

SUBJECT: Handling of New Tobacco Surcharge When Running the CES Accounting and Retiree Benefit Accounting Processes

POSTED: April 12, 2011

ANNOUNCEMENT

This announcement is to inform users of the appropriate handling of the new Tobacco Surcharge when running the new CES Accounting and Retiree Benefit Accounting Process.

BACKGROUND:

The Tobacco Surcharge (TS) has been deducted through the Payroll process since January 2011 by being added to the regular premium and deducted using the same deduction code as the employee's health plan. CES did not remit the TS funds for January or February 2011 which caused reconciling balances for both months, for each employee with the TS.

In March 2011, a new Plan ID, Z001, was created by CES to process/remit the TS to USO. The March CES file includes TS transactions for January, February and March under the new Plan ID. Three Z001 rows were created for every employee (one current and two retro). For employees that DID NOT have the TS, the rows had a \$0 transaction amount. When running the CES & Retiree Benefit Accounting processes, the new Z001 plan shows as a mapping error for every transaction row with an amount (the \$0 rows were ignored). However, since TS is charged across all health plans, it's not possible to map the Z001 plan to a single health plan/deduction code (i.e.: 00PPOB, 00HDHC, etc.).

HOW TO HANDLE FOR MARCH

Because it is not possible to map the Z001 to a single health plan/deduction code, users cannot use the mass update process to correct the resulting mapping errors. Below are suggestions on identifying the correct deduction code based on your size and number of employees affected:

ACTIVE Employees will use the same deduction code/account for all three rows:

- Suggestion #1: Use the 'View Winflex' lookup on the Correct CES Accting Errors page to locate the correct deduction code/account for each employee. Use this Deduction Code to correct all three rows. This will allow you to perform the lookup just one time per employee.
- Suggestion #2: Use the CES Data file to identify the employees and their health plans. Employees with the TS will have a "Y" flag in the column labeled "Risk Factor 1. Filtering by this flag and sorting by name will show the individuals with the new Z001 Plan ID and their respective health plans. Enter the deduction code for their health plan to correct all three error rows.

RETIREES must be handled differently although suggestions #1 or #2 above can help identify what deduction code to use. The process for retirees is as follows:

- Use the same *deduction code* for all three rows.
- Identify the different coverage months/rows by looking at the 'Coverage Period' column.
- Allow the January and February rows to default to the 226xxx liability account for the deduction code. These accounts are where the original employee amounts were posted for Jan/Feb.
- After entering the deduction code for the March rows, users will need to change the account from the default 226xxx to the new 129210 AR account since retiree transactions are only posted to the receivable and expense accounts beginning March 2011.

SUPPORTING DOCUMENTATION

N/A

MORE INFORMATION AND SUPPORT

For a production down, business interrupting (emergency) situation, call the ITS Helpdesk immediately at 706-582-2001 or 1-888-875-3697 (toll-free within Georgia). For anything else, contact the ITS Helpdesk at http://www.usg.edu/customer_services (self-service support requests requires a User ID and Password; contact the ITS Helpdesk to obtain self-service login credentials), or email helpdesk@usg.edu.

ADDITIONAL RESOURCES

For information about ITS maintenance schedules or Service Level Guidelines, please visit <http://www.usg.edu/oit/policies>.