

Highlights and Hot Topics

Adjustment Codes No Longer Available on Time Sheets

During 2005 and 2006 University Payroll was audited and one of the findings was that adjustments were being made on time sheets without oversight. This meant departmental units were adding hours and/or dollars to time sheets for additional pay not for the current pay period, and in many cases there was no review of the additional amounts.

This causes concern for a variety of reasons.

- 1) Adjustment codes were available only at the approver level. If a keying error is made, it would not be caught until after pay was distributed. No one else reviewed the time sheet after the adjustment codes were added.
- 2) Adjustment codes do not calculate into overtime, so if an employee is due overtime for the period in which the time was worked

it is not reviewed and no overtime is paid.

- 3) We would be in violation of FLSA regulations.
- 4) No review is made to ensure the payment is due to the employee based on the job record.
- 5) Any dollar amount and any number of hours could be added.

The corrective action taken to minimize the exposure for this issue was to remove the access to adjustment codes on the time sheet except for additional hours for student employees. No dollar adjustments can be made on any time sheet. All adjustments to pay would then be forced to be done through PZAADJT or ANA where University Payroll would have oversight.

University Payroll would then be able to review the adjustment for accuracy and verify that the job record supports the payment. University Payroll will also review any other payments for that pay period to determine if overtime pay is required for non exempt employees. Additional hours can still be paid as an adjustment to student time sheets with an adjust hours earn code.

However, any time an adjustment hours code is used, the electronic time sheet must have comments indicating what pay period the hours are for and that a time sheet is on file to support the additional hours. If a time sheet is submitted and approved with adjust hours without comments; University Payroll will contact the unit and the unit will be required to submit support documentation (time sheet) to University Payroll for the transaction.

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Year-End Information

By: Laurie Pitner

BW 14 Calc Date

Because the Fourth of July holiday falls on a Friday, the BW 14 payroll calculation will occur on Tuesday, July 1 as regularly scheduled. Department approvers will have until noon on July 1 for timesheet approval. Superusers also will have until 5:00 p.m. on July 1. Current pay period adjustments can be submitted through ANA until 5:00 p.m. on Tuesday, July 1. Prior pay period adjustments submitted by 5:00 p.m. Tuesday, July 1 will be paid on Thursday, July 3.

Labor Distributions Fiscal Year End

At fiscal year end, labor distributions for *state funded* jobs will be split in the following manner:

BW 15 –10% of the pay event will be assigned to the 2008 distribution, 90% will be assigned to the 2009 distribution.

MN7 – 50% of the pay event will be assigned to the 2008 distribution, 50% will be assigned to the new 2009 distribution. The state-funded portion of 9/12 appointments paid on the 2008 MN 7, BW 14 and BW15 pay events will have 100% of the pay event assigned to the new 2009 labor distribution.

A note about changes to job records: Jobs with 9/12 employee classes (AA, AB, BC, and BD) on state funds:

- If the effective date of the appointment is before 6/16/08, use FY08 state fund code (100008).
- If the effective date of the appointment is 6/16/08 or later, use FY09 state fund code (100009).

Jobs with non-9/12 employee classes on state funds:

- If the effective date of the appointment is before 7/1/08, use FY08 state fund code (100008).
- If the effective date of the appointment is 7/1/08 or later, use FY09 state fund code (100009).

If a terminated job is reactivated, be sure that the state fund code used on the labor distribution record follows the guidelines above.

Fiscal-Year-End Deadlines for Labor Redistributions

Labor redistributions (PZAREDS) must be completed and processed according to the following dates at the close of the fiscal year. Job Aid is available at: http://www.obfs.uillinois.edu/jobaids/JA_PE_YE_Labor_Redistributions_B7.3.pdf

July 10, 2008 (12:00 p.m.) – Labor redistributions must be completed and approved (disposition 60) to appear on June FY08 preliminary statements.

July 17, 2008 (12:00 p.m.) – Last day to post redistributions to FY08. Labor redistributions must be completed and approved (disposition 60) to appear on June FY08 period 12 statements.

- **For FY08 pay periods except for BW 14 and MN 7** – Labor redistributions must have a manually entered override posting date in June 2008 to appear on the June FY08 period 12 statements.
- **For FY08 pay periods BW 14 and MN 7** – These pay periods cross over the fiscal years and may have expenditures in both FY08 and FY09. To redistribute the earnings across both fiscal years, the posting override date should be blank. To only redistribute the FY08 earnings, select the earnings history record with an effective date in FY08. If the FY09 portion needs to be redistributed in FY09, select the earnings history record with an effective date in FY09. In both situations, leave the posting override date blank. For more clarification, please see the job aid mentioned above. Also, use the edit distribution feature instead of the search and replace functionality.
- **For FY08 pay period BW 15** - This pay period crosses both fiscal years and therefore may have expenditures in both FY08 and FY09. However, because of the late posting of this payroll in June period 12, units will not have the opportunity to do labor redistributions in FY08.

Last Quarter

July 19 through August 2, 2008 – No labor redistributions will post to June period 14.

- Labor redistributions pertaining to FY08 state funds must be completed and approved by 12:00 p.m. on July 17, 2008. Units cannot process labor redistributions pertaining to FY08 state funds in FY09.

August 2, 2008 – All labor redistributions completed after July 17, 2008 will post to FY09.

- **BW 15 and MN 7** – These pay periods cross over the fiscal years and may have expenditures in both FY08 and FY09. To only redistribute the FY09 earnings, select the earnings history record with an effective date of July 1, 2008. Use the edit distribution feature instead of the search and replace functionality.

Refer to the Fiscal-Year-End Closing and Opening Procedures Web page for more information on the year-end closing schedule and critical dates and who to contact for questions.

<http://www.obfs.uillinois.edu/accounts/documents/yearclosing08.pdf>



Customer Service Metrics

February- April 2008

	February	March	April
Total Activity	1336	1452	1359
Pending	17	17	131
Resolution Closed	2629	2283	1996

Total Activity represents the number of Clarify cases handled by Payroll Customer Service. Pending resolution refers to the number of cases still open out of those submitted at the end of each month. Closed are resolved issues.

Payroll Operations Metrics

During the last quarter, a total of 129 timesheets fell into an error status at Disposition 05 and had to be manually fixed by Payroll Operations. This error occurs when an employee's required statutory deductions are not active or do not exist during the pay period.

Adjustments Processed

February- April 2008

February	March	April
4348	2681	3316

Questions and Answers

Q: What is the process for Worker's Compensation?

A: There are two employee categories for worker's compensation: Non-Police/Fire employees and Police/Fire employees.

Non- Police/Fire employees are responsible for the first three days of out of work, unless the claim is for a period of at least two weeks. Vacation or sick time can be used for the first three days. The university pays on a delay for biweekly employees so most claims should be approved or denied before the second pay period. Employees who use their sick or vacation time to cover the period they are off before the claim is approved will have their benefit time reinstated. However, the employee must also pay back the benefit time if they receive worker's compensation for the first three days. This is accomplished by using the Worker's compensation repayment earn code, **WCN**, which should be done on an original time sheet, not an adjustment. When using the WCN earn code, the employee's pay will be reduced by the number of hours submitted for the earn code.

The number of hours submitted to reduce pay should equal the total number of hours reinstated for benefit time. The unit is responsible for ensuring that the total hours to be reinstated are reported with the WCN code and that the funds are recaptured. Additionally, the department would have to submit an ANA in order for Human Resources to adjust the employee's leave balance. Human Resources will be responsible for reinstating the benefit hours used during the approved worker's compensation claim.

On the other hand, Police/Fire employees are NOT covered by regular worker's compensation for the 1st year of a line of duty (LOD) injury. They receive 100% of pay for the 1st year for LOD injuries. They are paid as if they are still on payroll. After one year, payments roll to Worker's Compensation. The first year of payments as if on regular pay is taxable. To compensate the unit for this unusual situation, Worker's Compensation reimburses the unit for 66 2/3% of expense for the first year. They then charge back 49% of the worker's compensation claim back to the unit.

Q: I was told that removing REG hours on a timesheet causes a problem with the payroll system. Why?

The Department Time Entry form, (PHATIME), allows the timesheet originator or timesheet approver to remove the REG hour record that defaults in from an employee's work schedule. While it seems to be more efficient than entering 0.00 hours of REG on each day, it can cause some unintended consequences.

- Unintended consequence 1 – The employee may be double paid. If the employee took a two week vacation or was on an unpaid leave, reduce the regular hours defined by the work schedule in PHATIME by entering in 0 or 0.0 regular hours on each work day. Using the Record Remove in PHATIME for regular hours will cause the mass load process to fail and will result in an overpayment to the employee. If this happens, the employee will be paid for the regular hours defined for the job, and any other time (such as vacation) broken out in PHATIME.
- Unintended consequence 2 – If sick time was reported and the leave bucket for non-compensable sick time does not satisfy the sick time usage, the system will not allow sick time to rollover to available compensable sick time if the REG earn code has been removed from the timesheet. The employee will be docked for the hours not covered by non-compensable sick time even though compensable sick time is available.

Again, it is best (safest) to enter in 0 or 0.00 regular hours on each work day.

Q: I have a former employee who keeps calling me asking why SURS doesn't have Last Pay information from Payroll. What's the hold up?

A: The Last Pay information or LPI is sent to SURS after the DART Separation moves from HR Approved to Payroll Processed. In order for the Separation to be "Payroll Processed", the following must occur:

- DART Separation initiated by the Unit, approved by the College and approved by Central HR (or Service Center) before Payroll receives the DART Separation
- Any terminal benefits (e.g. vacation payout) must be paid via a Payroll adjustment – initiated and approved by the Unit and approved by Payroll
- All outstanding overpayments to the employee must be recaptured

Important Payroll Dates

Payroll Training Events Now Open for Registration

UIC

Payroll Overview

June 24 9:00 am-12:00 pm

August 21 9:00 am-12:00 pm

Payments to Foreign Nationals Overview

June 24 1:00-4:00 pm

August 21 1:00-4:00 pm

One-Time Payments

June 25 11:00 am-12:30 pm

Labor Redistributions

June 25 9:00-10:30 am

Department Time-Entry

August 22 1:00-4:00 pm

Adjustment Processing

August 22 9:00 am-12:00 pm

UIUC

Payroll Overview

June 19 9:00 am-12:00 pm

August 12 9:00 am-12:00 pm

Payments to Foreign Nationals Overview

June 19 1:00-4:00 pm

August 12 1:00-4:00 pm

One-Time Payments

July 18 11:00 am-12:30 pm

August 19 11:00 am-12:30 pm

Labor Redistributions

July 18 9:00-10:30 am

August 19 9:00-10:30 am

Department Time-Entry

July 8 1:00-4:00 pm

Adjustment Processing

July 8 9:00 am-12:00 pm

UIS

There are no classes listed at this time.

For further information on the Payroll courses or to register for a class, please visit the [OBFS Training Center](#).

Other Dates

Payroll Calculation deadlines can be found on the posted <http://www.obfs.uillinois.edu/obfshome.cfm?level=2&path=earnings&xmldata=payschedules>

Foreign National Mass Appointment labs for status review of new employees and for current employee renewals are listed at the [lab registration site](#).

URLS:

OBFS Website

<http://www.obfs.uillinois.edu/>

Payroll Schedules

<http://www.obfs.uillinois.edu/obfshome.cfm?level=2&path=earnings&xmldata=payschedules>

OBFS Training Center

<http://www.obfs.uillinois.edu/obfshome.cfm?level=1&path=training&xmldata=training1>

ANA Training Guide

http://www.obfs.uillinois.edu/earnings/ANA_Training.pdf

Payments to Foreign National Employees

<http://www.obfs.uillinois.edu/obfshome.cfm?level=1&path=foreign&xmldata=foreign1>

Tax Information

<http://www.obfs.uillinois.edu/obfshome.cfm?level=2&path=earnings&xmldata=taxinfo>