

1. Does cash have to be available in the fund used to issue payroll at the time a preliminary payroll is run?

Yes. The accounting distribution for each PIN in the payroll contains the coding block required by MAGIC (fund, activity, organization, sub-organization, location, project, reporting category, and sub-object). Any errors found during the preliminary payroll MUST be corrected before submitting the final run.

2. How do I refund a deduction to an employee?

There are several steps in refunding a deduction. Please refer to the training workbook, *#6307 SPAHRs Payroll Adjust Pay*, located in the SPAHRs Training Materials on the MMRS website, for full instructions.

3. I submitted a batch job, but the report did not print on my printer. Where is the report?

Agencies are responsible for maintaining their own printers and print defaults. If you are missing a report created in SPAHRs, contact your agency's IT staff for assistance. For further assistance, your agency's IT staff may contact the MMRS Call Center at 601-359-1343 and choose Option 7 (Operations).

4. Do outstanding positive and negative adjustments impact GAAP reports at the end of the fiscal year?

No. Outstanding adjustments do not affect any financial reports.

5. How can I get old adjustments removed from the browse?

To remove adjustments that have been resolved by entering DOCKA or DOCKH in the next pay period, add an entry in the timesheet to offset the negative pay amount. The earnings code to use is ADJST. The amount entered must be the difference between the gross pay and the adjustment. This amount should offset the earnings overpayment and zero out the adjustment. Use the ADJST code **only** if you made an entry in another pay period to recover the overpayment. MMRS cannot purge adjustments (positive or negative) that still have amounts showing in the net pay.

6. Will PERS send the agencies a report of their retirement contributions each month?

Report for each agency of wages and contributions reported on the monthly file sent to PERS is available in FMVIEW. Authorized agency staff may view and print payroll reports at their discretion.

7. How do I set up default accounting distributions for the new fiscal year?

- Roll over the default accounting distribution tables from the prior fiscal year to the new fiscal year (PA GS RT). The rollover will only work for distributions that have an end date in the distant future, e.g., 12/31/2069. The rollover will not work for distributions that end in the current fiscal year; you will need to either change the end date or manually add a new distribution for the new fiscal year.
- Set up the accounting distributions for all additional PINs authorized for the new budget year
- Make sure that any new org codes established in the SPAHRS default accounting distribution are also correctly established on the SPAHRS SAAS Tables and in MAGIC

8. When I run a preliminary payroll for contract workers I get the error message, 'Account Distribution Not Found.' What must I do?

Check the start date of the account distribution (MC CW CA). Be sure the account distribution start date begins on the first day of the month (e.g., July 1, YYYY). If the account distribution record has a start date beginning on the first day of the month (e.g., July 1, YYYY), then check the beginning date of the CURRENT PAY PERIOD (e.g., July 09, YYYY).

NOTE: If the current pay period starts before the worker's hire date, your account distribution must start on the first day of the prior month (e.g., June 1, YYYY). All account distribution records must be approved records.

9. Can a contract worker participate in the state health insurance?

Workers in WINs are not eligible for the state health and life insurance; however, they may participate in the agency's other insurances, such as dental, cancer, etc.

10. I ran a preliminary WIN payroll, but the payroll did not process. What might be wrong?

Check the following items:

- Ensure the FLSA and Extra Hours fields were completed on the WIN;
- Ensure timesheets have been created and completed for the pay period;
- Review the reports created from the preliminary run;
- Ensure all required taxes have been set up for the workers;
- Review the Account Distribution for the WIN to ensure it was created to cover the entire payroll period;
- Review the Gen SAAS Errors (PA GS BM JE) to determine if MAGIC errors are present.

11. Are any deductions taken from legislative expense checks?

Generally, only mandatory taxes are automatically taken out of expense checks. However, a state wage attachment (a state tax levy issued by the MS Department of Revenue) is one exception and can be taken out of the expense check.

12. What are pay method requirements for legislators?

The pay method requirements for legislative pay are the same as for other employees paid in SPAHRS. If a payment method of direct deposit (EFT) is elected, then all payments (in-session, travel, out session pay) must be EFT for that legislator. If the payment method elected is paper warrant, then paper warrants must be generated for all payments.

13. What eligibility sequence number is used for legislators?

The eligibility sequence number must be set to 14 for legislators.

14. What options do legislators have for payroll deductions (insurance, cafeteria plan amounts, etc.)?

All deductions are set up as monthly. When a session runs for 120 days, deductions on one of the session payments will need to be doubled to cover the out of session payment for April that will be eliminated.

15. What frequency codes should be used when running the payroll for legislative pay?

- “L” -- in-session checks
- “X” -- mileage and per diem. Per Diem is only paid when the legislator is present at roll call; mileage is calculated at one round trip per week.
- “L” -- special session per diem
- “M” -- out-session monthly checks

16. Why did LIFEI go up?

There are wage brackets used to calculate the value and the brackets are in 5 year increments. A person’s age is the same for the entire calendar year. For example in 2014, whatever your age is on Dec. 31, 2014, you are that age for all of 2014 for the LIFEI calc. If your birthday is actually Oct. 19, for the LIFEI calc you are the same age on Jan. 1, 2014 that you will be on Oct. 19.

Visit the IRS website and search for Pub. 15. The Circular E has the table and explanation of how to calculate the LIFEI value.

17. **A. I have an employee who was hired, promoted, or terminated during the middle of the month or pay period. And this employee's check does not show his increase; instead it has decreased. Why is this?**
- B. I received a promotion and my pay check does not reflect the increase. Why is this?**
- C. My supervisor wants to promote this person on the 18th of February, and I want to tell him/her that this will cause problems with payroll. How can I explain this to him?**
- D. I have a person in my payroll office demanding to know why his/her pay is short for the month, and they have been promoted. What can I tell or show this person?**

If a salaried employee has a hire date, termination date, or leave of absence falling inside of a pay period, the system will calculate a partial pay period; this is done by calculating the actual hours worked and paid leave taken x the hourly rate. All employees have hourly, monthly, and annual rates recorded by the system. The average number of work hours in a month is 174. Some months, such as February, will have less. If a person works half the month in one PIN and transfers to another, the system puts that person on an hourly rate for that pay period (some agencies are paid monthly and some are semi monthly). The same thing goes for that new hire and/or termination.

A solution and/or prevention for this problem is to only hire, transfer, or promote an employee at the beginning of the month pay period. If the position start date needs to be changed back to the 1st of the month, contact your SPB analyst to request this change.

18. **I have an employee who did not receive a full paycheck this month. Why?**

If an employee is hired on a day other than the start of the pay period, that employee will be paid by the hour for hours that they actually worked.

If an employee changed PINs within the pay period, that employee's salary is calculated based upon the number of hours worked and paid leave in the old PIN and the number of hours worked and paid leave in the new PIN. The two are added together to get the employee's pay for that pay period. Depending on the number of hours in that month, the employee pay *may* not equal the usual salary.

19. How do you adjust an employee who was paid from one sub-agency and then gets a retro change to another sub-agency?

- Set up everything for new agency/PIN.
- Add a MISCA deduction on the new agency record, payable to the fund the employee was originally paid from and effective for the pay period being adjusted. The deduction amount will be the net pay received from the old sub agency.
- Process an Issue Pay adjustment on a supplemental run.
- If Employee was originally paid on direct deposit:

When you get the warrant payable to the old fund, contact DFA and tell them you need to void a direct deposit and you have a check for the net pay that was received. Ask them how it needs to be receipted in and what they need to void the original payment.

- If Employee was originally paid on a warrant:

When you get the warrant payable to the old fund, deposit it into the correct Fund as a refund of 60015. An exception pay will need to be created to back out the old agency pay details. RCDCK will need to be entered as an earnings code along with the amount recovered on the MISCA warrant. Then all transactions on the original pay details will need to be entered on the exception pay as negative amounts.

- Moneywise, the employee will get the additional amount from her raise, and she will show as being paid by the correct agency.

20. Employee was overpaid and has refunded the overpayment with a personal check.

Enter earnings code RCDCK in the timesheet along with the amount the employee repaid. Go to Adjust Earnings, Taxes, and Deductions screen and enter action A to add an adjustment. Approve adjustment and process on a supplemental or next regular payroll the employee is on. Contact BFC to inquire how the personal check should be deposited into Magic.

21. Employee was on direct deposit and payment needs to be voided and reissued.

Ask employee to issue a personal check for the net pay that was deposited. Contact BFC and advise them you have a direct deposit to be voided and have received a personal check from the employee. They will advise you on how to deposit the refund from the employee and will process the void. After the original payment has been voided and any changes to the timesheet have been made, an Adjust Earnings, Taxes, and Deductions can be added/modified and processed on a supplemental or in the next regular payroll run the employee is on.

22. Employee's tax information changed after payroll run.

If the final payroll has already been run, advise employee the tax filing change submitted will be entered and effective for the next pay period.

23. Attempting to pay a supplemental, but the Adjust Earnings screen brings up amounts on transaction codes that are not expected.

Check the entries for the transaction codes with amounts via the timesheet, taxes entered, and deduction transaction.

24. Tax levy released after payroll processed but prior to warrant issued to employee.

End the deduction, add an adjustment record (PA AP AE), and refund the employee on the next supplemental payroll.

25. Gen SAAS/Calc Pay Distribution Difference Report has an employee listed.

Determine that the positive amounts in the net pay field are greater than the negative amounts. Net pay cannot be less than zero.

26. Adjustments were entered and approved but do not show up on the supplemental run.

The Supplemental field must = Y for inclusion on the next supplemental run. If left blank, the adjustment will be included in the regular payroll but only if the employee is on the next regular payroll. (Separation Pay should only be run on a Supplemental after all other payments have been made to the employee.)

27. Some employees were paid on the buyout for agency comp, and some were not. They all should have been paid.

Verify that BUYCP was not entered on the individual timesheets. The buyout adjustment will not create if the code is entered on the timesheet **and** the Maintain Buyout Params screen is processed for the same pay period.

28. Want to use buyout code for FLSA, Holiday and Agency comp time.

Buyout codes BUCP, BUYFL and BUYHL have been established for each type of comp time. The employee's PIN must be certified for CALBK to be eligible for Agency comp time leave buyout. The Agency must be certified for HLPAY to be able to pay employee for floating Holiday.

29. Attempting to do a timesheet override for an employee for EXTWK hours on a supplemental payroll.

Cannot do a timesheet override in this instance.

30. Need to exclude an employee from an approved Maintain Buyout.

Once the approval has been applied to the screen (PA AP OP BO) no exclusions can occur. An adjustment can be made for the next pay period.

31. A timesheet was deleted for an employee prior to processing the regular payroll. I now need to pay this employee, but the adjust earnings screen did not process.

Since an initial payment was not issued for this employee during the regular payroll, this is not an adjustment to earnings; it is an original pay. Therefore, the Issue Payment screen (PA AP IP) should be used.

32. Employee paid for too many leave hours.

On the latest timesheet, input DOCKH for hours that should not have been paid; then have the employee pay back the difference. View the adjustment record (AE) for the pay period that the timesheet covers to obtain the amount to be paid back. Input RCDCK on the timesheet for the amount to be refunded.

33. An employee has been terminated. The employee's personal leave balance is incorrect. The actual accrual has been processed for the month in question.

Contact the MMRS Call Center for assistance in changing actual leave to estimated leave. After receiving notification from the MMRS Call Center, modify the leave by using the Maintain Leave Balance Screen (PA AP OP ML).

34. An employee termed one month and was rehired the next. A payment for the personal leave balance at the time of the termination is needed.

Make sure the leave balance is what it should be at the time of termination. If the balance is incorrect, process a Maintain Leave Balance adjustment (PA AP OP ML). Once the leave balance is correct for the termination date, process a Separation adjustment (PA AP SP). *After the separation adjustment has **paid***, use the Maintain Leave Balance adjustment screen to add the new balance effective at the time the employee was rehired. Note: Pay the separation adjustment before you put the person back into the system as a rehire.

35. Employees need to be paid for agency comp time earned during the pay period.

Determine the employees are certified for CALBK on the Position record. Input the Maintain Buyout Params screen (PA AP OP BO). Verify employees for payment and exclude any that should not receive it. See workbook for additional procedures. If only a few employees need to be paid, enter BUYCP and the number of hours to be bought out on the next timesheet.

36. Only one employee needs to be paid for comp time earned.

Determine the employee is certified for CALBK on the Position record. Determine the applicable buyout code and input it on the appropriate timesheet.

37. Employees have 240/480 FLSA comp hours but system only shows the employees' agency comp time payment.

Automatic payments are included on the regular payroll when an employee exceeds the 240/480 FLSA hours in SPAHRS. (EM MP MD).

38. Overpayment to employee prior to issuing warrant to employee.

Void employee warrant (PA AP VO). Complete the Void Warrant Form and submit to DFA along with the warrant to DFA.

39. Leave without Pay versus DOCK

Employees who actually worked fewer hours than the work month, but received the same rate of pay and leave, were not pro-rated even though leave without pay was entered on the timesheet. SPAHRS will calculate the employee's pay by the hour; but, if the amount calculated is greater than the employee's salary, the system will pay the regular pay period salary amount.

When the leave without pay earnings code in SPAHRS is used, the system calculates a partial payment based on the hours reported as worked and on paid leave for that pay period. These codes are also used to pro-rate leave accruals for that month.

If you use the DOCKH or DOCKA code on the current time sheet, the system will dock the employee for the number of hours/amount, affecting only the dollar amount to be paid, but will have no effect on the leave or overtime calculations.

40. Ran a preliminary and received the error message: "7058E Wage Base Cannot Be Negative for Tax Code FIT for xxxxxxxx."

Employee/Worker has more tax deferred (cafeteria plan and/or deferred compensation) withholdings than they do taxable wages. To correct, suspend a cafeteria plan or deferred compensation withholding.

41. Why were deductions not withheld on the third payroll that was processed this month?

When there are three pay period end dates for a month, deductions will not be withheld on the third pay period end date for the month.

42. What deduction code do you use to send an Employee's Separation Payment to deferred comp?

Set up the separation payment miscellaneous deduction code for deferred comp (DCSEP).

43. Payroll Calculations

Wage Bases - Retirement and federal and state taxes are calculated on a wage base. The wage base is the amount of earnings that are subject to the specific tax. Wages bases may be different for each tax. Earnings included in a wage base can be true cash earnings such as earnings for hours worked and can also be for noncash earnings such as a value assigned for state provided housing. Amounts that are subtracted from earnings for pretax deductions, are excluded from certain wage bases. These are generally the cafeteria deductions and deferred compensation deductions. Each earnings code whose amounts are excluded from a wage base are identified on the earnings code with the wage base excluded indicator set to Y. For deductions that are subtracted from a wage base, the pretax indicator will be marked Y for yes. Place cursor on the indicator and press enter. A box with all tax codes will be displayed. Those that are excluded will be marked.

FIT and MSIT wage bases – Take adjusted gross earnings, add in noncash earnings (LIFEI, VEHIC), subtract pretax cafeteria plan deductions, employee retirement contribution, and deferred compensation contribution.

Retirement wage base – Adjusted gross earnings, add in HOUSE.

FICA and MCARE wage bases – Take adjusted gross earnings, add noncash earnings (LIFEI, VEHIC), and subtract cafeteria deductions.

FIT and MSIT taxes are calculated using a yearly formula. The wage base for the pay period is annualized by multiplying it by the number of pay periods in the year for that frequency. From the annualized salary, the exemption amounts are subtracted and the end results is used to figure the annual tax based on the employee's filing status. The yearly tax amount is divided by the number of pay periods in the year for the frequency to get the pay period amount. Any requested additional amount is added to the pay period amount.

Disposable Wages – Disposable wages are the amount of earnings that can be attached for a debt deduction. Disposable wages is not the same thing as net pay. Disposable wages is calculated by taking the adjusted gross earnings and subtracting mandatory deductions for taxes and retirement. Any extra amount the employee requests to be withheld for Federal or State income tax is not considered a mandatory withholding.

Garnishments – Most garnishments received by an employer only indicate the total amount due. This total amount is set up using the GARN debt deduction code. SPAHRS will automatically calculate how much to withhold. For most employees, the garnishment will be 25% of the disposable wages. For low income earners, the disposable earnings must be at least a certain amount before anything can be withheld for a garnishment. There is a wage bracket for low income earners and the amount withheld for the garnishment is the amount of earnings over the threshold amount. This threshold amount is the minimum amount of disposable earnings the employee must have and is tied to minimum wage. If the garnishment is received with a request to withhold a specific amount, the user should set up GAMT and enter the amount requested in addition to the total amount owed. SPAHRS will withhold the amount requested as long as it is not more than 25% of disposable income. If it is, only the 25% will be withheld. The same rules apply for low income earners also. Garnishments are withheld in the order they are received. A second garnishment will not be picked up until the first one has paid out. SPAHRS keeps up with the paid to date and knows when it has paid out.

Child Support – Child support has its own set of debt deduction codes and the user should review each one to determine which one to use. Just like garnishments, there is a maximum of disposable earnings that can be attached for child support. The specific child support code will identify the maximum amount. If the amount requested is greater than what is calculated as the maximum amount, only the maximum amount can be withheld. An employee may have multiple child supports, but only the maximum amount can be withheld to satisfy all of them. When the amounts requested cannot be withheld because they total more than the maximum, the total requested is divided by each amount requested to determine what percent of the total it is. That percent is then applied toward the maximum that can be withheld and that amount will be deducted for the specific child support.

Example: Two child supports are received for an employee. Child support #1 requests \$350 and child support #2 requests \$400. The maximum amount that can be withheld for child support is \$600. Both child supports added together Total \$750.

$$\frac{\$350}{\$750} = 47\% \qquad \frac{\$400}{\$750} = 53\%$$

$$.47 \times \$600 = \$282.00 \qquad .53 \times \$600 = \$318.00$$

Child support # 1 will have \$282.00 withheld and child support #2 will have \$318.00 withheld.

Bankruptcy – Bankruptcy is a flat amount requested to be withheld and is not subject to a maximum percent of disposable wages. Whatever is requested will be withheld as long as there are sufficient disposable earnings to withhold it. The user enters the total amount owed for the bankruptcy and SPAHRS will stop the deduction once the total amount has been paid.

State Tax Commission Wage Attachment – When State employees owe money to the Tax Commission for unpaid taxes, a wage attachment will be issued to the state agency where the person is employed. This wage attachment generally states that all net pay is to be forwarded to the Tax Comm. for payment of unpaid taxes. The Tax. Comm. honors whatever deductions the employee has at the time the wage attachment is received. There is a specific debt deduction code set up for a State wage attachment. The non-mandatory deductions the employee has must be totaled and entered as the exempt amount along with the total amount owed. This will allow the deductions to be withheld and then the net amount will be made payable to the State Tax Comm. If the attachment lists a specific amount to be withheld, the deduct code used is different and specifies that a flat amount is to be withheld. Only the amount requested and total owed is entered. No exempt amount is entered. There is no maximum of disposable earnings that can be withheld.

Federal Tax Levy – The IRS issues federal tax levies when people owe unpaid taxes. On the form received is a table that must be used to identify the exempt amount of wages. To this calculated amount, you must also add any existing non-mandatory deductions and enter the total as the exempt amount of wages. The remaining net pay will be sent to the IRS. The employee will receive a net pay amount. If the levy indicates a flat amount to be withheld, a different deduction code is used that is for flat amounts. Only the amount requested will be withheld. Sometimes the IRS will not allow any exempt amount but will request all the employee's net pay. When an order is received such as this, the exempt amount is entered as 0, unless the IRS agrees to allow existing deductions to be withheld. If they agree, total all the existing non-mandatory deductions and enter this amount as the levy exempt amount. For each of these cases, enter the total amount owed so SPAHRS will stop withholding when the owed amount is reached.

Multiple Debt Deductions – When employees have multiple debt deductions, there is a hierarchy in which they are withheld. The usual hierarchy is:

- 1st Child Support
- 2nd Tax Levy
- 3rd State Wage Attachment
- 4th Garnishment
- 5th Bankruptcy

There is some deviation from this for tax levies. If the employee already has a child support order, then it has priority over the tax levy and the amount withheld should be included in the levy exempt amount. However, if the tax levy is received prior to the child support order, then the tax levy has priority over the child support order and the amount of the child support order is not included in the levy exempt amount.

If the employee has both a child support and a garnishment, the amount being withheld for the child support must be subtracted from the 25% of disposable wages that can be withheld for the garnishment. If anything is remaining, that is what is withheld for the garnishment. This same logic holds true when a tax levy has priority over the child support. If the maximum that can be withheld for the child support is 50% of disposable wages, the amount withheld for the tax levy must be subtracted and whatever is remaining is what can be withheld for child support.

Publications to Review

DOL fact sheet #7 – overtime for public employees

DOL fact sheet #30 – deductions

IRS Pub. 15 (Cir. E) – federal tax tables

MS DOR Pub. 89-700 – state tax table

- 44. Employee dies and has a large amount of unused annual leave to pay and it could create a budget problem for the agency because the budget does not exist for this large of a payment from salaries.**

Talk to your budget analyst. You might be able to request a deficit appropriation for this. Another option is to see if you can move some budget authority from another category. If no other solution is available, you may have to split the payment up between budget years and pay part from this BY year and part from next year's BY. This early in the legislative session there are more possibilities. You do have a legal obligation per state law to pay for all unused personal leave when an employee dies.

- 45. What is a cafeteria plan?**

It allows you to not pay taxes on amounts under the cafeteria plan. That is what happens when you select to place premium payments, child care and medical savings amounts under a cafeteria plan.

- 46. Why do you get the tax break under a cafeteria plan?**

A cafeteria plan allows you to reduce your pay and allow your employer to make these payments on your behalf. Technically, your employer is paying your premiums and placing money in a holding account for you to pay child care and unreimbursed medical expenses. These amounts still show up as deductions on your pay stub. A cafeteria plan is a voluntary salary reduction agreement with your employer. Whatever is placed under the cafeteria plan is considered as employer paid.

- 47. How do you certify an employee that always works the same shift?**

If the employee works the same shift every week, CALEN or CALNT can be certified on the pin. This prevents the timekeeper from having to enter the shift worked each week on the timesheet. The employee will always be paid for whatever shift they are certified for, even when paid leave is taken. The shift certified on the pin should be the shift the employee is going to work.

48. How do you certify an employee that does not always works the same shift?

When you have employees who work different shifts, it is not feasible to only have them certified to work a particular shift. Shift codes DAY, EVENG, and NIGHT are used to allow an employee to work any shift. Whatever the employee works most is what should be certified on the pin. The code entered is used in budget projections but do not enter NIGHT on all of them. If someone rarely works a shift other than the day shift, certify them for DAY. When the employee works the evening shift or night shift the shift works must be entered on the timesheet in order for shift pay to be paid. Unlike CALEN and CALNT, shift pay is only paid for the hours entered on shift pay. For example, if the employee works the day shift on Monday, only REGSH and the number of hours is entered. If the employee works the evening shift for Tues. for 8 hours, then REGSH 8 and EVENG 8 must be entered on the timesheet. Being certified for one of this group of shift codes (DAY, EVENG, or NIGHT) allows for any to be entered on the timesheet.

49. How do you process an adjustment when the approval has Z?

Enter **A** to add a new adjustment. This will copy the data into a new record where they can approve the adjustment.

50. Agency received a notice of wage attachment from DOR. It was set up using the same vendor number that is used for payroll withholding which is not correct.

End the original one on the day it was set up and create a new one with the same effective date using the correct vendor number. Create adjustments for the pay periods processed with the wrong vendor number. This will create credits for the wrong vendor number and will pay the wage attachment to DOR on the correct vendor number. Process these on supplemental or with the next payroll. I am assuming you used MSLVY.