

SPECIAL POINTS OF INTEREST:

- Year-End Information
- Calendar Year 2012 Taxable Benefits
- Overpayment Process
- How Tax Residency Status Affects Benefits Eligibility
- New Federal Requirements Under the Patient Protection Affordable Care Act (PPAFC)

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Year-End Information

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

Holiday Payroll Schedule:

Thanksgiving Week

Adjustment Calc

With the shortened week due to the Thanksgiving Holiday, all prior pay period adjustments will be paid on Friday, November 23. Therefore the deadline to submit these adjustments will be 5:00 p.m. on Monday, November 19.

2012 BW 24 Pay Day

Pay Day is November 21



2013 BW1 Calc

Department approvers will have until noon on Wednesday, December 26 for timesheet approval. Superusers will have until 5:00 p.m. on December 26. Feeder files are due by 8:00 p.m. on Monday, December 24. Current pay adjustments can be submitted through the Payroll Adjustment Request Interface System (PARIS) until 10:00 a.m. on Thursday, December 27. All other calc deadlines pertaining to units will remain the same.

Calendar Year 2012 Taxable Benefits

All taxable benefit reporting for calendar year 2012 must be submitted to Payroll by close of business Thursday, November 15 to 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 athletic event tickets, car mileage (value of fuel for personal com-

Year-End Holiday Break

Adjustment Calc

For the week before holiday break, the deadline to submit adjustments will be on close of business, Friday, December 14 for payment on Friday, December 21.

This will be the last adjustment calc for Calendar Year 2012. Please ensure all adjustment payments needing to be paid in 2012 are submitted by the December 14 deadline.

2012 BW 26 Pay Day

Pay Day is December 19

There will be NO adjustment calc the week of December 23.

Adjustment Calc 2013

All prior pay period adjustments submitted by noon on Tuesday, January 1 will be paid on Friday, January 4.

muting 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.

Calendar Year 2012 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 2012.

Transaction	Deadline
Units must submit adjustment requests related to overpayments through the Adjustment Notification (ANA) application.	Submit to University Payroll by, Friday November 30.
Units must submit employee repayments due to overpaid wages or salaries.	Repayments must be received in Payroll Customer Service by Friday, 3:00 p.m. on December 14.
Units must return paper payroll checks that have not been distributed to an employee.	Return to Payroll Customer Service by 3:00 p.m. on Friday, December 14.

If these deadlines are not met, the processing of adjustments will be delayed and may not be reflected on the 2012 W-2 tax statements. Significant tax consequences on behalf of the employee could occur if repayments for 2012 overpayments are delayed and processed in 2013:

- The employee's 2012 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 2012 taxes.
- Employees will be required to file and pay taxes on the entire amount received and reported on the 2012 W-2. A tax letter will be 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.

For more information on Payroll Processing, refer to the Transaction Processing section of the Payroll and Earnings site or Business and Financial Policies and Procedures, Section 4, Payroll found on the OBFS website at: <http://www.obfs.uillinois.edu/>.

Upcoming Changes in Payroll Deduction for Prudential Long Term Disability (LTD) Plan

Employees who participate in the University LTD Plan administered by Prudential may notice a change in their payroll deduction. The deduction is calculated annually, and is effective for the period of December 1, 2012 - November 30, 2013. The LTD deduction amount may change based on the following:

- The benefit amount received under this plan is calculated based on a percentage of salary. 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, such as with a job change, may result in a decreased deduction amount.
- Rate categories are determined by age. Reaching an age in a higher rate category may increase the deduction amount.

For bi-weekly paid employees, any change to University LTD Plan premiums will be effective with the December 5, 2012 paycheck.

For monthly paid employees, any change to University LTD Plan premiums will be effective with the December 14, 2012 paycheck.

*"Christmas is
doing a little
something extra
for someone."
~ Charles Schulz*

How Tax Residency Status Affects Benefits Eligibility

Employees that have a change in tax residency status from Resident Alien (RA) to Nonresident Alien (NR) effective January 1, 2013, 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, 2012.

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

Urbana-Champaign Campus

Benefits Phone:
217-333-3111
Payroll Phone:
217-265-6363

Chicago Campus

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

Springfield Campus

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

Mailboxes

Benefits:
benefits@uillinois.edu
Payroll:
paying@uillinois.edu

New Federal Requirements Under the Affordable Care Act

Under the Patient Protection and Affordable Care Act (PPACA) employers are required to include the total cost of employer-sponsored health care coverage on the Forms W-2 they issue to employees for the 2012 tax year.

The IRS confirms that this reporting is informational only and does not cause this coverage to be taxable.

University employees insured by a health plan administered by the State Department of Central Management

Services (CMS) will find this information in Box 12DD on their 2012 Form W-2.

Also, included under the PPACA, will be a change to the Medicare tax rate, which will increase 0.9% (for employee withholding only) – from 1.45% to 2.35% – on wages paid over \$200,000, effective for taxable years beginning January 1, 2013.

An employee who anticipates liability for the additional Medicare tax may request additional income tax withhold-

ing on Form W-4 (https://nessie.uibr.uillinois.edu/cf/comp/index.cfm?Item_ID=1056&rlink=674).

This statement is provided for information purposes only and is not intended to constitute individual tax advice. Employees and students should consult with their individual tax advisor to assist with calculating their withholdings.

More detailed information pertaining to the changes in the Patient Protection and Affordable Care Act will be sent via Massmail in the upcoming weeks.

Questions regarding the new changes can be addressed to UPB Customer Service at:

Urbana-Champaign Campus

Payroll Phone:
217-265-6363

Chicago Campus

Payroll Phone:
312-996-7200

Springfield Campus

Payroll Phone:
217-206-7211

Mailboxes

Payroll:
paying@uillinois.edu

Student Health Insurance

The Student Insurance plan on the Urbana-Champaign campus has had many changes in policy because of the Affordable Care Act (ACA) that was approved by the Supreme Court in late June of this year. Among them:

- **Preventative Care for adults as well as children**
- **Birth Control, including birth control pills**
- **Immunizations for adults as well as children**
- **Emergency Contraceptives**

For a complete look at what the ACA requires Health Insurance to cover please access the following website: www.healthcare.gov then look under the tab “Prevention and Wellness.”



UPB Payroll Calculation Deadlines

Pay Event	Time Entry Cut Off Noon Superusers 5:00 p.m.	Pay Date
BW 24	11/13/2012	11/21/2012
BW 25	11/27/2012	12/05/2012
MN 12	N/A	12/14/2012
BW 26	12/11/2012	12/19/2012
BW 1	12/26/2012	01/02/2013
MN 1	N/A	01/16/2013
BW 2	01/08/2013	01/16/2013
BW 3**	01/23/2013	01/30/2013

** denotes no voluntary deductions taken

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

Year-End Schedule

November 19, 2012	5:00 p.m., Adjustments Due Deadline
November 21, 2012	BW 24 Pay Date
November 23, 2012	Adjustment Pay Day
November 30, 2012	Overpayment requests due by close of business
December 5, 2012	BW 25 Pay Date
December 6, 2012	MN 12 Calc Starts
December 9, 2012	BW 26 Calc Starts
December 14, 2012	Overpayment repayments due by close of business
December 14, 2012	MN 12 Pay Date
December 14, 2012	Adjustment deadline, close of business. (Note: Last adjustment for 2012)
December 19, 2012	BW 26 Pay Date
December 21, 2012	Adjustment Pay Day
December 26, 2012	Time Entry Deadline Noon/ Super Users Deadline 5:00 p.m.
December 27, 2012	PARIS, 10:00 a.m. deadline

Note: Please approve BW 1 2013 timesheets by close of business, December 21, 2012 if possible.

Important Payroll Dates

Payroll Training Events—Now Open for Registration <http://www.obfs.uillinois.edu/cms/one.aspx?portalId=909965&pageId=912779>

Web Time Entry for Employees and Approvers

The tutorials are located at the following location:

<http://www.obfs.uillinois.edu/cms/One.aspx?portalId=909965&pageId=912750#WebTimeEntry>

The users may use the tutorials with or without audio; instructions are shown at the tutorial location.

Below is the link for future Webinars

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



UPB Foreign National Mass Appointment Labs

The dates below are available for status review of new employees and for current employee renewals.

Chicago All Day (9:30am – 11:00am, 11:30am – 1:00pm, 2:00pm – 3:30pm)
 November 21, 28, 29
 December 3, 4, 6, 10, 19, 20
 January 3, 8, 10, 15, 16, 22, 24, 30, 31

Urbana All day (9:00am – 10:30am, 11:00am – 12:30pm, 1:30 pm – 3:00 pm)
 November 19, 20, 28, 29,
 December 3, 6, 10, 11, 18

December 19 **AM Only (9:00am – 10:30am, 11:00am – 12:30pm)**
 January 7, 9, 14, 15, 23, 28, 29 All day (9:00am – 10:30am, 11:00am – 12:30pm, 1:30 pm – 3:00 pm)

Please refer to the [registration site](#) for updates or changes to the Foreign National Mass Appointment Lab offerings.



UPB Customer Service Metrics

Customer Satisfaction

For every call and visit made to Payroll Customer Service, a case is created and tracked using Unicenter software. Below is a table showing the number of Payroll Customer Service cases closed monthly between July 2012 and September 2012.

Cases Closed:

July:	1,540
August:	1,441
September:	1,663

Payroll Adjustments Processed

During the third quarter of 2012, 116 time-sheets fell into an error status at Disposition 05 and 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.

Payroll Operations Metrics:

July:	5,212
August:	4,456
September:	5,010

Payroll Adjustments Processed

There were **116** Disposition 05 errors from July thru September

What's New!

Effective Monday, November 19, 2012, UPB will be changing their walk-in hours.

Walk-in hours at Chicago, Urbana and Springfield:

Monday through Friday – 10:00 a.m. to 3:00 p.m.

Phone hours at all locations:

Monday through Friday – 9:00 a.m. to 4:00 p.m.

Walk-in hours for Urbana-Champaign Student Insurance:

Monday through Friday – 9:00 a.m. – 4:00 p.m.; closing during the lunch hour 12:00 p.m. – 1:00 p.m.



Questions & Answers

Q. How often does University Payroll & Benefits run adjustment payrolls to capture payments that did not get included in the regular calc?

A. Effective January 21, 2013, UPB will implement a new schedule for adjustment payrolls that do not get processed in the regularly scheduled payroll calculations. Adjustment calculations will be processed each week on **Thursday afternoon only**, and will no longer be processed on Monday night. **Please note that UPB will keep the Tuesday noon deadline for units to submit all adjustment transactions and those adjustments will be paid on Friday of the corresponding week.**

Happy Holidays!