
UC FLEX BULLETIN – SPECIAL PAYROLL EDITION

August 18, 2006

This special UC Flex bulletin covers the following payroll related topics:

- Payroll Update from HR Service Center
 - Answering Pay Statement Questions
 - Avoid the Payroll Blues
 - Project Contact Information
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Payroll Update from HR Service Center

Since the implementation of the UC Flex system on June 18, the Payroll Team in the HR Service Center has been busy. Three bi-weekly payrolls and one monthly payroll have been processed, consisting of over 30,500 payments. At this point in time, all retirement deductions have been processed and applied to the appropriate plans and accounts.

We have processed more than 1,000 off-cycle checks. Currently one in ten UC employees has received an off-cycle check. As users in university departments and the HR Service Center climb the learning curve associated with the new system, we expect off-cycle check requests to decrease. As a reminder, the process for requesting off-cycle checks is addressed in this special edition.

We have received questions from many employees who have asked about changes to the new UC Flex pay statement. Please read, "Answering Pay Statement Questions," to learn about changes to the statement.

In addition to changes to the pay statement, we have also seen a few payroll issues. A quick summary of the most common issues is included below, to let you know the status of these issues:

- We experienced a payroll issue for employees with multiple assignments which caused excess state and local tax to be withheld. The problem has been resolved, and employees will see that their next paycheck is adjusted to return the excess tax withheld.
- Additionally, an error has been identified for employees with multiple assignments whose positions were converted from our legacy HRMS system. The new system inadvertently used the FTE % value for a position to calculate local taxes at the tax rate. This caused local tax to be under-withheld. The problem has been resolved and employees will see that their next paycheck is adjusted to make up the local tax withheld.
- Recreation Center deductions were not taken for some employees. These employees will see that their next paycheck is adjusted to make up the missed Rec center deductions.
- Some employees reported duplicate parking deductions. There are no errors in the new system related to parking deductions due to conversion or other technical reasons. If parking deductions on your paycheck are incorrect, this may be due to a data entry error, rather than a system error. Please contact the Parking Office to initiate a request for a parking refund.

The University of Cincinnati presents a high level of complexity related to payroll processing. Although we have experienced a small number of hiccups with the new UC Flex system, we are already starting to reap the benefits of implementing an integrated system. For example, we are seeing a reduction in paperwork since PCRs have automated a significant portion of our transactions. Also the new system provides better functionality for retroactive processing because it is fully integrated with UC Flex financials. Because UC Flex is closely interfaced with Kronos, we have seen a decrease in the number of Kronos errors. Over time, we expect the benefits of the new system to increase, for departments and for the university as a whole.

The future will bring additional improvements as we launch Employee Self Service (ESS) later this year. This new system, which is part of UC Flex, will enable benefits-eligible employees to maintain their personal information online. For example, employees will be able to update their own bank information for direct deposit and change their federal and state tax withholding (Form W-4).

Answering Pay Statement Questions

Do employees in your department have questions about the new UC Flex pay statement? Check out the following frequently asked questions. These may help you answer some common pay statement questions in your department.

Q: Why don't I see year-to-date values for all my earnings and deductions?

A: Only the year-to-date values that are required for year-end processing of W-2 Forms and Total Compensation Statements were converted from the legacy HRMS system. This means that gross year-to-date earnings were not converted, as well as many deduction types including parking, life insurance, and benefits. Year-to-date values that were not converted are maintained as history records in HRMS. For these unconverted values, your pay statement will display cumulative values beginning July 2006 rather than year-to-date values. Beginning January 2007, you will see year-to-date values for each earning and deduction type on your pay statement.

Q: Why does my marital status for state tax withholding display incorrectly on my pay statement?

A: If you noticed that your marital status appears incorrectly on your pay statement for state tax withholding, do not be concerned. When pay statements are printed, the system displays, "Single" as the default marital status for state tax, regardless of the employee's actual marital status or number of dependents. State tax calculations are not based on the marital status or number of dependents. They are based on the number of exemptions you have indicated on your Form W-4 State Tax Withholding.

Q: The benefits contributions and benefits deductions on my new statement show different amounts than my previous pay statement. Why is this?

A: Employee deductions for medical and dental coverage, as well as UC contributions for medical and dental may appear higher on your new statement. However, the differences between the employee's deduction and UC's contribution will be the same in both systems. This is due to the way that costs were stored in the previous system. For example: assume an employee in the old system had a medical deduction of \$500 and medical employer contribution of \$450. In the UC Flex system, assume this same employee's medical deduction is \$560 and the medical employer contribution is \$510. The difference for this employee in both systems is \$50.

Q: Can you explain how earnings on my pay statement are calculated?

A: The Paycheck Summary section on your pay statement displays your earnings. Earnings are calculated as the sum of regular earnings, employer benefit contributions and employer benefit credits. Group Term Life Insurance, which appears on your pay statement as GTLI Taxable, is not included in your earnings calculation because it is imputed income. Imputed income is the value of group term life insurance coverage provided by the University in excess of \$50,000. GTLI is taxable to the employee as a rate based on the employee's age; it is not included in earnings.

Q: I noticed that my life insurance cost increased. What caused this?

A: Employees with life insurance will see increased costs during the year, if their age bracket changes. In our legacy HRMS system, the increase was based on the employee's age on January 1. In the new system, increases will occur in the pay period following the employee's birthday if the increased age puts the employee in a new age bracket for life insurance coverage.

Q: Are leave balances duplicated for employees with multiple assignments?

A: For employees who have multiple assignments, you may notice that your leave balances appear to be duplicated on your pay statement for each assignment. This is due to an error which causes your leave balance to be printed on your pay statement for each assignment. The error is being corrected. Your actual leave balances are not duplicated in the UC Flex system.

Q: Who do I contact if I have questions about my new paycheck or pay statement?

A: If you have questions when you receive your pay statement send an e-mail to UCFlexPay@uc.edu. If you need immediate assistance contact the HR Service Center at (513) 556-2452.

More information about new pay statements is available on the UC Flex website:
http://www.uc.edu/ucflex/Pay_Statement_Changes/Pay_Statement_Changes_Presentation.asp, including:

- ❖ Pay Statement FAQs
- ❖ Presentation: Paycheck and Pay Statement Changes
- ❖ Pay Statement Guide for Hourly Employees
- ❖ Pay Statement Guide for Salaried Employees

Avoid the Payroll Blues

The good news about UC Flex is that it's an integrated system. The bad news about UC Flex is that it's an integrated system. Imagine all the information that comes together in the UC Flex system to ensure every single employee paycheck is accurate: employee personal data, working hours, recurring payments, employee deductions such as benefits and taxes, accounting information, including grants, bank information for direct deposit, and more. The system integrates all required elements to calculate payroll. If there is a problem with any specific data element, it will cause problems when payroll is processed. Review the following tips and tricks so you can avoid the payroll blues.

Off-cycle check request process

During the transition period to the new system, all off-cycle requests will be processed as needed. In general the request is an overnight process that requires sufficient time for the HR Service Center to validate and process the request as well as time for the bank to receive and process the check file. Be aware that requests will be validated by the HR Service Center to ensure that the recipient's information has been submitted and entered in the system and to confirm that valid cost information is provided.

When requesting off-cycle checks, please continue to use the hand-drawn check request form available in the HR Website: (<http://www.hr.uc.edu/peis/hand.pdf>). In general, requests received in the HR Service Center by 1:00pm will be processed overnight, and available for pick up after noon the following day. However, off-cycle requests cannot be processed during regular payroll processing. For bi-weekly employees, off-cycle pay requests will not be processed on the Tuesday, Wednesday or Thursday before the regular paycheck date. For monthly employees requests will not be processed during the three days preceding the monthly paycheck date.

Moving forward, the HR Service Center will review the process for requesting off-cycle checks. In the future, look for an announcement of the new process which will include a schedule for processing check requests, as well as check amount limits. A new off-cycle check request form will also be implemented.

Avoid overpayments for new hires that have a recurring payment

For new hires whose pay includes a recurring payment, include the recurring payment at the time of hire, either on the new hire form or via PeopleAdmin. To avoid over payment, be careful not to process a recurring payment PCR in addition to the new hire form.

Retroactive pay adjustments

The UC Flex system is date-driven, which means that retroactive pay is processed automatically. For example, when you process a salary adjustment PCR for those employees who are paid via Basic Pay (Infotype 8) with an effective date that is in the past, the system will automatically calculate the retroactive pay for the employee, and it will be included in the employee's pay the next time payroll is processed. Similarly, for an employee who is paid via a recurring payment PCR, if a recurring payment PCR is processed with an effective date that is in the past, the system will automatically calculate the retroactive amount.

However, the earliest date that can be used for processing retroactive pay is limited by the date when the system was implemented. For bi-weekly processing, retroactive pay cannot be automatically calculated before June 18, 2006. For monthly employees retroactive pay cannot be automatically calculated before July 1, 2006.

If the effective date is prior to these dates, contact Payroll in the HR Service Center to determine how to handle the manual retroactive pay adjustment.

Understanding how pay is set up for work study students

It is important to understand how the two components of work study student pay are set up in the UC Flex system. 25% of the employee's pay is set up on the Basic Pay Infotype 8 and is paid by the employee's organizational unit. The remaining 75% is covered by a work study grant, which is set up on the Recurring Payment Infotype 14.

Because UC Flex is configured to pay work study students from both basic pay and a recurring payment, it is not possible to use a Kronos Account Line to override a work study student's cost distribution or their Basic Pay. Therefore, there should never be any pointing in Kronos for a work study student. If a work study student should be paid from another account, other than their cost distribution, or if they should be paid at a different pay rate, then an additional assignment must be created for the work study student. Once the new assignment is created in UC Flex and a new hire is created in Kronos, then the work study student will need to clock in and out using the correct Kronos ID that correlates to the position with the correct cost distribution and/or pay rate for the work being performed.

Understanding Graduate Assistant Pay

Graduate assistants' pay is set up on the Recurring Payment Infotype 14, not the Basic Pay Infotype 8. The Cost Distribution Infotype 27 does not affect graduate assistant pay, since the cost distribution only defines how basic pay is distributed. To view the cost assignment for recurring payment (Infotype 14) refer to Handout: Display Cost Assignment for Recurring and One-Time Payments on the UC Flex website for step-by-step instructions. Also, the Cost Distribution Report (ZHRPA_14_COST_DIST) can be a useful tool. It displays cost distribution information for all recurring and one time payments, including the accounts, dates and amounts. Step-by-step instructions for the R/3 Cost Distribution Report are available on the UC Flex website.

Handling retroactive changes to an employee's hours

For hourly employees, submit a Time Entry Correction form to the HR Service Center. On the form, list only the changes that need to be made. It is important to also update Kronos with the changes, so that the HR Service Center will be able to display the correct data in Kronos and understand the changes if there is a question concerning the Time Entry Correction form. Use one Time Entry Correction form for each pay period that requires retroactive changes.

For salaried employees, salary leave administrators will make all corrections to previously entered data directly in CATS. When the Salary Leave Supervisor approves the absences, they need to leave the start date blank and enter the last day of the month in the end date. This way all changes or additions to previously approved months will be picked up for approval and will be available for payroll processing.

Project Contact Information



We welcome your feedback! Questions, concerns and suggestions can be submitted via:

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We review this e-mail account regularly.

Additional UC Flex information, including past Newsletters, is available on the UC Flex web site located at www.uc.edu/ucflex. UC employees who do not currently receive this Newsletter and other UC Flex communications directly can sign up by clicking on the following link http://www.uc.edu/ucflex/email_list.asp.