

University Payroll and Benefits Important Year-End Deadlines

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With the end of year quickly approaching, University Payroll and Benefits would like to highlight important information including year-end deadlines for all units and employees to take note of.

Holiday Payroll Schedule

Thanksgiving Week

2014 BW 24 Calc

Department approvers have until noon Monday, 11/24/2014 for timesheet approval. Superusers have until 5:00 p.m., Monday, 11/24/2014 for timesheet approval. Feeder files are due by 5:00 p.m. on Monday, 11/24/2014. Current pay adjustments can be submitted through the Payroll Adjustment Request Interface System (PARIS) until 10:00 a.m. on Tuesday, 11/25/2014. All other calc deadlines pertaining to units will remain the same.

2014 BW 24 Pay Day is 12/3/2014

Adjustment Calc

Due to the shortened week during the Thanksgiving Day Holiday, the deadline for approving all prior pay period adjustments will be noon Friday, 11/21/2014, and will be paid on Friday 11/28/2014. Any prior pay adjustments approved after noon Friday, 11/21/2014 and by noon Tuesday, 12/2/2014 will be paid on Friday, 12/5/2014.

2014 BW 25 Pay Day is 12/17/2014

Holiday Break

2014 BW 26 Calc

Department approvers have until noon Monday, 12/22/2014 for timesheet approval. Superusers have until 5:00 p.m., Monday, 12/22/2014 for timesheet approval. Feeder files are due by 5:00 p.m. on Monday, 12/22/2014. Current pay adjustments can be submitted through the Payroll Adjustment Request Interface System (PARIS) until

10:00 a.m. on Tuesday, 12/23/2014. All other calc deadlines pertaining to units will remain the same.

2014 BW 26 Pay Day is 12/31/2014

Adjustment Calc

The week before holiday break, the **deadline** to submit prior pay period adjustments will be **noon Tuesday, 12/16/2014**. Adjustment pay date will be Friday, 12/19/2014.

NOTE: This will be the last adjustment calc for Calendar Year 2014. Please ensure that all prior pay period adjustments needing to be paid in 2014 are submitted by the noon 12/16/2014 deadline.

There will be NO adjustment calcs the weeks of 12/22/2014 or 12/29/2014.

Adjustment Calc 2015

The first adjustment calc scheduled for 2015 will be paid on Friday, 1/9/2015, therefore the deadline to submit prior pay adjustments will be noon Tuesday, 1/6/2015.

2015 BW 1 Calc

Department approvers have until noon, Tuesday, 1/6/2015 for timesheet approval. Superusers have until 5:00 p.m., Tuesday, 1/6/2015 for timesheet approval. Feeder files are due by 5:00 p.m. on Monday, 1/5/2015.

Current pay adjustments can be submitted through the Payroll Adjustment Request Interface System (PARIS) until 10:00 a.m. on Wednesday, 1/7/2015. All other calc deadlines pertaining to units will remain the same.



Calendar Year 2014 Overpayment Processing

The following deadlines must be met to facilitate timely correction of payroll records and avoid significant tax consequences for employees who received overpayments in 2014.

Transaction	Deadline
Units must submit overpayment adjustment requests through the Adjustment Notification (ANA) application.	Submit to University Payroll by Friday, 11/28/2014.
Units must submit employee repayments (money order, cashier's check, or personal check) due to overpaid wages or salaries.	Repayments (money order, cashier's check, or personal check) must be received in UPB Customer Service by 3:00 p.m., Friday, 12/5/2014.
Units must return paper payroll checks that have not been distributed to an employee.	Return to UPB Customer Service by 3:00 p.m. Friday, 12/5/2014.

If these deadlines are not met, the processing of adjustments will be delayed and may not be reflected on the 2014 W-2 tax statements. Significant tax consequences on behalf of the employee could occur if repayments for 2014 overpayments are delayed and processed in 2015:

The employee's 2014 W-2 will report earnings higher than the employee should have received. The employee will then be required to pay taxes based on this reported amount when filing 2014 taxes.

Employees will be required to file and pay taxes on the entire amount received and reported on the 2014 W-2.

Repayment of a prior year overpayment will result in a tax letter being issued to the employee indicating the amount of earnings that can be adjusted. This letter can be used when filing their tax return. Employees who have questions regarding their personal income tax return or the tax letter should seek tax advice from a tax professional.

Calendar Year 2014 Taxable Benefits

Please make certain all taxable benefits are reported to University Payroll and Benefits at the time the benefits are received by an employee. This will ensure proper reporting on the W-2. These benefits include the taxable amounts relating to the personal use of employer provided vehicles, country club dues paid for members on behalf of the University, qualified moving expenses, complimentary event tickets, car mileage (value of fuel for personal commuting use of an University vehicle), gifts, per diem amounts reimbursed to employee exceeding the IRS limits, expense reimbursements (greater than 60 days), non-qualified moving expenses, non-qualified taxable benefits (value of benefits supplied to a domestic partner of an employee), tuition waiver amounts greater than \$5,250, miscellaneous taxable benefits, and nonresident housing expenses. Please refer to the link below for additional information and instruction related to taxable benefit reporting.

<http://www.obfs.uillinois.edu/bfpp/section-4-payroll/submit-taxable-fringe-benefit-payments/>

Out of State Salary/Wage Payments

If a University employee receives compensation paid in another state, and the University is registered as doing business in that state (typically requires a physical office) the compensation is considered paid outside of Illinois. The University is often required to withhold according to that states withholding regulations. Departments/Employees should contact University Payroll and Benefits to discuss the necessary steps to ensure proper state withholding. Please refer to the link below for additional information and instruction related to state tax withholding.

<http://www.obfs.uillinois.edu/payroll/tax-information/withholding-allowance/>

Insurance Eligibility

To be eligible to receive State of Illinois group health insurance, the employee must be eligible to participate in the [State Universities Retirement System \(SURS\)](#) and either:

- A regular employee with an appointment of at least 50% time or more
- A temporary employee with an appointment of 50% time or more for at least nine months
- An employee hired for at least 4.5 months (one semester) at 100% time

Full-Time Insurance Eligibility

- Faculty with an appointment at 100% for 9 months or longer
- Civil Service with an appointment at 100% for 12 months

Part-Time Insurance Eligibility

- Employees who work 50-99% of a normal work period
- Faculty with 100% appointment greater than 4.5 months but less than 9 months
- Flex year employees working 6 months or greater but less than 12 months if the layoff period is not a direct result of the academic year summer break

Part-time employees pay full-time premiums plus a portion of the state's cost for employee and dependent health and dental coverage. The portion the state contributes is the

same percentage that the employee works. The following formula determines part-time appointment percentage for purposes of insurance eligibility: (length of employment, divided by 9 months, then multiplied by the full-time equivalent (FTE) percentage). **For example:**

- An employee hired for 4.5 months at 100% time would be considered a 50% employee ($4.5 / 9 = .5 \times 100 = 50\%$) for insurance purposes. The state pays 50% of the health and dental cost and the employee pays 50%.
- A faculty member hired on 8/16/2014 with a visa expiring on 2/28/2015 would be considered 72% ($6.5/9 = .72 \times 100 = 72\%$) for insurance purposes. The state pays 72% of the cost and the employee pays 28%.

Employees should contact their campus UPB office with questions regarding part-time and full-time eligibility and premiums.

Full-Time Equivalent (FTE) Changes and Impact on CMS Insurance

It is very important that benefit-eligible employees changing FTE's from part-time (50% - 99%) to full-time (100%) or from full-time to part-time contact their campus UPB office before the effective date of the FTE change. Changes to Central Management Services (CMS) coverage should be made **before** the FTE effective date to avoid potential default elections and premium increases.

Part-Time to Full-Time:

Part-time employees who waived health and dental coverage and become full time have **10 calendar days** from the effective date of the FTE change to elect health and dental coverage or opt-out of coverage with proof of non-state comprehensive health insurance. If an election is not made within 10 calendar days, the employee is defaulted to the Quality Care Health and Dental plans. The employee then has 60 days from the effective date of the FTE change to add dependent coverage, make an alternate health plan election or opt-out of coverage. After 10 calendar days, the effective date is the date of the written request and cannot be retroactive to the date of the event.

Part-time employees who were participating in health

and dental and become full-time are not eligible to change coverage elections. They have 60 days from the effective date of the FTE change to opt-out of coverage with proof of non-state comprehensive health insurance or add dependent coverage.*

Full-Time to Part-Time:

Full-time employees who opted out of health and dental coverage and become part-time have 10 calendar days to waive coverage before being defaulted to the Quality Care Health and Dental plans. They have 60 days from the effective date of the FTE change to make a written election to waive health and dental coverage. *

Full-time employees that were participating in health and dental and change to part time have 60 days to make a written request to waive health and dental coverage or drop dependent spouse or child coverage. *

*The effective date of these elections is the date of the event if requested **prior to the event**, or, the date of the written request as long as within 60 days of the FTE change.

For UPB Customer Service Inquiries, contact:

Updates from the Student Health Insurance Office at Urbana-Champaign

As the last of the loose ends are tied up, Student Insurance can look back on the Fall 2014 open enrollment period as its busiest, most successful yet.

Open enrollment periods fall at the beginning of each new semester, and give students a timeframe within which to add dependent coverage, reinstate themselves onto the plan in case of a permanent waiver, or opt out

for the year. The latter takes up the greatest part of our efforts, and this year we processed over 8,000 waivers for students who had other qualifying insurance. The outreach efforts of the previous year were also shown to be as effective as hoped. Our conversations with the student body (and corresponding group of parents) were clearly more active and informed than any group we've ever encountered.

All in all, a great start to the year, and we're looking forward to the rapidly approaching spring term. Open Enrollment dates for the spring are January 17 through February 13.



OBFS University Payroll and Benefits Transparency Initiative

As part of the [OBFS Transparency Initiative](#), University Payroll and Benefits (UPB), has decided to focus on improving its current phone system with the goal of improving the quality of the customer experience.

UPB Initiative Statement

Research and implement a robust phone solution that improves the quality of the customer experience and prepares UPB for the next steps of improving our service levels to meet customer expectations.

We held several focus groups on all three campuses and sent a survey to 2,000 of our customers requesting feedback on our current phone systems and discussed what features and functionality you would like to see in a new phone system. Once our research is complete, we plan to compile the information gathered and use it to assist us in finding a phone solution that meets the needs of our campus customers and the UPB organization.

If you participated in one of our focus groups or responded to our survey, we thank you!

More about this and other OBFS Initiatives can be found on the OBFS website at:

<http://www.obfs.uillinois.edu/transparency-commitment/>

Also please be sure to leave any comment, suggestions or questions about the initiative on the OBFS Sounding Board found on the link above.



How Tax Residency Status Affects Benefits Eligibility

J-1, J-2, F-1, F-2 Visas:

Employees who have a change in tax residency status from Resident Alien (RA) to Nonresident Alien (NR) effective January 1, 2015, based on the Substantial Presence Test are no longer eligible to be members of the State Universities Retirement System (SURS).

Only participants in SURS are eligible for state insurance administered by the Illinois Department of Central Management Services (CMS). Insurance coverage for employees who lose SURS eligibility will have their employee and dependent coverage terminate at midnight on December 31, 2014.

CMS has an insurance program called COBRA that will allow a temporary extension to health, dental, and vision coverage. After CMS receives notification of an employee's termination date, they send a COBRA Offer Letter to the employee's home address along with a rate sheet showing the premiums. The COBRA premium includes the employee **and** state cost plus a 2% administrative fee.

Employees who have a change in tax residency status from Non-resident Alien (NR) to Resident Alien (RA) **effective** January 1, 2015, must have a job that meets the criteria for benefit eligibility to be

eligible for state insurance. CMS allows 10 calendar days from their benefit eligibility date to attend a Benefits Orientation Session and submit an election for their State of Illinois health, dental and life insurance.

New employees or current employees that become Resident Aliens (RA) **after** January 1, 2015, with benefit-eligible jobs, also have 10 calendar days from the eligibility date to attend a New Hire Benefits Orientation Session and submit an election for their State of Illinois health, dental and life insurance.

Employees can register for a New Hire Benefits Orientation Session at <https://www.obfs.uillinois.edu/training/registration/>.

Employees with insurance questions, or those who need to update their tax status, should contact the University Payroll and Benefits Office.

University Supplemental Long Term Disability Plans

Premium Rates

The University's Supplemental Long Term Disability (LTD) Plan through Prudential received an 8% rate decrease effective October 1, 2014. The benefits remain the same, but at a reduced cost to plan participants.

Employees may notice another change in their December paychecks for the LTD deduction. Premiums are calculated *annually* based on salary and age. As salary changes, the deduction amount may change accordingly. Therefore, an increase in salary may result in an increased deduction amount. A decrease in salary, as with a job change, may result in a decreased deduction amount.

The rate categories are determined by age. Reaching an age in a higher rate category may increase the deduction amount. Premium changes are effective for the period of December 1, 2014 - November 30, 2015.

- For bi-weekly paid employees, any change to University LTD Plan premiums will be effective with the December 3, 2014, paycheck.
- For monthly paid employees, any change to University LTD Plan premiums will be effective with the December 16, 2014, paycheck.

Open Enrollment

The University is in the planning stages to offer an open enrollment

in late 2015. Additional information will be shared with eligible employees as it becomes available. There are no medical questions or physical examinations required when coverage is requested during an open enrollment period. Coverage is guaranteed **unless you previously applied and were denied coverage.**

Benefit

The University LTD plan is a supplement to the SURS Disability plan. If not enrolled in this plan, your SURS disability benefit is 50%. When also enrolled in this plan the benefit is 66.67% (50% SURS + 16.67% University). If there are no disability benefits under SURS, then the plan benefit is 66.67%.

Questions?

Additional plan information is available in NESSIE at <http://go.illinois.edu/EnrollLTD>. Contact your campus UPB office with any questions.

Important Payroll Training Events

UPB Training is in the process of scheduling payroll-related training sessions based on campus needs. Please email UPB Training at obfsupbtraining@uillinois.edu with your training request.

Hands-on courses previously offered:

Adjustment Processing for Units

Department Time Entry

Labor Redistributions

One Time Payments

For current online offerings please visit: <https://www.obfs.uillinois.edu/training/materials/payroll/>

UPB Foreign National Mass Appointment Lab

Chicago Campus

November 5, 11, 13, 19, 20, 26: 9:30–11a.m., 11:30 a.m. – 1:00p.m., 2:00 – 3:30p.m.

December 2, 4, 9, 11, 16, 18: 9:30–11:00a.m., 11:30 a.m. – 1:00 p.m., 2:00 – 3:30p.m.

Urbana-Champaign Campus

November 5, 6, 11, 12, 18, 20, 25: 9:00–10:30a.m., 11:00a.m. – 12:30 p.m., 1:30 – 3:00p.m.

December 2, 4, 9, 10, 16, 18: 9:00 – 10:30 a.m., 11:00 a.m. – 12:30 p.m., 1:30 – 3:00 p.m.

For updates or changes to the Foreign National Mass Appointment Lab offerings, please refer to the registration site at:

<http://training.obfs.uillinois.edu/index.cfm?campus=F>.

Payroll Calculation Deadlines

When do I get paid?



Pay Event	Time Entry Cut Off Noon Superusers 5:00 p.m.	Pay Date
MN11	N/A	11/14/2014
BW23	11/11/2014	11/19/2014
BW24	11/24/2014	12/3/2014
MN12	N/A	12/16/2014
BW25	12/9/2014	12/17/2014
BW26**	12/22/2014	12/31/2014

UPB Customer Service Metrics

Customer Satisfaction

For every call and visit made to University Payroll & Benefits Customer Service office, a case is created and tracked using Unicenter software. Below is the number of University Payroll & Benefits Customer service cases closed monthly between July 2014 and September 2014.

Customer Service Matrix

Cases Closed:

July	4182
August	3657
September	3499

Payroll Operations Metrics

The total number of adjustment pay transactions processed by UPB Payroll Operations for the third quarter 2014 is:

14-July	4694
14-Aug	4476
14-Sep	5598

Payroll Adjustments Processed

During the third quarter of 2014, there were 65 Disposition 05 errors that had to be manually fixed by UPB Payroll Operations. This error occurs when an employee's required statutory deductions are not active or do not exist during the pay period.

For All Inquiries please contact:

Urbana-Champaign
Benefits: 217-333-3111
Payroll: 217-265-6363

Chicago
Benefits: 312-996-6471
Payroll: 312-996-7200

Springfield
Benefits: 217-206-7144
Payroll: 217-206-7211

Mailboxes
benefits@uillinois.edu
paying@uillinois.edu