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403(b) and Deferred Compensation 457 Plans' Limits

The IRS announced that the annual contribution limits for both supplemental retirement plans remained the same for 2017. The general IRS contribution limit for the University of Illinois 403(b) Plan and the State of Illinois Deferred Compensation 457 Plan is \$18,000 for 2017. Employees age 50 or older who participate in the 403(b) or 457 Plans may contribute an additional \$6,000 for a total annual maximum of \$24,000 in 2017. Employees may contribute up to the maximum limit in both optional investment plans in 2017.

403(b) Catch-up Contributions - Employees with 15 years of full-time service and who have not taken advantage of tax-deferral opportunities in the past have the option to contribute an additional \$3,000 to this plan. Employees who are eligible for the 15 year special catch-up option will be notified by email in March of their eligibility.

457 Catch-up Contributions - Employees within three (3) years of eligibility for a full SURS retirement benefit may contribute up to twice the annual contribution limit or their "underutilized" amount, whichever is less, pending approval by CMS. For more information, please visit the CMS website at <https://www.illinois.gov/cms/Pages/default.aspx>



Terminal Benefits Payouts

Employees may defer a portion of vacation and/or compensable sick leave payouts to their 403(b) and/or 457 supplemental retirement accounts upon separation or retirement. Contact a University Payroll and Benefits (UPB) office at

least 60 days prior to separating from the University of Illinois System in order to arrange this deferral. Use the Terminal Benefit Net Pay Calculator at <http://www.obfs.uillinois.edu/payroll/> to calculate an estimate of the net pay you will receive upon termination of employment with the System. Your Unit H.R. Business Man-

ager will need to complete the Estimated Terminal Benefit Payout form prior to an appointment with UPB. <https://nessie.uihr.uillinois.edu/pdf/benefits/UnitHRTBPCalcSheet.pdf>.



*The best thing money
can buy is financial
freedom.
~Proverb*

Prudential Long Term Disability Open Enrollment Period

Help protect your paycheck. Apply for important disability insurance between February 27 and March 17, 2017

The Prudential Income Protection Plan, a Long Term Disability Insurance coverage issued by The Prudential In-

surance Company of America (Prudential), helps ensure that if you can't work, you can still afford to pay for things like rent, mortgage, child care, your cellphone, and car payments. Research shows that over 66% of people live from paycheck to paycheck, and about half of all households have less than \$10,000 in savings! All coverag-

es are issued by **The Prudential Insurance Company of America (Prudential)**.

Watch for a mailer sent by U.S. Mail the week of February 15.

Calendar Year 2017 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 of Illinois Sys-

tem, qualified moving expenses, complimentary event tickets, car mileage (value of fuel for personal commuting use of a System 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/>

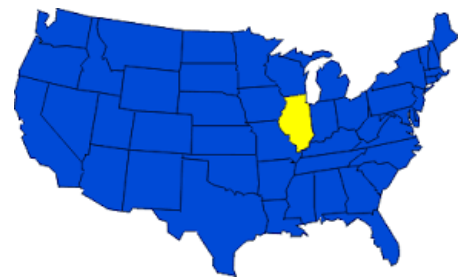
Out of State Salary/ Wage Payments

If a U of I System employee receives compensation paid in another state, and the System is registered as doing business in that state (typically requires a physical office) the compensation is con-

sidered paid outside of Illinois. The System 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 infor-

mation and instruction related to state tax withholding.

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





UPB Payroll Calculation Deadlines

Pay Event	Time Entry Cut Off Noon Superusers	Pay Date
BW 03	01/31/2017	02/08/2017
MN 02	N/A	02/16/2017
BW 04	02/14/2017	02/22/2017
BW 05	02/28/2017	03/08/2017
MN 03	N/A	03/16/2017
BW 06	03/14/2017	03/22/2017
BW 07	03/28/2017	04/05/2017
MN 04	N/A	04/14/2017
BW 08	04/11/2017	04/19/2017

University Payroll and Benefits calendar is available at: <http://www.obfs.uillinois.edu/payroll/schedules>

“When you're depressed, all it takes is one good conversation to make you feel like singing. It being payday helps too.”

~Unknown



UPB Metrics

Payroll Operations Metrics:

During the fourth quarter of 2016, there were 20 Disposition 05 errors that had to be manually fixed by UPB Payroll Operations. This error occurs when an employee's required statutory deductions (e.g. Federal and State taxes, SURS, etc.) are not active or do not exist during the pay period.

Payroll Adjustments Processed:

The total number of adjustment pay transactions processed by UPB Payroll Operations for the fourth quarter 2016 is:

ADJ_DATE	COUNT(*)
16-Oct	4177
16-Nov	3547
16-Dec	4506
TOTALS	12230

Leave Information FAQs

I am going on a leave, what do I do?

Please view the leave information on Nessie at the following link:

<https://nessie.uihr.uillinois.edu/cf/leave/index.cfm>

Employees going on leave should fill out the Leave of Absence Worksheet prior to the leave beginning. The Worksheet provides UPB the information necessary for insurance coverage options during an upcoming leave. The Leave of Absence Worksheet is available at: https://nessie.uihr.uillinois.edu/pdf/leave/BSC_LeaveInfoForm.rtf

What department do I contact about my benefits if I am going on a leave?

Please contact UPB Fiscal Control and Management Group for State of Illinois CMS information regarding a leave of absence.

UIC employees - contact Margaret Caston 217-265-6363 caston@uillinois.edu.

UIUC employees - contact Amy Abrahamson 217-265-6363 amyacree@uillinois.edu.

UIS employees - contact April Buchner 217-265-6363 buchner@uillinois.edu.

How does a Personal Leave affect insurance premiums?

A Personal Leave is a “non-state paid” leave which means the employee is required to pay 100% of both the employee and employer health and dental premiums. Monthly premiums can be \$1,000 - \$2,000+ depending on dependent coverage and health plan. Employees have several options with a Personal leave. Two options are to opt-out or terminate coverage before, or within 60 days of date the leave begins. The effective date of those elections is the date of the event, if elected before the leave begins, or the date of the written election, if elected after the leave begins as long as it is made within 60 days of the event. Refer to the Leave of Absence Worksheet for additional information and premiums.

UPB Training Initiative Update

With the new year just getting underway, we would like to provide you with a couple of updates since our November UPB Newsletter.

Just Released

[Decoding the Payroll Schedule](#) – As mentioned in November, we were working on training materials related to the payroll schedule and deadlines. If you would like to better understand the columns of the Payroll Schedule and the importance of the noted deadlines, please check out the new [Decoding the Payroll Schedule infographic](#) and [Decoding the Payroll Schedule interactive training aid](#).

Available Now

[Supplemental Retirement Plans Overview](#) – Find out how you can supplement your SURS retirement by contributing to the University's 403(b) plan and/or the State's 457 plan. This short course explains the differences between the two plans, how to enroll and where to find resources related to the supplemental retirement plans. Best of all, you can retake this course at any time, whenever needed.

[Foreign National Payment Selector](#) - This tool will assist you in determining what kind of payment should be requested for a foreign national employee or non-employee and directs you to the appropriate application (e.g. TEM, Foreign National Payment e-Form).

State Benefits Enrollment Deadlines for Eligible New Hires and Newly Eligible Employees Infographics

- The [Critical Information for Units: State Benefits Enrollment Deadline for New Hires and Newly Eligible Employees infographic](#) provides tips on how to smoothly onboard a State Benefits eligible new hire or newly benefit eligible employee.
- The [Important State Benefits Enrollment Information for New Hires and Newly Benefit Eligible Employees infographic](#) outlines the six critical steps that need to be taken by the new or newly benefit eligible employees in order to avoid defaulting into Quality Care health and dental plans and to ensure dependent coverage.

[Important Changes to Your Online Earnings Statements](#) – The implementation of the new state benefits enrollment process impacted deduction codes used in the payroll process. Accordingly, your online earnings statements will display these new deduction codes. We have created an infographic to help you understand these changes to your earnings statements.

In the Works

[How to Submit Foreign National Expense Reimbursements](#) – In the November UPB Newsletter, we mentioned that this online course was expected to be released in December. We are delaying the release of this course in order to collect more feedback from our Subject Matter Experts and Learning Partners. If you would like to preview this course and provide feedback, please email obfsupbtraining@uillinois.edu with the subject heading **FN Learning Partner**.

[Time Entry Setup and Security](#) – We heard your feedback and are currently developing reference materials and online training for this hot topic. If you are a Unit Security Contact (USC), unit business manager or unit HR/payroll contact, we'd like for you to join us as a Learning Partner. Your level of participation is up to you whether it is an initial interview to assess the training needs or providing feedback on the training materials during the development cycle or a final review of the products before they are released. Please email obfsupbtraining@uillinois.edu with the subject heading **Time Entry Security Learning Partner**.

UPB Foreign National Mass Appointment Labs

Chicago

February 1, 8, 15, 16 : 9:30–11 a.m., 11:30 a.m. – 1:00 p.m., 2:00 – 3:30 p.m.

March 8, 16, 29: 9:30 – 11:00 a.m., 11:30 a.m. – 1:00 p.m., 2:00 – 3:30 p.m.

Urbana-Champaign

February 2, 7, 9, 13, 14, 16, 21, 23, 27: 9:00 – 10:30 a.m., 11:00 a.m. – 12:30 p.m., 1:30 – 3:00 p.m.

March 1, 7, 9, 13, 28, 30: 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>

