PCGenesis
Handling Payroll Issues &
Other Advanced Features

GASBO
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PCGenesis

Introduction

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The Payroll Issues class is usually a full day class. We will try to cover as much material as possible during a 50 minute session. However, all of today’s PowerPoint presentations will be available on our documentation website under ‘Release Information’. We will publish the PowerPoint along with the presenter’s notes for future viewing.
Now we will discuss garnishments.
This section does not advise on the legal issues of which garnishment to withhold or how much or how long.

- It does cover instructions on how to apply a garnishment to an employee in PCGenesis.

- Name Garnishment deductions generically. You only need 3 or 4 deductions for all employees, based on the maximum number of garnishments withheld from any one employee at one time. The vendor is assigned at the employee level.

- You may wish to create a different vendor for each different employee’s payment. This will make sure each employee’s payment is separated when you pay the vendor claims. This is all that is necessary to completely separate the garnishments and is preferable to creating a entirely different garnishment deductions for each garnishment. If two employees are paying the same garnishment vendor, such as child support to the county court, and you elect to use the same vendor number, each garnishment will be generated as a separate claim, and if paid together, will be itemized on the check stub by the employee number. Providing a copy of the deduction register page for that vendor along with the check will provide the employee name.
Set up the garnishment deduction with **Deduction Type** of ‘G’. You cannot enter a vendor number here. The vendor number will be added on the employee screen.
To apply a garnishment to an employee, enter the court ordered garnishment amount in one of the garnishment deduction fields. If more than one garnishment for the employee is served and allowed, enter additional garnishments on the second and third garnishment deduction codes.

Garnishments

• Add Garnishment to employee
  – Payroll Update Menu (F2)
  – Update/Display Deduction Data (F3)
  – Select employee
  – Enter garnishment amount
In this example, we are adding an amount to deduction 24 in the amount of $200.00.
Then select the employee garnishment screen and enter the vendor associated for each garnishment. PCG does not monitor garnishments for completion. You must check each garnished employee each payroll run.
The vendor number is specified by employee. Therefore, deduction 20 (or deduction 34) can be used by different employees and reflect payments to different vendors.

- You may wish to create a different vendor for each different employee’s payment. This will make sure each employee’s payment is separated when you pay the vendor claims. This is all that is necessary to completely separate the garnishments and is preferable to creating a entirely different garnishment deductions for each garnishment.
- If two employees are paying the same garnishment vendor, such as child support to the county court, and you elect to use the same vendor number, each garnishment will be generated as a separate claim, and if paid together, will be itemized on the check stub by the employee number. Providing a copy of the deduction register page for that vendor along with the check will provide the employee name.
Now we will discuss W2s.
If you have a check erroneously issued in a calendar year, it must be voided in the same year in order to produce a correct W-2. If the check was issued in December, you need to void in a manual void run dated December to produce a correct W-2.

Don’t set up your normal January payroll until as late as possible in January.
W2s
Make Life Easier!!

• Don’t do major clean up before/after:
  – Calendar Year End
  – Fiscal Year End
• Find and Correct Errors Regularly
  – Run and check Earnings History
  – Run and check CS1
  – Run and check W2s

If you have old uncleared checks to cancel and replace, do by EARLY December or EARLY June, not January or July. Do try to clean up in the same fiscal year, but do timely. If you have checks produced but not issued because the employee left and the check should not have been run, void these in a Manual/Void run or in the next payroll run. Do not let them collect for later. These skew the taxes paid and will cause W-2 problems if held into the next calendar year.
• But, on the 941, you can routinely carry forward adjustments to the next quarter.
• Run the Employee Earnings History Summary by employee every payroll. It identifies errors, particularly FICA payment errors from manual checks. Don’t wait until you are trying to balance W-2s. If the employee has terminated, the problem will be more difficult to correct. You don’t have to print it, you can look at it online and search for errors.
• Run and check totals on the CS-1 and W-2’s at least quarterly. You don’t have to print the entire reports, at least look at the totals and check for error messages. This will give you an opportunity to correct errors due to adjustments or other circumstances on a more timely basis.
W2s

• Code DD—Cost of employer-sponsored health coverage
  — You must report the cost of employer-sponsored health coverage in box 12 using code DD.
  — The amount reported with Code DD is **not** taxable.

New last year.
Cost of employer-sponsored health coverage is required for calendar year 2012.

W2s

• Code DD—Cost of employer-sponsored health coverage
  —“This reporting is for informational purposes only and will provide employees useful and comparable consumer information on the cost of their health care coverage.”
Cost of employer-sponsored health coverage is required for calendar year 2012.

W2s

• Code DD—Cost of employer-sponsored health coverage
  – Required: Major medical, hospital indemnity or specified illness (e.g. cancer, heart, etc.)
  – Optional: Dental or vision plans
  – In general, the amount reported should include both the portion paid by the employer and the portion paid by the employee.
  – An employer is not required to issue a Form W-2 solely to report the value of the health care coverage for retirees or former employees to whom the employer would not otherwise provide a Form W-2.
We have the ability to add W-2 Adjustments in Earnings History for employees. For example, a W-2 adjustment is an easy way to get moving expenses on the W-2.

A W-2 adjustment will be added to the box and item selected on the drop down selection box.
Many districts have asked whether or not PCG supports Roth IRAs. The answer is ‘Yes’.

A Roth IRA is set up in PCGenesis as a normal post-tax deduction. Then, when you run W-2s, you supply the system deduction numbers so that the system can report the YTD deduction amount in the correct W-2 box as shown on the screen.
W2s

• K:\SECOND\PAYSSA
  – The W2REPORT file is the Federal MMREF file required by the Georgia Department of Revenue.
  – The 1003.csv file is the G-1003 file required by the Georgia Department of Revenue.

• Follow the instructions to submit the Federal MMREF file and G-1003 file electronically.

• Follow the instructions at: https://gaefile.dor.ga.gov
W2s

PCGenesis now produces the G-1003 file required by the Georgia Department of Revenue.
# W2s

## Return G-1003 File Layout

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Cell</th>
<th>Description</th>
<th>Type</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>TaxPeriodEnd</td>
<td>A</td>
<td>Period Ending Date</td>
<td>Date (YYYY-MM-DD)</td>
<td>2010-12-31</td>
</tr>
<tr>
<td>SoftwareId</td>
<td>B</td>
<td>Software Product used to generate the CSV File</td>
<td>Alphanumeric (enter zero if you don't know it)</td>
<td>0</td>
</tr>
<tr>
<td>SoftwareVersion</td>
<td>C</td>
<td>Software Version used to generate the CSV File</td>
<td>Alphanumeric (enter zero if you don't know it)</td>
<td>0</td>
</tr>
<tr>
<td>AmendedReturnIndicator</td>
<td>D</td>
<td>Indicates if this is an amended Return</td>
<td>Boolean (No = D or Yes = 1)</td>
<td>0</td>
</tr>
<tr>
<td>TIN</td>
<td>E</td>
<td>FEI Number</td>
<td>Alphanumeric (No dashes)</td>
<td>123456789</td>
</tr>
<tr>
<td>StateID</td>
<td>F</td>
<td>GA Withholding ID</td>
<td>Alphanumeric (No dashes)</td>
<td>123456789B</td>
</tr>
<tr>
<td>DueDate</td>
<td>G</td>
<td>Due Date</td>
<td>Date (YYYY-MM-DD)</td>
<td>2011-02-28</td>
</tr>
<tr>
<td>TaxYear</td>
<td>H</td>
<td>Tax Year</td>
<td>Date (YYYY)</td>
<td>2010</td>
</tr>
<tr>
<td>NoGATax</td>
<td>i</td>
<td>True for Domestic employer with no GA Tax Withheld</td>
<td>Boolean (No = D or Yes = 1)</td>
<td>0</td>
</tr>
<tr>
<td>NumberOfForms</td>
<td>j</td>
<td>Number of Forms</td>
<td>Numeric</td>
<td>130</td>
</tr>
<tr>
<td>GATaxableWages</td>
<td>k</td>
<td>Georgia Taxable Wages</td>
<td>Currency (must show 2 places after decimal)</td>
<td>50.00</td>
</tr>
<tr>
<td>GATaxWithheld</td>
<td>l</td>
<td>Georgia Tax Withheld</td>
<td>Currency (must show 2 places after decimal)</td>
<td>50.00</td>
</tr>
</tbody>
</table>
W2s

Return G-1003 CSV File

GA taxable wages and GA tax withheld should match the numbers on the final W2 screen.
It is the month of November – open enrollment for SHBP!!!
Getting Ready for 2014 GHI

- GHI options C0 – C5 and U0 – U5 have been eliminated.
- GHI options B1, B2, and B3 have been added.
- GHI tiers 10, 40, 90, 91, 94 – 97 are the same.
- All GHI premium rates have changed for 2014.

The GHI options B1, B2, and B3 have been added for BCBS Gold, Silver and Bronze plans.

All GHI premium amounts have changed for 2014.
This is a complete list of the 2014 GHI options.

Blue Cross/Blue Shield and TriCare Supplement make up the available options for employees.
- GHI tiers 10, 40, 90, 91, 94 – 97 are the same.
Several steps are necessary to get ready to process GHI in 2014. Before your December payroll, you will be able to install the 13.03.01. This release will automatically upload the new 2014 GHI premium amounts into the Benefit Plan/Option/Tier Maintenance File.

2) Download the DCH open enrollment file.
3) Import State Health Option & Tier from DCH File.
4) Set State Health Deduction Amount For Active Employees.

After open enrollment is completed, the new employee GHI elections must be downloaded from the DCH website before the enrollment data can be imported into the PCG personnel screen.

Once the GHI elections have been finalized, the last step is to update the employees’ deduction screen with the 2014 premium amounts for the GHI deductions based upon the employees’ GHI option and tier information on the personnel screen.
The most difficult part of this process is downloading the enrollment data from DCH. It seems that every year the DCH website changes. Hopefully, the process will not change this year.

Typically, Bill Tierney from SHBP will send all districts an e-mail which identifies the correct SHOEUPDT file which contains the open enrollments. You must know the exact name and date of this file from SHBP or you will download an incorrect file!

In this example, the correct file was SHOEUPDT dated November 18, 2011.

Select the correct file.
The open enrollment file is displayed.

Select the download icon.
The following dialog box will be displayed. It is important to enter the selections as shown above:

- All pages
- Selected data
  - Download as CSV
  - Policy SHOEUPDT
- Do NOT compress the file

Then select the download icon.
Select SAVE to save the file to your C drive.
Once the open enrollment file has been downloaded, do NOT edit the file in Excel! Editing the file in Excel causes the formatting of the file to change. Instead, make changes using NOTEPAD.
Personnel and deduction screens must be updated for the December payroll with the new options that the employee selected during open enrollment.

State Health (GHI) will provide a file containing the covered employees and the options and tiers that each selected.

This file can be imported into PCGenesis.
Use F10 to browse for the file.

Importing the County is optional.

Using this process only enters the option and tier from the imported file to the personnel screen. It does not update any amounts on the deduction screen.
After the correct option and tier is entered (or imported) on the personnel screen for each employee, the premium can be updated on the deduction screen using this procedure.

The premium was not updated with the prior import, so this procedure must also be completed.
Before running this procedure, the new option and tier choices should be entered on the personnel screen. It is also important to have the correct GHI deduction code entered on the personnel screen.

This procedure should be run in **trial mode** first. The trial mode will not update the deduction screen, but a report will be produced that contains all of the changes that will be made.

Review the report to make sure it is correct and then run the update again with the **trial mode flag** switched to **N. This will update all of the employee premiums on the deduction screen** to match the premiums set in the GHI Plan/Option/Tier maintenance file.
Verify the enrollment data and premium data on this report before running the process in FINAL mode.
Many, many payroll problems can be resolved while in the middle of a payroll run. PCGenesis has a very valuable, but little used feature called the **Check/Direct Deposit Void/Add Menu** which allows users to make corrections to an employee’s pay AFTER printing the employee’s pay check or generating the employee’s direct deposit.
The Check/Direct Deposit Void/Add Menu (F6) is used to correct check errors for the current payroll. Checks may be voided, issued, or reissued as necessary.

If you send a NACHA file to the bank, and the bank tries to process the file but finds an error, as long as the user has NOT run F13, Update Earnings History, and F14, Update Budget Files, the user can use the Check/Direct Deposit Void/Add Menu to correct the NACHA file. This can be a life saver!!!

Pattie Problemcauser did some extra work for her principal and he said that she would get paid for it. You didn’t find out until after checks were printed, but before they were distributed. You can reissue the check through the Void/Add process.

Void/Reissues can handle both regular checks and direct deposits.
Many problems can be fixed with the **Void/Add** process.

If the NACHA file was created, sent to the bank, and then rejected because of a bad account number, the problem can be corrected.

If an employee is missing pay, the problem can be corrected. Or, if a deduction was taken or not taken as it was supposed to be, the problem can be corrected.

We can run and re-run the **Void/Add** process as many times as necessary as long as **F13**, Update Earnings History, and **F14**, Update Budget Files, as **NOT** been run. Once F13 and F14 have been executed, corrections can’t be made unless files are restored.
First, note that the final and deduction registers, and the final payroll distribution steps can be repeated as often as necessary, regardless of whether you are doing a Void/Add process.

We can run and re-run all the registers and reports as many times as necessary as long as F13, Update Earnings History, and F14, Update Budget Files, as NOT been run.
For example, we can run the Final Register a second or third time.
When I try to run the Final Register a second time, the following screen is displayed. F1 will allow the Final Register to continue processing.
Once the Final Register has been run a second time, the rest of the steps must be completed in order. The Deduction Registers and Final Distribution must be rerun as well.
However, rerunning the reports will not correct a problem with the payroll. For example, if I try to make a change to an employee’s Gross Data screen, I am not able to change the screen to modify mode by using **F9**. I can’t add any additional pay.
If checks have already printed, but I need to add missing pay for an employee, I can start the **Void/Add** process.
Step 1:
Once a Void/Add process has been started, it must be completed! We start by running Step 1 – Void/Add Request Procedure.
Enter the employee’s number. This is the employee with the incorrect check.
Verify that this is the check which should be voided.

To simply void the check, answer NO to the question, “Will a replacement check / direct deposit be issued?”

To void and then to reissue a new check, answer YES to the question, “Will a replacement check / direct deposit be issued?”
Step 2:
Now when I access an employee’s Gross Data screen, I am able to change the screen to modify mode by using $F9$. I can now add additional pay!

If I need to change deduction amounts or change direct deposit account numbers, I would find that $F9$ is now available on all of the employee payroll screens.
Step 2:
Now the additional pay can be added. I am using a **Proc Type** of ‘B’ for a salary adjustment with no pension calculated. This adjustment will be deleted next time payroll setup is run.
I now return to the **Check/Direct Deposit Void/Add Procedure Menu**. From here, let’s look at the **Void/Add Procedure Monitor**, F12.
Use the **Void/Add Monitor** to track your steps in the Void/Add process. You can see that I have requested additional checks, but have not gone any further yet.
We can also track our progress on the main Payroll Monitor. You can see that the Void/Add Run is NOT complete. I will not be able to run the registers or final distribution until the Void/Add Run is complete.
Step 3:
From the Add/Void Menu, we will run the Trial Register (F3) for the reissued or voided checks.

Note that Step 3, 4, and 5 must be run in order.
Step 3:
Review the **Exceptions Report**. Note that only one record has been input.
Step 3:
Review the **Trial Register**. Note that the Trial Register reflects only the reissued or voided checks.
Step 3:
Review the **Trial Employer Benefit Register**. Note that the Trial Employer Benefit Register reflects only the reissued or voided checks.
Step 4:
From the Add/Void Menu, we will run the **Calculate Pay and Update** (F4) for the reissued or voided checks. No reports are produced from this process.

After this point, you cannot go back and change the entries for this manual/void check run, but you can set up another manual/void process, if you need to correct other checks.

The check created in this void/add process can also be voided if another void/add procedure is run!

Note that Step 3, 4, and 5 must be run in order.
Use the Void/Add Monitor to track your steps in the Void/Add process. You can see that I have requested additional checks, run the exceptions register, and calculated payroll, but I have not printed checks yet.
Step 5:
From the Add/Void Menu, we will print the checks/direct deposits (F5) for the reissued or voided checks. Review the checks that are printed!

Note that Step 3, 4, and 5 must be run in order.
Use the **Void/Add Monitor** to track your steps in the Void/Add process. After the pay statement(s) have finished printing, the Void/Add Monitor is **reset** and shows all ‘N’.
We can also track our progress on the main Payroll Monitor. Now you can see that the Void/Add Run is complete (‘Y’ is displayed). Now I am able to run the registers and the final payroll distribution.

The Final Register and all reports will reflect that the original check has been voided, and will show the new check(s) which have been issued.

Any time changes have been made by voiding or adding check(s), the reports must be run again because they have changed to include the void/add information.
Are there any questions about the Void/Add process?

We will now talk about Manual Checks and Voiding Checks.

There are two ways to process a Manual/Void check. The first way is to set up a Manual/Void check run Only and the other is to process manual/voids in a normal payroll run.
The purpose of the Manual/Void function is to (refer to above)
• Void a paycheck
• Issue a duplicate paycheck
• Issue a corrected paycheck
• Refund a deduction
• Correct W2s
In order to setup for a **Manual/Void Check Run Only** navigate to......
Use F2 – Setup Manual/Void Check Run Only.
Enter the payroll date for the Manual/Void Check Run Only.
When processing a Manual/Void within a payroll navigate to ......
F3 – Payroll Check and Direct Deposit Menu
F9 - Manual Checks & Voids From Previous Pay Menu

The **Manual Checks & Voids From Previous Pay Menu** is only accessed to enter changes that have occurred between the last payroll and this one. It is not used to make any corrections to the **current** payroll.

A special Manual/Void Check run can be done **between regular payrolls**.

Or, Manual/Void Check(s) can also be **added to your regular payroll**.
F9 – Enter Manual Checks/Direct Deposit

You may enter a manual check/direct deposit through the F9 function. After you have entered the check/direct deposit, you may review it through the F10 function. If there is an error, you may delete the check and start over.
In our example, we will refund an employee for a $20.00 deduction which was taken on a prior payroll by mistake.
F9 – Enter Manual Checks/Direct Deposit

The manual check screen defaults based upon settings on the employee’s Gross Data screen. Most of this data will need to be deleted in order to process a deduction refund.
F9 – Enter Manual Checks/Direct Deposit

Since FICA and GHI are not being affected, the FICA and GHI flags must be set to ‘N’.

Delete the GHI Dist and Contract amounts.

Enter -20.00 for deduction 04.

Select ENTER to validate the screen.
F9 – Enter Manual Checks/Direct Deposit

Manual checks should NOT be created as a direct deposits. Manual checks created as direct deposits will **NOT** appear on a NACHA file.

Go back and erase the DD information.
F9 – Enter Manual Checks/Direct Deposit

Verify the Net Pay amount.

Once the check is verified, select F8 – Save.
Use F10, **Display/Delete Manual Check/Direct Deposit**, to display the manual check and have the option to delete it.

After you have entered the check/direct deposit, you may review it through the F10 function. If there is an error, you may delete the check and start over.
Manual/Void Check Run
Delete a Manual Check

• Delete check - 50000
• Employee – 89421
• Amount - $20.00
• Delete Record (F18)

We will delete the manual check.
Use F18 to delete the manual check.
**F11 – Enter Voided Checks/Direct Deposit from Previous Pay**

You may enter a voided check/direct deposit through the **F11** function. After you have entered the voided check/direct deposit, you may review it through the **F12** function. If there is an error, you may delete the voided check and start over.

This feature is used if you are voiding a check that was already processed in a previous payroll run.
F11 – Enter Voided Checks/Direct Deposit from Previous Pay

This feature is used if you are voiding a check that was already processed in a previous payroll run.

The drop down selection icon on the Check/Direct Deposit Number field will provide a list of all the employee’s checks in the current calendar year.
F11 – Enter Voided Checks/Direct Deposit from Previous Pay

The drop down selection icon on the **Check/Direct Deposit Number** field will provide a list of all the employee’s checks/direct deposits in the current calendar year.

Select the correct check which needs to be voided and select the **DONE** button.
F11 – Enter Voided Checks/Direct Deposit from Previous Pay

The correct information is returned to the screen from the drop down box. Now select ENTER.
F11 – Enter Voided Checks/Direct Deposit from Previous Pay

Verify that this is the check you want to void. Select ENTER and then F8 to save.

If you do not want to reverse the employer contributions for the deductions, set the Employer Contribution Override to ‘Y’. This will cause the deduction employer contribution flags to be set to ‘N’. However, the employer contributions for pension, GHI and FICA will NOT be affected.

Voiding a check will always result in the employer pension, GHI, and FICA employer amounts being voided as well.
F11 – Enter Voided Checks/Direct Deposit from Previous Pay

Select OK to finish voiding the check.
You may enter a voided check/direct deposit through the F11 function. After you have entered the voided check/direct deposit, you may review it through the F12 function. If there is an error, you may delete the voided check and start over.

Use F12 to display the voided check and have the option to delete it.
We will now delete the voided check.

- Delete voided check - 128193
- Employee – 89647
- Voided Amount - $2171.71
- Delete Record (F18)
Use F18 to delete the voided check.
The Payroll Monitor is used to track the progress of the special Manual/Void Check Run Only.

After the special check run has been setup, the monitor will display ‘N’ for the registers, final distribution, update earnings history, and update budget files steps.
Anytime changes have been made by voiding or adding a paycheck, the reports must be run again because they have changed to include the void/add information.
In our example, the **Final Register** shows the one manual check and the one voided check we have created during this Manual/Void Check Run Only.
In our example, the **Check/Direct Deposit Registers** show the one manual check and the one voided check we have created during this Manual/Void Check Run Only.
The **Payroll Monitor** is used to track the progress of the special Manual/Void Check Run Only.
Print the final distribution, F12, calculates the employer paid benefits and creates the files for posting to earnings history and budget (financial). At this same time the system also creates the accrual data file for the current payroll run.
In our example, the **Gross Pay Distribution** shows the one voided check we have created during this Manual/Void Check Run Only.
In our example, the **Payroll Employer Benefit Distribution Register** shows the one voided check we have created during this Manual/Void Check Run Only.

Verify that the employer contributions are handled as expected!!!!
The **Payroll Monitor** is used to track the progress of the special Manual/Void Check Run Only.
A backup of PAYDATA to PAYDATAQ and SECOND to SECONQ are made before posting to earnings history. At this point, the payroll is for all purposes ready to complete. The backup of SECOND is good only as long as no work is done on the financial side.

You should always try to run the Earnings History Update (F13) and the Budget Update (F14) back to back. **ALL OTHER USERS MUST BE OUT OF THE SYSTEM FOR THE BUDGET UPDATE!!!!**

The system will not let you accidentally repost to earnings history or to budget (financial) even if you attempt to rerun these steps.
You should always try to run the Earnings History Update (F13) and the Budget Update (F14) back to back. **ALL OTHER USERS MUST BE OUT OF THE SYSTEM FOR THE BUDGET UPDATE!!!!**

The payroll is now complete!

The system will not let you accidentally repost to earnings history or to budget (financial) even if you attempt to rerun these steps.
The **Payroll Monitor** is used to track the progress of the special Manual/Void Check Run Only.

The payroll is now complete!
Employer FICA, TRS, and GHI on a Manual Check

• FICA switch and FICA gross determine the employer FICA contribution
• Employee pension switch and pension gross determine the employer pension contribution
• GHI Participation Switch and the GHI % Distribution determine the employer GHI contribution
• Employer switch on individual deductions determine the employer deduction contribution
• FICA switch and **FICA gross** determine the employer FICA contribution
• Employee pension switch and **pension gross** determine the employer pension contribution
• GHI Participation Switch and the **GHI % Distribution** determine the employer GHI contribution
• Employer switch on individual deductions determine the employer deduction contribution
• FICA switch and **FICA gross** determine the employer FICA contribution
• Employee pension switch and **pension gross** determine the employer pension contribution
• GHI Participation Switch and the **GHI % Distribution** determine the employer GHI contribution
• Employer switch on individual deductions determine the employer deduction contribution
Review the Payroll Employer Benefit Register.

- Because the manual check had a **FICA gross**, the Benefits Register shows an employer FICA contribution

- Because the manual check had a **pension gross**, the Benefits Register shows an employer pension contribution

- Because the manual check had a **GHI % Distribution**, the Benefits Register shows an employer GHI contribution

- Because the manual check had a individual deductions with the employer switch set to ‘Y’, the Employer Deduction Contribution Report shows an employer deduction contributions
Review the Employer Deduction Contribution Report.

- Because the manual check had a **FICA gross**, the Benefits Register shows an employer FICA contribution.
- Because the manual check had a **pension gross**, the Benefits Register shows an employer pension contribution.
- Because the manual check had a **GHI % Distribution**, the Benefits Register shows an employer GHI contribution.
- Because the manual check had a individual deductions with the employer switch set to ‘Y’, the **Employer Deduction Contribution Report** shows an employer deduction contributions.

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To turn off the GHI employer contribution, we must delete the **GHI % Distribution** fields. In order to do that, the **GHI participation switch** must be turned off.
To turn off the GHI employer contribution, we must delete the **GHI % Distribution** fields. In order to do that, the **GHI participation switch** must be turned off.

To turn off the TRS employer contribution, we must delete the **Pension Gross** fields.

If the manual check has an **employee** FICA contribution, it is **NOT** possible to turn off the employer FICA contribution. In this example, we will leave the employer FICA contribution turned on.
Review the Payroll Employer Benefit Register.

- Because the manual check had a **FICA gross**, the Benefits Register shows an employer FICA contribution.
- Because the manual check did NOT have a **pension gross**, the Benefits Register shows zero employer pension contribution.
- Because the manual check did NOT have a **GHI % Distribution**, the Benefits Register shows zero employer GHI contribution.
Now we will discuss refunding deductions.
Refunds

• Taxable Status
  – Date used
  – FICA switch
    • OASDI: Employee = .0620, Employer = .0620
    • HI (Medicare): Employee and Employer = .0145

• Active Employees
  – Refund with a Manual Check
  – Refund on the next payroll

Refunding deductions withheld in error is a fairly common occurrence.

Whenever possible, any adjustment should be done through payroll so that the employees earnings history will be corrected, and therefore their taxes, FICA, Medicare and W-2 data will be correct. A/P checks should not be used unless we can’t determine any other method. Call the helpdesk before deciding to write an A/P check.

When refunding deductions withheld in error, you must consider the taxable status of the deduction. If the deduction was pre-tax and you refund it, you must withhold taxes. You must also consider the tax year and the payroll date.

You can usually use the Calculate and Display option to calculate the correct amount of tax to withhold.

The easiest way to refund is to make a negative deduction adjustment in the next payroll run. Second is to run a manual check.

However, if a FICA deduction error was involved, you MUST pay attention to the FICA switch setting when the original error was made, otherwise you may have a problem with W-2s.
PCGenesis does not merge W2 information for employees that switch from withholding OASDI and Medicare to Medicare only. This is because IRS and the Social Security Administration require separate W2’s for employees with Medicare only withholding. Because of this requirement, the FICA switch is recorded into the earnings history record. If you VOID or enter a payroll adjustment to refund OASDI withheld in error, you must make sure the FICA switch is set the same as it was when the OASDI was withheld.

If voiding a check, using the *Enter Voided Check/Direct Deposit from Previous Pay (F11)* option, will automatically create a void of the check with the same FICA switch as the original check.

If you did not verify the FICA switch before processing the void or manual check, it is easy to correct with two earnings history adjustment records. Enter a positive OASDI gross and withholding adjustment with the FICA switch set one way, and a negative OASDI gross and withholding adjustment with the FICA switch set the other way. This moves the adjustment OASDI amounts from the Medicare-only group to the OASDI and Medicare group of W-2’s.
Refunds

- Refund with same FICA switch as deducted
- Refund in same period – no further action
- Refund in different period – correct with earnings history adjustment
  - Remove from current period
  - Add to correct period (if in the same calendar year)
Look at the FICA gross and tax when GHI is NOT withheld. GHI is a pre-tax deduction. Note that the Non-Taxable total decreases and the FICA gross and FICA tax increase.
Look at the FICA gross and tax when GHI is withheld. GHI is a pre-tax deduction. Therefore, the GHI amount increases the Non-Taxable total and decreases the FICA gross and FICA tax.
GHI is a pre-tax deduction. To refund GHI, we must **decrease** the Non-Taxable total and **increase** the FICA gross and FICA tax amounts. Also, we must refund the employer GHI amount and withhold the employer FICA amounts.
GHI is a pre-tax deduction. To withhold GHI, we must increase the Non-Taxable total and decrease the FICA gross and FICA tax amounts. Also, we must withhold the employer GHI amount and refund the employer FICA amounts.
Refunds

- Active Employees
  - Refund on the next payroll
    - Use the adjustment screen (F8)
  - Refund with a Manual Check
    - Enter a negative amount to refund
Use **F8** – Update/Display Deduction Adjustments to refund a deduction amount through the next payroll.
Here is the adjustment screen where you would refund the deduction 25 in the amount of 71.14

These deduction adjustments will be cleared when the next payroll cycle is set up.

By using the Deduction Adjustment screen, taxes will be handled properly and no further corrections are required.
To see the effects of the deduction adjustment, use **F14** – Calculate and Display An Employee’s Pay.
We can see the refunded amount for deduction 25 of -$71.14.
A limitation of the new GHI % Distribution fields is that employer GHI can not be refunded on a manual check. Users need to be aware of this restriction.

(Note: The employer GHI is refunded correctly when doing a voided check.)
A limitation of the new **GHI % Distribution** fields is that employer GHI can not be refunded on a manual check. Users need to be aware of this restriction.

Refunding a pre-tax deduction like GHI, must take into account FICA. When refunding GHI, add the amount back to FICA gross and FICA tax as shown on the screen.
This is the Earnings History record created for the manual check for the GHI refund.

Because the **GHI Participation switch** was set to ‘N’ and the **GHI Distribution** fields were cleared, the employer GHI amount was NOT calculated.

The system also calculates the employer FICA amount because FICA Gross was entered on the manual check.
A limitation of the new GHI % Distribution fields is that employer GHI can not be refunded on a manual check. Users need to be aware of this restriction.

Refunding a pre-tax deduction like GHI, must take into account FICA. When refunding GHI, add the amount back to FICA gross and FICA tax as shown on the screen.

If the GHI Participation Switch is ‘Y’, the system will require a positive GHI Distribution percentage. This will cause an incorrect employer GHI contribution to be calculated.
This is the Earnings History record created for the manual check for the GHI refund.

Because the **GHI Participation switch** was set to ‘Y’ and a positive **GHI Distribution** percentage was entered, the employer GHI contribution was calculated. The employer contribution was **not** refunded, it was withheld. This is **incorrect**.

The system also calculates the employer FICA amount because FICA Gross was entered on the manual check.
If payroll has completely processed and you need to withhold the deduction amount from the vendor remittance:

- Enter a negative claim in Fund 199 for that vendor. Pay the payroll claims and the negative claim to reduce the check amount.
- Enter the deduction adjustment on the next payroll for that employee, to correct payroll.
- Enter a positive claim in Fund 199 for that vendor to be processed along with the next payroll, since financials were already corrected last cycle.
When terminated employees need a refund, we recommend that the employee be set back to active status (‘A’) and issued a manual check for the refund.

Another avenue would be to issue an A/P check and then to add an earnings history record to correct W2. When refunding a deduction, this requires entering a negative claim for the vendor and a positive claim for the employee.

<table>
<thead>
<tr>
<th>Refunds</th>
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<tbody>
<tr>
<td>• Terminated Employees</td>
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<tr>
<td>– Reinstate (Recommended)</td>
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<tr>
<td>• Issue a manual check</td>
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<tr>
<td>• Terminate after posting</td>
</tr>
<tr>
<td>– A/P Check (Not recommended)</td>
</tr>
<tr>
<td>• Issue an A/P check</td>
</tr>
<tr>
<td>• Add an earnings history record to correct W2</td>
</tr>
<tr>
<td>• Balance fund 199 (debits = credits)</td>
</tr>
<tr>
<td>– Positive claim for employee</td>
</tr>
<tr>
<td>– Receipt or negative claim for vendor</td>
</tr>
</tbody>
</table>
Fund 199 Balancing

- Do not use Fund 199 for anything except payroll clearing.
- Track all manual claims or adjustments made with Fund 199.

If employees on leave or who have retired pay amounts for insurance, these should NOT be processed through fund 199. Fund 199 should only be used for payroll clearing, and these amounts are not processed through payroll.

- The only time to enter a receipt into Fund 199 is when a payroll vendor refunds an amount which must be repaid to an employee. When refunding to the employee, the negative amount from the employee in expense will offset the receipt revenue via a journal entry.

- Fund 199 is balanced when: \( \text{CASH} = \text{Payables} \) and \( \text{Revenue} = \text{Expenses} \)

- All of the payables do not have to be paid in order to close.
If employees on leave or who have retired pay amounts for insurance, these should NOT be processed through fund 199. Fund 199 should only be used for payroll clearing, and these amounts are not processed through payroll.

- The only time to enter a receipt into Fund 199 is when a payroll vendor refunds an amount which must be repaid to an employee. When refunding to the employee, the negative amount from the employee in expense will offset the receipt revenue, but you need to cancel this claim.

- Fund 199 is balanced when: **CASH = Payables** and **Revenue = Expenses**

- All of the payables do not have to be paid in order to close.
Now we discuss correcting PSERS and TRS.
The reporting criteria required by ERS makes PSERS corrections difficult because the ERS administrators try to tell our districts that their PSERS report must match the billing, regardless of payroll mistakes.

However, Alan and I have confirmed with Diane Clark at ERS that adjustments can and should be made in the subsequent pay period. Now, PSERS will accept a current month deduction file which includes past period adjustments. PCGenesis allows entry of adjustments in a current period for past periods.

Even though the PSERS report can be corrected in subsequent payroll cycles, PSERS will still require the correct amount to be paid in the current month billing. Manual claims can be entered to pay the correct amount of the bill.

Examples:
- Refund in current month of contribution withheld in error for prior month – net contribution of $0 for current month

- Collection in current month of contribution not withheld in prior month – net contribution of $8 for current month
  - Alternative 1: If an uncollected contribution payment is owed to PSERS enter a Manual check posted in previous period.
  - Alternative 2: Collect or refund in current month payroll processing, enter
two earnings history adjustments to move the activity to the prior month.
Collected Wrong PSERS Deduction

• Set up new employee as Old PSERS and withheld the deduction, when it should have been New PSERS.
• Therefore, $4.00 is withheld instead of $10.00
• This is difficult to fix!

This is difficult to fix because the employee’s pension switch can only be set one way or the other. So, once the pension switch is set for New PSERS (code 5), we can’t run an adjustment through for Old PSERS (code 1).
This is difficult to fix because the employee’s pension switch can only be set one way or the other. So, once the pension switch is set for New PSERS (code 5), we can’t run an adjustment through for Old PSERS (code 1).

The easiest way to refund the Old PSERS amount is to handle the refund on a manual check. We can keep the pension code as Old PSERS (code 1) for this manual check. This will cancel out the old PSERS withholding for the employee. Make sure that the Period Ending Date is for the same pay period that the original deduction was withheld.

The alternative is to refund the employee through A/P. Then, enter an Earnings History adjustment to show the refund. Make sure to enter a negative claim for the vendor and a positive claim for the employee. Earnings History adjustments DO NOT AFFECT FINANCIALS!!!!
The correct New PSERS deduction and correction can then be withheld on the subsequent payroll cycle.

Collected Wrong PSERS Deduction

- On the next payroll cycle, make sure the employee’s switch is set to New PSERS so that the current PSERS is correct ($10.00)
- Enter a ‘Z’ pension adjustment for $10.00 with a period ending date from the prior payroll
Refund the $4.00 with a manual check. The manual check can be processed during a Manual/Void Check run, or it can be processed during the next normal payroll cycle. The pension switch defaults to the employee’s current setting. Override the pension switch to Old PSERS to refund $4.00 on a manual check.
Refund the $4.00 with a manual check. The manual check can be processed during a Manual/Void Check run, or it can be processed during the next normal payroll cycle. The pension switch defaults to the employee’s current setting. Override the pension switch to Old PSERS to refund $4.00 on a manual check.
Pension adjustments are accomplished on the Gross Data screen with a Process Type of ‘Z’. The only fields which can be entered on a pension adjustment are Process Type, Pay Type, Pay for Period End Date, the account number, Pension Gross and Pension Amount.
The system calculates the normal New PSERS pension contribution with a pay period date of 10/24/2012. The pension adjustment with a Proc Type of ‘Z’, reflects a pay period date of 09/30/2012, and is processed at the same time. Therefore, the total employee New PSERS contribution is calculated as $20.00 in our example.
Pension adjustments are accomplished on the Gross Data screen with a Process Type of ‘Z’. The only fields which can be entered on a pension adjustment are Process Type, Pay Type, Pay for Period End Date, the account number, Pension Gross and Pension Amount.

Refund TRS on Next Payroll Cycle

Refund TRS by running a pension adjustment on the next payroll cycle. A pension adjustment is done with a **Proc Type ‘Z’**.

- If you only want to adjust the employer contribution, enter only the **Pension Gross** amount. The employer amount will be calculated by multiplying .1228 times the Pension Gross.
- If you only want to adjust the employee contribution, enter only the **Pension Amount**. The pension amount should be the exact amount of the employee contribution.
- If you need to adjust both the employer and employee contributions, enter both amounts.
- The **Pay for Period End** date should reflect the date of the payroll which is being adjusted. So, if you are adjusting September’s payroll, enter a September pay date.
In our example, we will look at an employee’s **Calculate and Display** screen prior to entering a pension adjustment. We can see that the employee contribution is $294.25 and the employer contribution is $602.24.
In our example, we will refund the employee contribution of $60.00. We will refund the employer contribution of $122.80. We generate the employer contribution refund by entering in the **Pension Gross** amount.

- You can fix this by running a pension adjustment on the next payroll cycle. A pension adjustment is done with a **Proc Type ‘Z’**.
- If you only want to adjust the employer contribution, enter only the **Pension Gross** amount. The employer amount will be calculated by multiplying .1228 times the Pension Gross.
- If you only want to adjust the employee contribution, enter only the **Pension Amount**. The pension amount should be the exact amount of the employee contribution.
- If you need to adjust both the employer and employee contributions, enter both amounts.
- The **Pay for Period End** date should reflect the date of the payroll which is being adjusted. So, if you are adjusting September’s payroll, enter your Sept pay date.

Once you update the Gross Data screen, go to the **Calculate and Display** screen and look at both screen 1 and screen 2 to see how the system calculates the TRS amounts. Verify that you get the results that you expect.
In our example, we will look at an employee’s **Calculate and Display** screen after entering the pension adjustment.

We can see that the employee contribution is $294.25 minus $60.00 to give $234.25.

We can see that the employer contribution is the original $602.24 minus $122.80 giving $479.44.
In our example, we will look at an employee’s **Calculate and Display** screen prior to entering a pension adjustment. We can see that the employee contribution is $294.25 and the employer contribution is $602.24.
Now, we will refund the employee contribution of $60.00 but we will NOT generate an employer contribution refund. If we don’t want the employer contribution refund, we will NOT enter the Pension Gross amount.

- You can fix this by running a pension adjustment on the next payroll cycle. A pension adjustment is done with a Proc Type ‘Z’.
- If you only want to adjust the employer contribution, enter only the Pension Gross amount. The employer amount will be calculated by multiplying .1228 times the Pension Gross.
- If you only want to adjust the employee contribution, enter only the Pension Amount. The pension amount should be the exact amount of the employee contribution.
- If you need to adjust both the employer and employee contributions, enter both amounts.
- The Pay for Period End date should reflect the date of the payroll which is being adjusted. So, if you are adjusting September’s payroll, enter your Sept pay date.

Once you update the Gross Data screen, go to the Calculate and Display screen and look at both screen 1 and screen 2 to see how the system calculates the TRS amounts. Verify that you get the results that you expect.
In our example, we will look at an employee’s **Calculate and Display** screen after entering the pension adjustment.

We can see that the employee contribution is $294.25 minus $60.00 to give $234.25.

We can see that the employer contribution remains the original $602.24 amount.
Agenda

- Garnishments
- W2s
- Getting Ready for 2014 GHI
- Void/Add Menu
- Manual/Void Check Run
- Refunding Deductions
- Correcting PSERS and TRS
- **Overpayments**
Overpayments happen! If the employee is still active and will receive another check/direct deposit:

- The easiest solution is to collect the overpayment from the employee’s next check.
- Use a special gross line or lines to reduce the employee’s normal pay in the next payroll run. This is better than modifying the employees normal gross data salary lines because the correction will automatically clear the next month.
Use a special gross line or lines to reduce the employee’s normal pay in the next payroll run. This is better than modifying the employees normal gross data salary lines because the correction will automatically clear the next month.
Overpayments happen! One typical example is when you fail to stop paying someone who has left your school district.

If you receive prompt repayment of the entire amount:

- Deposit the check in the bank and DO NOT record in PCGenesis. Make a copy in your manual receipt book and note that it was entered to refund a check or direct deposit which should not have been issued.

- In payroll, VOID the check or direct deposit (even though it really cleared) and make a copy and note for your bank statement and note on the relevant registers and when you reconcile.
Questions?
PCGenesis Documentation

http://www.gadoe.org/Technology-Services/PCGenesis/Pages/default.aspx
Thank you for attending!