Agreement.
 - When a garnishment/wage assignment is received/processed by Centralized Payroll, notification will be mailed from Centralized Payroll to the employee at the home address on their payroll record.
 - Per Federal & State income withholding guidelines, there are various withholding rules and % that apply to the calculation of each type of wage assignment. There is also a ‘pecking order’ in which wage assignment collections should be taken. Questions about calculations should be forwarded to Centralized Payroll staff.
 - Biweekly and YTD deductions for garnishments/wage assignments are reflected on the employee’s ‘PRIE’ screen on the line called ‘Wage Assign’. Details regarding the actual deductions and for which accounts being collected are only available by contacting Centralized Payroll.
 - Medical Support Notice forms (part A&B) received in Centralized Payroll from DHS Child Support will be forwarded to your agency for processing and follow-up. These notices mandate that benefits enrollment occurs or can be verified for court ordered health care coverage for an employee’s dependents. Your agency will need to handle the related enrollment/benefits issues and respond to DHS.

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Leave Balance Corrections

A leave balance correction may be needed to correct an error in a previous pay period on leave used or earned if an employee was either a) shorted hours or b) paid too many hours. A leave balance correction for a prior pay period should not be made on HRIS timesheet or PAYN for the current pay period. To correct an employee's leave balances, a P1 #271 Leave Balance Correction or P1 #272 IUP Leave Balance Correction can be keyed. An employee's accrual rate can be obtained on Employee Information, screen D7.

Calculations for accrual adjustment:

- Use the entire accrual rate amount, carried out 6 digits to the right of the decimal point.
- Divide that amount by 80 hours in the pay period to get the hourly accrual rate
- Multiply that number times the number of hours the employee was either over paid or under paid
- Equals the number of leave hours to be corrected.

Example:

Employee has 8.00 hours of leave without pay recorded on their timesheet and it should have been 8 hours of sick leave used. Those 8.00 hours should be paid via either:

- a.) the timesheet as prior pay period hours (Time Type 500)
- b.) or on a P1#846 if employee is on PAYN

The employee will also need to have their sick/vacation accruals adjusted for those 8.00 hours.

* HOURS & BALANCES *			
VACATION BALANCE ...	23.8461	VAC. ACCRUAL RATE ..	3.692307
SICK BALANCE	38.7692	SICK ACCRUAL RATE ..	5.538462

$3.692307 / 80 = 0.046154$ hourly vacation accrual rate
 $0.046154 \times 8 \text{ hours} = 0.369232$ added to vacation balance

$5.538462 / 80 = 0.069231$ hourly sick accrual rate
 $0.069231 \times 8 \text{ hours} = 0.553848$ added to sick balance

Explanations and calculations are needed on the Remarks screen of the P1 showing applicable dates, etc.

D3449615 ACTION: _	PERSONNEL ACTIONS (P-1S)	PAGE: 0001 OF 0001
PRINTER ID:	REMARKS	
EE S/H/B CHGD/PAID 8.0 SICK FOR 2/15/15. EE WAS CHGD 8.0 LWOP INSTEAD. EE S/H EARNED FULL ACCRUALS ON MISSED HRS IN PAID STATUS		
.		
_ 8.00	860 - MED LWOP	SUN 02/15/2015
.		
SEE TIMESHEET (OR PAY CORRECTION P1 IF PAYN) THIS PP FOR MISSED WAGES TO BE PAID		
.		
* HOURS & BALANCES *		

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VACATION BALANCE ... 23.8461 VAC. ACCRUAL RATE .. 3.692307
SICK BALANCE 38.7692 SICK ACCRUAL RATE .. 5.538462

.
 $3.692307 / 80 = 0.046154$ HOURLY VACATION ACCRUAL RATE
 $0.046154 \times 8 \text{ HOURS} = 0.369232$ ADDED TO THE VACATION BALANCE

.
 $5.538462 / 80 = 0.069231$ HOURLY SICK ACCRUAL RATE
 $0.069231 \times 8 \text{ HOURS} = 0.553848$ ADDED TO THE SICK BALANCE

.
 $23.8461 + 0.369232 = \text{ADJ VAC BALANCE } 24.215332$

$38.7692 + 0.553848 - 8.0 = \text{ADJ SICK BALANCE } 31.323048$

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Back Pay

When computing back pay, it is important to understand the different pay types that make up an employee's Regular Rate of Pay because the Regular Rate of Pay is what is used for the calculation, not just the Base Pay. For most employees, only one or two pay types are applicable.

If the employee has standby pay, that amount must be calculated first using the rates applicable in the collective bargaining agreement.

Pays used to compute hourly rate of pay for Standby Pay:

- Biweekly Base Pay
 - + Special Duty Pay
 - + Leadworker Pay
 - + Extra Duty Pay
 - + Education Differential Pay
 - + Volunteer Firefighter Pay
 - + Longevity Pay
 - + SPOC/DNR 4% Premium Pay
 - + SPOC Premium Pay
 - + Shift Differential Pay (BW)
 - + Med Passer Pay (BW), using an average of 6 pay periods
- Total x 26 / 2080, rounded = Standby Pay for the applicable pay period

Some of the different types of pay that should be included to compute the hourly rate of pay for Comp Time, Holiday Comp Time, Banked Holiday Pay, Callback, Sick Leave Payout upon Retirement, Terminal Leave Pay and Overtime (overtime rate is either 1:1 or 1:1.5 based on class code):

- Biweekly Base Pay
 - + Standby Pay
 - + Special Duty Pay
 - + Leadworker Pay
 - + Extra Duty Pay
 - + Education Differential Pay
 - + Volunteer Firefighter Pay
 - + Longevity Pay
 - + SPOC/DNR 4% Premium Pay
 - + SPOC Premium Pay
 - + Shift Differential Pay (BW)
 - + Med Passer Pay (BW), using an average of 6 pay periods
- Total x 26 / 2080, rounded = Hourly Regular Rate of Pay

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Name Changes

If an employee is married or divorced, you should not change their name on HRIS until you receive a new social security card from the employee. When W-2's are filed, the name on the W-2 must match the name SSA has on file otherwise, wages may not be correctly credited to the employee and The State of Iowa could receive a fine for each incorrect W-2.

Addresses

Please follow US Postal Service guidelines when entering all employee address information into HRIS. We realize that the 'Street Address' field is limited to 20 spaces, so we understand that PA's often have to be creative when entering addresses.

A helpful link to the DAS-HRE web page showing common US Postal Service abbreviations

https://das.iowa.gov/sites/default/files/hr/documents/pre_audit/post_abbrev.pdf

Also recommended is the link to the actual US Postal Service website, where you can input and validate address information using the 'Look up a Zip Code' Function: <https://tools.usps.com/go/ZipLookupAction!input.action>

Grievances/Settlements

Fully signed copies of any grievances/settlements must be sent to HRE and Centralized Payroll before any P1's can be approved by DAS. Backup documentation such as spreadsheets showing biweekly calculations for back pay and accruals should also be included.

On March 24, 2014, Gov. Terry E. Branstad announced the signing of Executive Order 85 to increase accountability, openness and transparency of employee settlements.

Executive Order 85 States:

ACCOUNTABILITY: No state agency may enter into a settlement agreement on behalf of the state unless the personnel settlement agreement is reviewed by the Attorney General's Office, the Director of the Department of Management; Director of the Department of Administrative Services and the head of the agency involved with the matter at issue each approve the settlement agreement in writing.

OPENNESS: No personnel settlement agreements shall contain any confidentiality provisions.

TRANSPARENCY: Every final personnel settlement agreement shall be posted to the Department of Administrative Services or Board of Regents website in a location easily accessible to the public.

An example of an EO85 settlement agreement signature page is shown in appendix C.

Settlements that are not subject to EO85 include:

- Grievances resolved at Step 1 of grievance procedures set forth in AFSCME, IUP and SPOC CBA's
- GRIP settlements do not need to proceed through the EO-85 review process, as the decision-making authority for GRIP resolutions is provided for in the AFSCME contract
- Arbitration awards are not "settlement agreements" and therefore are not subject to the EO-85 review process.
- Elected offices, the general assembly and judicial branch are exempted from EO-8

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Appendix A

**Payroll's Assigned Document Numbers
Used in Payroll Interfaces**

In the 4th and 5th positions --
(IET's, CDE's and JVA's)

PB	Payroll Maintenance
PC	Payroll Cancellation
PI	Payroll SERIP Billing
PL	Payroll Life Insurance/Imputed Income
PM	Relocation / Move Pay
PR	Payroll (regular)
PS	Payroll SLIP Billing
PX	Insurance Refunds & IPERS Refunds
PY	Insurance Refund Cancellation
PF	Personnel Fee (inactive)
PH	Payroll Usage (inactive)
PQ	Health Incentive (inactive)
PT	Payroll Terminal Liability (inactive)

Payroll Document Codes
(* Revised Aug 2010)

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Appendix B

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STATE OF IOWA
PAYROLL JOURNAL : REGULAR BIWEEKLY PAYROLL - FINAL
PAYROLL JOURNAL FINAL

Report ID: 0751436-A
Source: HR Payroll
Department: 005
PP Begin Date: 03/13/2015 Report Type: Regular Biweekly Payroll Final Run Flag: FINAL
GRAND TOTAL

Employee Pay	Employee Share	State Share	Pay Period	3/13/15 to 3/26/15
Base Pay	505,877.83	62,654.31	1311	40,715.04
Lead Worker Pay	1,298.40	0.00	1312	46,002.04
Special Duty Pay	0.00	24,237.04	1313	0.00
Call Back Pay	0.00	381.79	1314	0.00
Standby Pay	0.00	40,715.04	1315	32,870.43
Subsistence Pay	0.00	0.00	1317	0.00
Extraordinary Pay	0.00	0.00	1318	0.00
Educational Diff Pay	0.00	30,650.76	1320	0.00
Commute Miles Pay	0.00	1,255.50	1322	8,168.00
Longevity Pay	0.00	1,460.85	1323	7,014.66
Shift Differential	442.00	0.00	1330	0.00
Term Leave Pay	20,143.73	22,558.80	1334	0.00
Workers Comp	(942.72)	0.00	1335	0.00
Other Pay Adj	0.00	0.00	1336	0.00
Overtime Pay	3,487.51	29,633.18	1343	42,741.55
Sick Leave Pay	4,000.00	0.00	1348	0.00
Compline Pay	529.23	0.00	1349	140,474.92
Holiday Pay	0.00	274.28	1352	0.00
Med-Passer Pay	0.00	2,169.14		317,986.64
Per-Diem Meal Pay	0.00	0.00		
Per-Diem Cleaning Pay	0.00	0.00		
Phased Retire. Incentive	0.00	0.00		
Move Pay	0.00	0.00		
Imputed Pay	0.00	0.00		
Vacation Payout	0.00	0.00		
Reassignment Pay	0.00	2,745.65		
Income Not Subj Retire	0.00	1,484.16		
Catastrophic Pay	0.00	0.00		
Second Language Pay	0.00	3,527.53		
Spoc Premium Pay	0.00	0.00		
Vol Firefighter Pay	0.00	0.00		
Spoc Dnr 4% Prem Pay	0.00	1,913.81		
Backpay Subj Por Pay	0.00	0.00		
Additional NonBase Pay	5,716.98	1,658.50		
Health Incentive Pay	500.00	500.00		
Total Gross Pay	541,054.96	234.76		859,041.60
Total Net Pay	312,999.86	228,055.10		546,041.74

State Share	Pay Period	3/13/15 to 3/26/15
FICA	1311	40,715.04
PERS	1312	46,002.04
Jud Retire.	1313	0.00
Pol. Retire.	1314	0.00
Blue Cross	1315	32,870.43
Life Insurance	1317	0.00
L.T. Disability	1318	0.00
Spoc Health	1320	0.00
Deferred Comp	1322	8,168.00
Dental - NonSpoc	1323	7,014.66
FICA - Police	1330	0.00
Airport FF Retire.	1334	0.00
Cons Peace Retire.	1335	0.00
Corr Officer Retire.	1336	0.00
Blue Advantage	1343	42,741.55
Dental - Spoc	1348	0.00
Blue Access	1349	140,474.92
TIAA-CREF Retirement	1352	0.00
Total State Share		317,986.64

Employee Share	Pay Period	3/13/15 to 3/26/15
170 Permanent Full Time		662,873.49
1 Statutory		6,410.10
38 Exempt Full Time		186,147.52
2 Permanent Part Time		2,241.53
0 Exempt Part Time		0.00
0 Intermitent		0.00
1 Temporary Exempt		1,368.96
0 Project		0.00
0 Summer Exempt		0.00
0 Temporary Unauthorized		0.00
212 Total Paid Employees		859,041.60
113 Total Vacant		0.00
0 Total Not Paid		0.00
Total Charged to Salaries		859,041.60
Total Trustee Amount		546,041.74

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Net Pay \$312,999.86 + EE Share \$228,055.10 + State Share \$317,986.64 = Total charged to dept. \$859,041.60

Appendix C



Iowa Department of Administrative Services

Service • Efficiency • Value

Governor Terry E. Branstad

Lt. Governor Kim Reynolds

Janet Phipps, Director

Routing/Review Approval of Personnel Settlement Agreement

*Please sign/date where indicated below noting the approval or denial of the attached proposed Personnel Settlement Agreement. ****After signing, please return to the attention of DAS-Communications in the Hoover Building for routing/final distribution.**** If "denied," please return to DAS-Communications.*

In the matter of:
LRT Staff:
Agency/Department:
Director's Printed Name: _____
Director's Signature: _____
Date: _____ Approve: <input type="checkbox"/> Deny: <input type="checkbox"/>
Department of Administrative Services
Director's Printed Name: Janet E. Phipps
Director's Signature: _____
Date: _____ Approve: <input type="checkbox"/> Deny: <input type="checkbox"/>
Department of Management
Director's Printed Name: David Roederer
Director's Signature: _____
Date: _____ Approve: <input type="checkbox"/> Deny: <input type="checkbox"/>
Office of the Attorney General
Reviewed by (Print Name): _____
Reviewer's Signature: _____
Date: _____ Reviewed: <input type="checkbox"/> Redacted: <input type="checkbox"/>