

2008
OSPS YEAR END
MINI-CONFERENCE

GROSS PAY
CORRECTIONS
PRESENTATION
HANDOUTS

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PEBB QSC - Add Baby Retroactively

Worksheet for Year-End Decisions

Scenario:

On 12/29, your part-time employee submits paperwork to add her newborn baby who was born on 10/31/08. The employee is moving from RGNN AAA to RGNN CCC; she is keeping her dental (WDNN AAA) as is.

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?	CIRCLE ONE: No Yes, November Yes, December
What are you correcting?	
Will your correction increase or decrease the employee's taxable wage?	CIRCLE ONE: INCREASE DECREASE

Other relevant questions:

Will there be a change in out-of-pocket expense?

What month should coverage tiers change?

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

Will the employee fully repay this shortage by 12/31/08?

Solution:

SOLUTION

NOTE: There are formulas in cells with a background pattern.

<p>Step 1: Compute the employer contribution. Start with the full-time monthly benefit amount, shown on the PEBB Contribution Notice, and pro-rate as shown.</p> <p>PLEASE NOTE: Full-time employees won't need this sheet; simply use PTD2 amounts as shown on those screens.</p> <p>OPT OUT: The full-time equivalent for opt out is \$233.00. Use this figure as your base for calculations.</p>	Job Share			
	Full-time Monthly Benefit Amount	% FTE	=	Total Job Share Monthly Benefit
	\$ -	X		\$ -
	Part-time			
	NOTE: For part-time employees, 50% of the employer contribution is earned as soon as 80 hours are worked, regardless if 80 hours is actually 50% of the available full-time hours.			
	Full-time Monthly Benefit Amount	50%	=	Prorated Monthly Benefit Amt, Part 1
	\$ 983.59	X	50.00%	\$ 491.80
	NOTE: The other 50% of the employer contribution is distributed equally among the remaining available full-time hours.			
	50% of Full-time Monthly Benefit Amt	Full-time hrs avail over 80	=	Per-hour Benefit Amount
	\$ 491.80	+ 96.00		\$ 5.1229
Per-hour Benefit Amount	Actual hrs worked > 80	=	Prorated Monthly Benefit Amt, Part 2	
\$ 5.1229	X 18.00		\$ 92.21	
Prorated Monthly Benefit Amt, Part 1	Prorated Monthly Benefit Amt, Part 2	=	Total Part-time Monthly Benefit	
\$ 491.80	+ \$ 92.21		\$ 584.01	
Flat Subsidy (for part-time plans only)				
Flat Subsidy for coverage tier:			\$ -	
Total Employer Cost				
Prorated Monthly Benefit Amt	Subsidy, if applicable	=	Total Employer Cost	
\$ 507.14	+ \$ -		\$ 507.14	
Compute P070 entries				
Step 3: Compute P070 entries. Use the PTD2 screens for each insurance vendor to determine P070 entries. The "EMPL SHARE" on the PTD2 screen is the employer cost.				
	Share Fixed	Emplr Share	Board Share	Vendor Share
Basic Life	\$0.00	\$1.10	\$0.00	\$1.10
Vision		\$ 12.51	\$ 0.07	\$ 12.44
Medical	\$ 328.81	\$ 570.40	\$ 5.36	\$ 893.85
Dental	\$ 68.20		\$ 0.41	\$ 67.79
When you run out of employer money, the rest comes out of the employee's pocket. Put this portion in the "SHARE FIXED" column on the P070.				

To check your math, "Share Fixed" + "Emplr Share" = "Board Share" + "Vendor Share"

SOLUTION

Worksheet for Year-End Decisions

Scenario:

On 12/29, your part-time employee submits paperwork to add her newborn baby who was born on 10/31/08. The employee is moving from RGNN AAA to RGNN CCC; she is keeping her dental (WDNN AAA) as is.

Standard Questions	Answer
What is today's date?	12/29/08
Where does this fall within payroll runs?	After Dec Run 1, Before Dec 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?	2009
Is there a pending set reversal?	No
Are there November or December dates on the P010 screen?	CIRCLE ONE: <u>No</u> Yes, November Yes, December
What are you correcting?	Pre-tax premiums
Will your correction <u>increase</u> or <u>decrease</u> the employee's taxable wage?	CIRCLE ONE: INCREASE <u>DECREASE</u>

Other relevant questions:

Will there be a change in out-of-pocket expense? YES

What month should coverage tiers change? 9/30/08

Look at where this date falls within payroll runs. Can you still set a September, October, or November corrective? NO

Will the employee fully repay this shortage by 12/31/08? NO

SOLUTION

Solution:

Babies are covered from moment of birth, so coverage tier changes 9/30/08 (to pay for 10/31/08 birth). September, October, and November premiums need to be altered. The employee is part-time and has out-of-pocket expense associated with this change. You need to calculate the difference for employee, employer, board, and vendor shares for all insurance elections (in this case it's just medical and vision).

If the employee will fully repay the amount due by 12/31/08, you can force this all into November and set a corrective with November P010 dates. This will be a lower amount than if the employee does not fully repay by 12/31/08.

If the employee does not fully repay the shortage by 12/31/08, this will be a Corrected W-2. The entry for P070 changes so that the employer covers all costs. The employee owes the amount for the employee share of premiums, minus FICA. You can set this up as a PANN deduction over several months if necessary. Once the entire employee amount has been repaid, you'll request a Corrected W-2. This will recover the employer portion of FICA.

P070 Entry if Paid by 12/31/08:

P070		OR9999999,99900,113008		DEDUCTIONS AND DEDUCTION ADJUSTMENTS								
		SIMPSON, BARTHOLOMEW		DA98 PRESS ENTER FOR NEXT PAGE								
A	DED	PLAN	OPE	DATE	-EMPLOYEE---	SHARE-	JOB	EMPLR	BOARD	VENDOR		
D	CODE	CODE	CD	BEGIN	END	PCI	PCT	FIXED	SHR	SHARE	SHARE	SHARE
J	DESC	DESC				GRS	NET	AMOUNT	PCT			
?	A	RGNN	CCC	H	113008	113008		126.03		225.72	2.10	349.65
		REGENCE	PPO			EMP&CHILDREN	COMM	ADDBABY10-31		TRANS	DATE	110608
		ACH	ACCT					ACCT	CD			
?	A	VSNM	CCC	H	113008	113008		.00		4.89	.03	4.86
		VSP				EMP&CHILDREN	COMM	ADDBABY10-31		TRANS	DATE	110608
		ACH	ACCT					ACCT	CD			

P070 Entry if Paid AFTER 12/31/08:

P070		OR9999999,99900,113008		DEDUCTIONS AND DEDUCTION ADJUSTMENTS								
		SIMPSON, BARTHOLOMEW		DA98 PRESS ENTER FOR NEXT PAGE								
A	DED	PLAN	OPE	DATE	-EMPLOYEE---	SHARE-	JOB	EMPLR	BOARD	VENDOR		
D	CODE	CODE	CD	BEGIN	END	PCI	PCT	FIXED	SHR	SHARE	SHARE	SHARE
J	DESC	DESC				GRS	NET	AMOUNT	PCT			
?	A	RGNN	CCC	H	113008	113008		.00		351.75	2.10	349.65
		REGENCE	PPO			EMP&CHILDREN	COMM	ADDBABY10-31		TRANS	DATE	110608
		ACH	ACCT					ACCT	CD			
?	A	VSNM	CCC	H	113008	113008		.00		4.89	.03	4.86
		VSP				EMP&CHILDREN	COMM	ADDBABY10-31		TRANS	DATE	110608
		ACH	ACCT					ACCT	CD			

SOLUTION

NOTE: There are formulas in cells with a background pattern.

Step 1: Compute the employer contribution.	Job Share			
Start with the full-time monthly benefit amount, shown on the PEBB Contribution Notice, and pro-rate as shown.	Full-time Monthly Benefit Amount	% FTE	=	Total Job Share Monthly Benefit
	\$ -	X		\$ -
	Part-time			
	Full-time Monthly Benefit Amount	50%	=	Prorated Monthly Benefit Amt, Part 1
	\$ 854.14	X	50.00%	\$ 427.07
PLEASE NOTE: Full-time employees won't need this sheet; simply use PTD2 amounts as shown on those screens.	50% of Full-time Monthly Benefit Amt	Full-time hrs avail over 80	=	Per-hour Benefit Amount
	\$ 427.07	+ 96.00		\$ 4.4486
OPT OUT: The full-time equivalent for opt out is \$233.00. Use this figure as your base for calculations.	Per-hour Benefit Amount	Actual hrs worked > 80	=	Prorated Monthly Benefit Amt, Part 2
	\$ 4.4486	X 18.00		\$ 80.07
	Prorated Monthly Benefit Amt, Part 1	Prorated Monthly Benefit Amt, Part 2	=	Total Part-time Monthly Benefit
	\$ 427.07	+ \$ 80.07		\$ 507.14
Step 2: Flat Subsidy for Part-time & Retiree Plan. If employee chose a part-time plan, add the Flat Subsidy for the coverage tier, as shown on the PEBB Contribution Notice.	Flat Subsidy (for part-time plans only)			
	Flat Subsidy for coverage tier:			\$ -
	Total Employer Cost			
	Prorated Monthly Benefit Amt	Subsidy, if applicable	=	Total Employer Cost
	\$ 507.14	+ \$ -		\$ 507.14
Compute P070 entries	Step 3: Compute P070 entries. Use the PTD2 screens for each insurance vendor to determine P070 entries. The "EMPL SHARE" on the PTD2 screen is the employer cost.			
	Share Fixed	Emplr Share	Board Share	Vendor Share
	Basic Life \$0.00	\$1.10	\$0.00	\$1.10
	Vision	\$ 10.88	\$ 0.06	\$ 10.82
	Medical \$ 286.80	\$ 495.16	\$ 4.66	\$ 777.30
	Dental \$ 68.20		\$ 0.41	\$ 67.79
	When you run out of employer money, the rest comes out of the employee's pocket. Put this portion in the "SHARE FIXED" column on the P070.			

To check your math, "Share Fixed" + "Emplr Share" = "Board Share" + "Vendor Share"