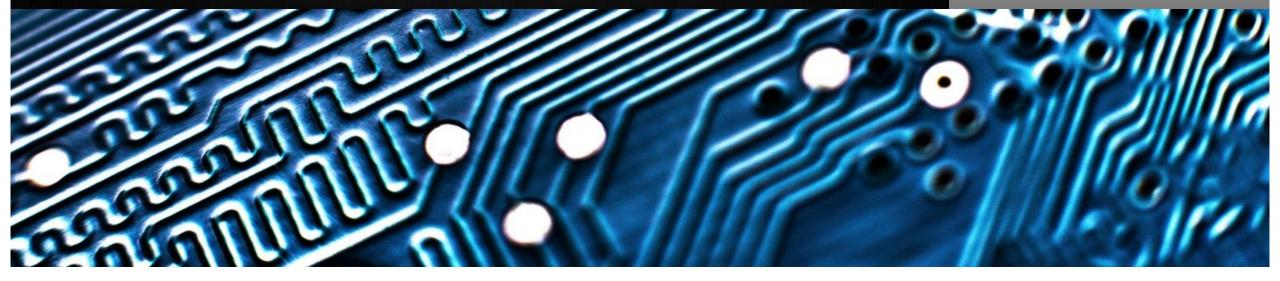




Non-Standard and Supplemental Pay Compliance and Standardization

March 11, 2019

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Housekeeping Items

- You will be muted upon entry
- Please chat all general questions
- Institution, employee or configuration specific questions should be submitted to <u>oneusgsupport@usg.edu</u> with the Subject: MCOP Supplemental Pay Transition
- Don't place this call on hold
- The WebEx will be recorded and will be available for viewing within 48 hours



Workshop Objectives

- Background Provided by Working Group
- Guiding Principles
- Requirements
- Definitions of Supplemental Pay
- Options for Standard Operating Procedures (SOP)
- Updated Non-Standard Employee Pay and Supplemental Pay Matrix
- Timeline, Testing and Training



Background

- USG Audit & Financials Claire Arnold
- HR Operations Quint Hill
- Executive Agent University of Georgia
- OneUSG Connect
 - Project Implementation Cohort 5
 - Support/Shared Services Center



Guiding Principles

- Addressing both one-time and recurring supplemental pay for:
 - Segregation of duties
 - Proper retirement reporting
 - Proper taxation of earnings
 - Development of standard operating procedures (SOP)
 - Ensuring accurate reporting, for example: compensation, Affordable Care Act (ACA)
 - Proper compliance for benefits eligibility & Annual Base Benefits Rate (ABBR)



Requirements

- Must be reportable
- Must be separate from regular earnings for accounting and on pay statement
- Must work in conjunction with benefits, leave liability, retro pay, special accumulators, and Commitment Accounting
- Must be able to fund separately from regular earnings
- Allows for encumbering when required



Definitions of Supplemental Pay

To provide clarity, consistency and standardization our first step was to provide definitions of commonly used terms:

- Definitions
- Extra Compensation Defined as compensation received by a USG employee who is working at another state agency.
- Additional Pay The page in the payroll system where supplemental pay data is detailed for automated payment during payroll processing.
- <u>Supplemental Pay</u> Compensation that an employee receives for work performed within the *home institution* that is significantly different from his/her normal job duties and generally outside of the employee's home department.



Definition of Standard Operating Procedures

- A standard operating procedure, or SOP, is a set of instructions compiled by an organization to help workers carry out complex routine operations
- SOPs aim to achieve efficiency, quality output and reduce miscommunication
- SOPs define roles and responsibilities



Non-Standard Employee Pay & Supplemental Pay Matrix

- Review of types of Non-Standard Employee Pay
- Review of type of Supplemental Pay



SOP Options for Non-Standard and Supplemental Pay

- We will examine four options to compensate employees with regular and supplemental responsibilities –
 - 1. Multiple Jobs
 - 2. Additional Pay
 - 3. Payline Adjustments
 - 4. Multiple Components of Pay (MCOP) with JED



Standardization

- Standardized OneUSG Connect forms are in development and will be available for Regression Testing on 5/9
- Standardized methods of processing utilizing Manager Self-Service (MSS) for workflow approval are in development for system testing and user acceptance testing



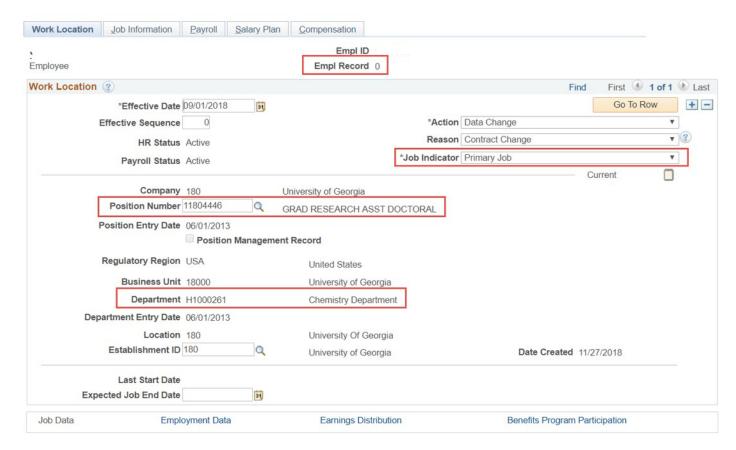


- Create a secondary job which requires an additional position and job assignment
- Primary job is employee's main job and drives the employee's benefits
- Secondary job is the additional responsibilities and can contribute to benefit eligibility
- Need to create second department budget table entry to fund additional job

- Earnings from both job rows will combine into single employee payment
- Funding distribution will be job specific
- Both jobs contribute to ABBR
- Both jobs will encumber if pay group is set to encumber

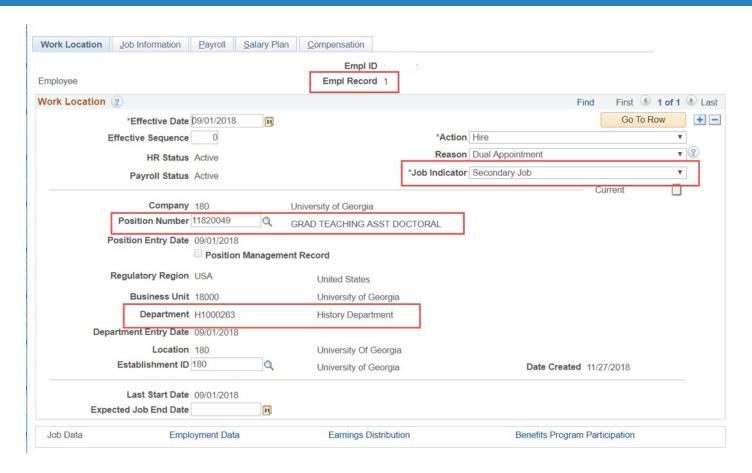


- Multiple Jobs Enter one job as the Primary Job
- Enter position number for Primary Job
- Position is a Graduate Research Assistant
- Primary job is in the Chemistry department.
- Once position is entered, enter remaining job and compensation data.





- Multiple Jobs Enter second job as a Secondary Job
- Enter position number for Secondary Job
- Position is a Graduate Teaching Assistant
- Secondary job is in the History department.
- Once position is entered, enter remaining job and compensation data.





Impact

- Employees who regularly perform duties in a position different from the primary job
- Examples: Graduate Assistants, Student Assistants



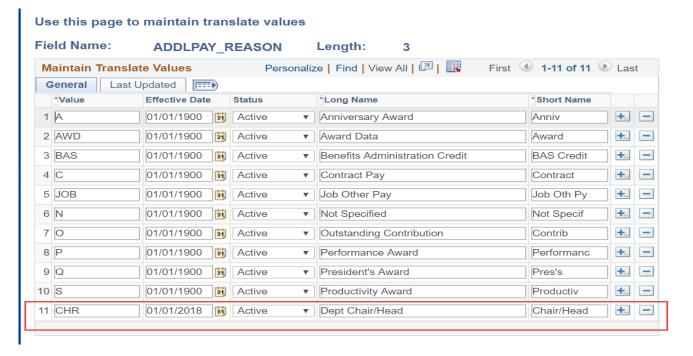


- No position or job data entry required
- Add Additional Pay earnings code to department budget table if funded differently
- For retirement eligible earnings select a retirement eligible earnings code
- Can set earnings goal amount and end dates
- Can be paid separately from regular pay
- Entered by payroll practitioner



- Will not be encumbered
- Actuals distribution is funded correctly; earnings expense mapped account is correct
- Fringe expense follows pay group unless Additional Pay is on separate check
- Posts payroll balances to appropriate earn code
- Shows as separate earnings on pay statement

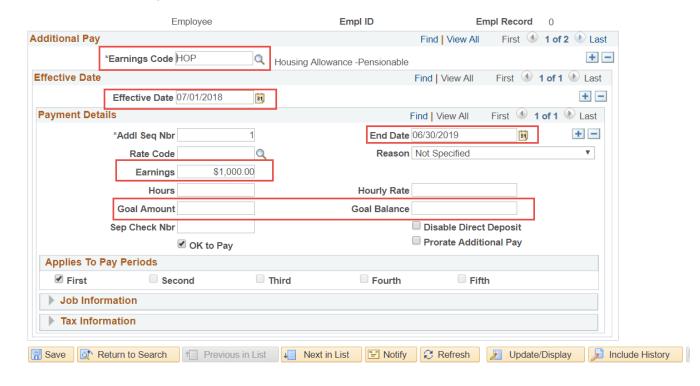
 Future state: Additional Pay Reason used to track metrics





- Enter earnings code
- Effective Date Start Date
- End date Date to end payment
- Earnings Amount per pay period
- Goal amount Stop payment at a certain amount
- Goal balance Stop payment when goal balance = goal amount
- OK to Pay Must be checked

Create Additional Pay





Impact

- Temporary Assignment Faculty/Staff/Student one-time pay
- Taxable Moving Expense
- Incentives (Critical Hire, Goal Based, Well-Being)
- Employee Awards > \$75
- Taxable Fringe Reportable
- Research Subject Fee



Payline Adjustment



Payline Adjustment

- Payline Adjustments are entered by payroll practitioner in OneUSG Connect
- Payline adjustments are loaded directly to employee payline during payroll processing by SSC
- For retirement eligible earnings select a retirement eligible earnings code
- Will not be encumbered



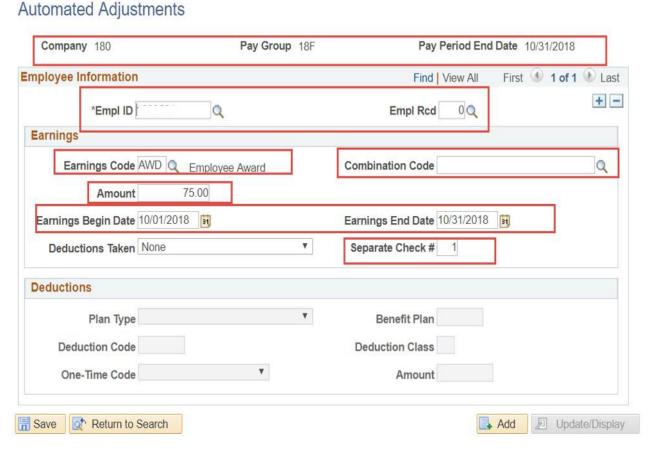
Payline Adjustment

- Actuals distribution is funded correctly; earnings expense mapped account is correct
- Lacks audit control and segregation of duties
- Posts payroll balances to appropriate earn code
- Shows as separate earnings code on pay statement



Pay Lines

- Enter EMPLID and EMPL Record
- Enter Earnings Code
- Enter Combination Code
- Enter one-time amount
- Enter earning begin and end dates
- Enter Separate Check # if a separate check is desired





Impact

- Personal use of Institution Auto
- Housing Reportable Fringe
- Subsistence Reportable Fringe
- Employee Awards (Deminimus < \$75)
- Manual adjustments due to conversion, correction, etc.



Multiple Components of Pay with Job Earnings Distribution



MCOP with JED Distributed by Amount

- JED will pass earnings by earnings code to payroll and then to Actuals Distribution
- Detail earnings will pick up correct funding by earn code from Department Budget Table
- Detail earnings will then pass to GL
- Earnings will encumber, but will encumber as REG
- For retirement eligible earnings select a retirement eligible earnings code



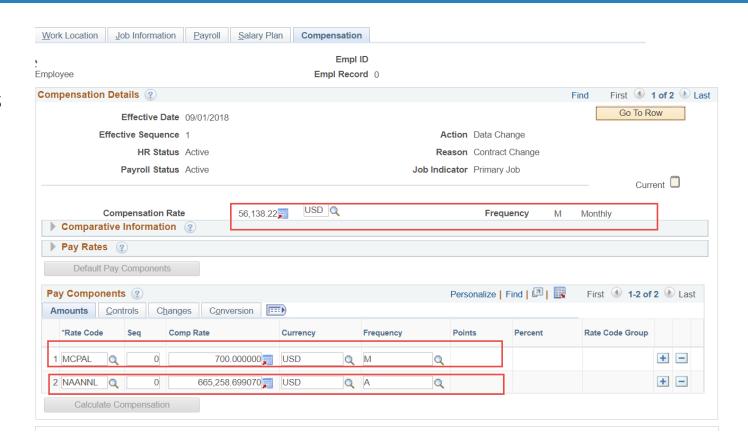
MCOP with JED Distributed by Amount

- Adds to primary job hourly rate
- Encumbers, but encumbers as regular earnings using default earnings funding. Would require modification to the custom encumbrance process
- Actuals distribution and earnings account mapping fund correctly
- All payroll balances posted to proper earnings code
- Shows as separate earnings on pay statement



MCOP w/ JED

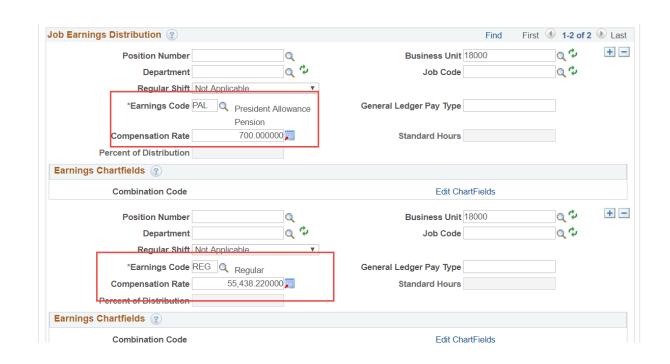
- MCOP w/ JED Job data comprises two components of pay – NAANNL for regular earnings (REG) and MCPAL for president allowance (PAL)
- Navigate to Compensation page in job Data
- Use Comp rate codes to enter each compensation component
- System will populate
 Compensation Rate at the top of the page
- This will all be REG earnings code until we split them using JED





MCOP w/ JED

- MCOP w/ JED Use Job Earnings Dist to break regular earnings from Compensation page into REG and PAL earnings codes
- Go to Job Earnings Dist page and distribute pay period (monthly) earnings across REG and PAL earnings codes
- Both earnings codes will pass to pay lines





Impact

- Temporary Assignment (Faculty and Staff)
- Overload (FAC)
- Academic Consortium Programs (Faculty and Staff)
- Course Delivery Incentive
- Academic Faculty Administrative Assignment
- Summer Pay (Future State TBD)
- Allowances (Car, Presidential, Housing, Subsistence)



Implementation Preparation

- Develop internal cross-functional working group with team leads, clear roles and responsibilities with executive sponsorship
- 2. Review Non-Standard Employee Pay & Supplemental Pay Matrix
- 3. Identify employees with Non-standard Employee Pay and Supplemental Pay
- 4. Determine correct SOP for each employee identified
- 5. Plan for Change Management/Training for your



Timeline/Key Dates

March/April

- 3/26 System Testing Start
- 3/26 Standardized Forms Development Complete
- 3/27 Regression Testing Kick-off Meeting
- 4/17 What's Going Live with Cohort 5

May

- 5/1 HR Policy and BPM documentation updated
- 5/2 UAT Testing Begins Cohort 5
- 5/6 Regression Testing Begins Cohorts 1-4
- 5/9 Regression Testing (including MCOP Training for testers) All Institutions (Macon)
- 5/13 Standardized Forms Available

Timeline/Key Dates

June

6/10 - MCOP Training (WebEx)

July

7/9 – MCOP Open Line/Working Session (WebEx)

7/18 – MCOP Open Line/Working Session (WebEx)

7/23 – Additional Job, MCOP, Additional Pay data entry deadline for monthly employees must be finalized

(Budget Prep load must be complete prior to entry)

7/24 – July monthly payroll paysheets created

7/25 – Cross-functional team validation of monthly payroll



Closing Summary

- No budget prep impact until FY 2021
- Transition of salaried employees effective July 1, 2019
- Transition of biweekly employees details being finalized this week
- OneUSG Connect Support
 - Diagnostics Review
 - Ongoing support, training, job aids



Parking Lot Review

