

Highlights and Hot Topics

Elected Medicare Contributions Taken on September 1, 2006

By Laura Barnett

The State University Retirement System (SURS) was required to conduct a referendum on Medicare participation in accordance to Public Act 094-0415. University employees who were eligible to vote in this referendum received an election ballot from SURS and were asked to vote on or before May 31, 2006. Eligibility was determined based on continuous employment with the University since March 31, 1986.

Eligible employees who submitted ballots to SURS on or before May 31, 2006 and elected to contribute to Medicare will begin paying the 1.45% Medicare payroll tax on September 1, 2006. This deduction will be reflected on their BW 19 or MN 9 pay. This deduction will not be prorated for the pay period. The withholding will be taken on the full gross pay minus any health related deductions. For example:

Gross pay:	\$2,500.00
Health insurance deduction:	\$150.00
Dental Insurance Deduction	\$15.00
Medicare Earnings for Calculation:	\$2,335.00
Medicare tax	\$35.02

Eligible employees who received a ballot and voted “no” or did not submit the ballot by May 31, 2006 will not contribute to Medicare.

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Workflow Shortcut for Originators

By Laura Barnett

During the adjustment process using PZAADJT and Workflow, Department Originators no longer have to launch the work item from Workflow and submit from PZAADJT. After entering the adjustment in PZAADJT, the originator will open Workflow and perform the steps below.

1. Open the **Workflow** application.
2. Click the **View Details** icon for the adjustment.



3. Click the **Reserve** button.



The Complete button will then become active.

4. Click the **Complete** button.



The item will be removed from your worklist and routed to the Department Approver.



Note: The steps above assume that all comments and job information has been entered in PZAADJT.

Current Quarter

Foreign National Appointments for Academic Year 2006/2007

By Melvin Fason

The taxation and Internal Revenue Service reporting of payments to a foreign national depends on whether the individual is considered for tax purposes a nonresident alien or resident alien and the type of payment that will be received.

To determine the proper withholding and reporting status, as well as benefit eligibility for foreign national employees, it is necessary that they schedule an appointment with University Payroll Customer Service upon their initial hiring by the university.

Individuals are asked to bring to the appointment the originals and copies of specific documentation on which the analysis of their tax status will be based. To schedule an appointment, employees may sign up online at the [registration site](#) or email Payinq@uillinois.edu.

Information regarding the required documentation can be found on the [OBFS Home page](#) under Payments to Foreign Nationals. (This site requires log-in with an Enterprise ID and password.)

The analysis done by Payroll will also indicate if an individual is eligible for a reduction or exemption from taxation by benefit of a tax treaty on the income they receive.

After the initial analysis, it is important to keep this information up to date in the employees' payroll records. Any change in the foreign national's status (an extension of their visit, a change in immigration status, a change in program, income type, etc.) would require a prompt follow up visit to Customer Service for an update and reevaluation. Even though tax treaties may allow several years of tax reductions or exemptions, IRS procedures require tax treaty benefits be given only for the calendar year for which the application is submitted and approved. Therefore, to obtain the treaty benefits for the full eligibility period, individuals must submit a new application each year.

Annual Update Guidelines:

- Applications for renewal of exemptions by tax treaty for 2007 will be processed from October through December, 2006. (Specific dates will be announced. Make sure you are subscribed to the [OBFS News Service](#) to receive Payroll & Earnings announcements.)
- Individuals whose visit to the United States was scheduled to end on or before June 30, 2007, but has been extended, should update their information with Payroll by December 16, 2006. If an extension of their visit has not been granted by December 16, 2006, individuals should update their information as soon as the extension is granted.
- Reappointed individuals who are not eligible for a tax treaty and who have not had a change in status **do not** have to schedule an appointment.

Following these guidelines will help University Payroll provide accurate and efficient service to all of our customers.

Last Quarter

Customer Service Metrics

May – July 2006

	May	June	July
Total Activity	2,153	2,518	2,481
Pending Resolution	2	7	64
Closed	2,055	2,354	2,360

Payroll Operations Metrics

During the last quarter, a total of **211** 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

May – July 2006

May	June	July
2,726	3,227	2,688

Important Payroll Dates



Payroll Training Events Now Open for Registration

UIUC

Payroll Overview

September 8 – 9:00am to 12:00pm

October 16 – 1:00pm to 4:00 pm

Payments to Foreign Nationals Overview

September 8 – 1:00pm to 4:00pm

October 16 – 9:00am to 12:00pm

UIC

Payroll Overview

September 22 – 1:00pm to 4:00pm

November 3 – 9:00am to 12:00pm

Payments to Foreign Nationals Overview

September 22 – 9:00am to 12:00pm

November 3 – 1:00pm to 4:00pm

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 [Payroll Schedule for 2006](#).

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

Questions and Answers

- Q:** I hired someone for the new term. Are all new employees required to sign up for direct deposit?
- A:** Effective August 1, 2003, the University of Illinois adopted a policy of mandatory direct deposit for all new employees. New employees do have a grace period of one month to make arrangements for direct deposit. Employees who do not sign up for direct deposit will be provided with a paycard for future payroll payments.
- Q:** A new job is set up with the wrong work schedule. Do I need to notify HR to correct the work schedule?
- A:** The NZAJOBs form in Banner will allow you to change a Civil Service Non-Exempt employee's work schedule.
- Q:** I heard that exempt employees should not report absences in one or two hour increments. Is this correct?
- A:** Yes, beginning August 16 for exempt Academic employees and August 27 for exempt Civil Service staff who are not eligible for overtime, absences in increments less than a half- or full-day are not reported against accrued leave usage. More information will be forthcoming from University Human Resources on this reporting procedure.

URLs in this issue:

[Registration for Tax Status Review Appointments](#)

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

[Payments to Foreign National Employees](#)

<https://www.obfs.uillinois.edu/obfshome.cfm?path=foreignsecure>

[Payroll Schedule for 2006](#)

<http://www.obfs.uillinois.edu/earnings/2006payrollschedule.xls>

[OBFS Training Center](#)

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