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Information Technology Services

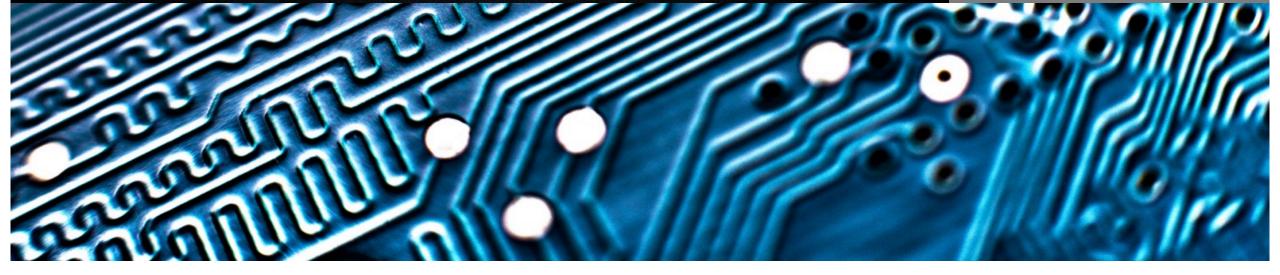# Supplemental and Other Pay Compliance and Standardization

December 5, 2018

- Guiding Principles
- Requirements
- Definitions of Supplemental Pay
- Options for Standard Operating Procedures (SOP)
- Updated Employee Pay and Supplemental Pay Matrix

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- 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)

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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

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Definitions of Supplemental Pay

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

- ***Definitions***

- <u>Extra Compensation</u> – Defined as compensation received by a USG employee who is working at another state agency.

- <u>Additional Pay</u> – 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.

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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

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SOP Options for Supplemental and One Time Pays

- We will examine four options to compensate employees with regular and supplemental responsibilities –

  1. Multiple Jobs
  2. Additional Pay
  3. Paylines
  4. Multiple Components of Pay (MCOP) with JED

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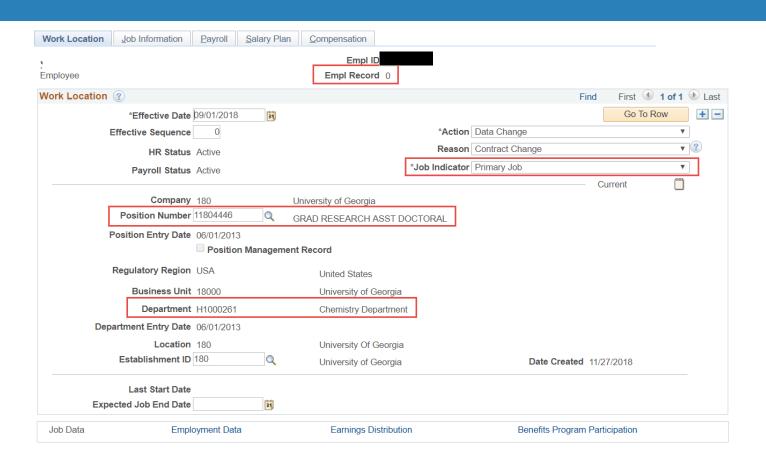OF GEORGIA

Multiple Jobs

Multiple Jobs

- 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
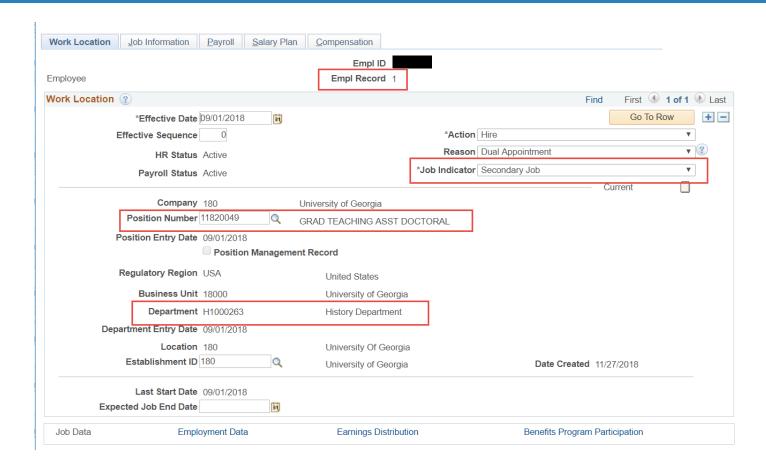- Both jobs will encumber if pay group is set to encumber

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- 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.

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- 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.

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Additional Pay

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Additional Pay

- 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

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Additional Pay

- 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
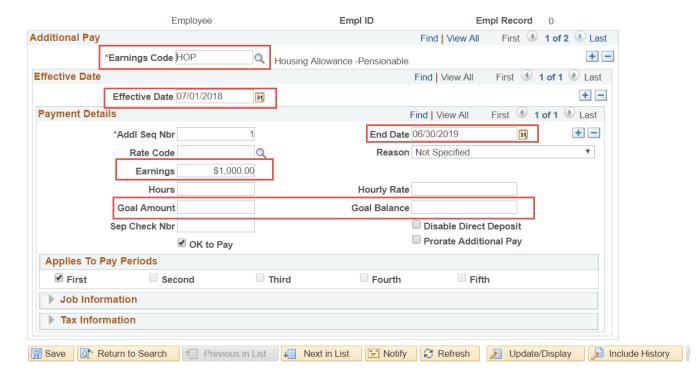- Shows as separate earnings on pay statement

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- 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

| Employee | Empl ID | Empl Record | 0 |

Additional Pay Find | View All First 1 of 2 Last

*Earnings Code HOP Housing Allowance -Pensionable

Effective Date Find | View All First 1 of 1 Last

Effective Date 07/01/2018

Payment Details Find | View All First 1 of 1 Last

*Addl Seq Nbr 1   End Date 06/30/2019
Rate Code   Reason Not Specified
Earnings $1,000.00
Hours   Hourly Rate
Goal Amount   Goal Balance
Sep Check Nbr   ☐ Disable Direct Deposit
                          ☐ Prorate Additional Pay
☑ OK to Pay

Applies To Pay Periods

☑ First   ☐ Second   ☐ Third   ☐ Fourth   ☐ Fifth

▶ Job Information

▶ Tax Information

💾 Save | 🔍 Return to Search | Previous in List | Next in List | Notify | 🔄 Refresh | Update/Display | Include History

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Payline Adjustment

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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

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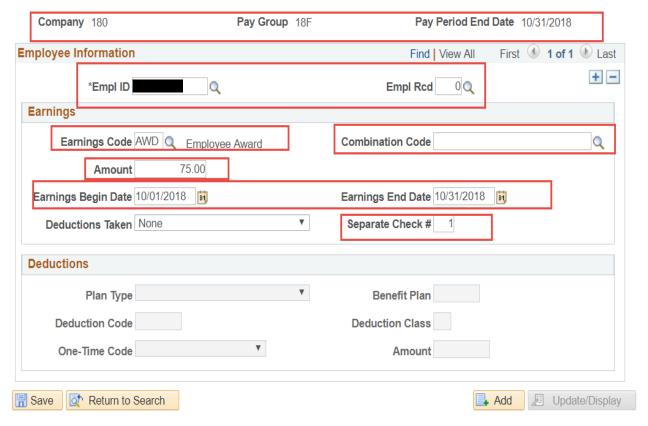OF GEORGIA

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

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- 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

Regular Earnings with Job Earnings Distribution (JED)

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Regular Earnings with Job Earnings Distribution (JED)

- Used for Dual Employment
- Uses single job and position, single comp rate code but two earnings codes.
- Enter funding line on department budget table to fund non-REG earnings
- Detail will continue through pay confirm and actuals distribution and GL

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- Encumbers all earnings as regular earnings; uses default earnings funding
- For retirement eligible earnings select a retirement eligible earnings code
- Supplemental pay shows correctly on pay check

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Multiple Components of Pay with Job Earnings Distribution

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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
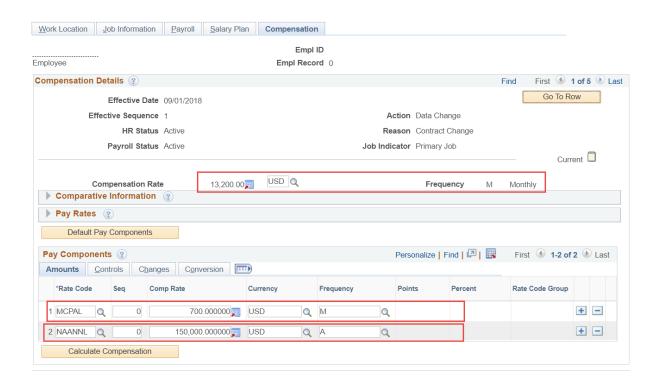
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MCOP with JED Distributed by Amount

- 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

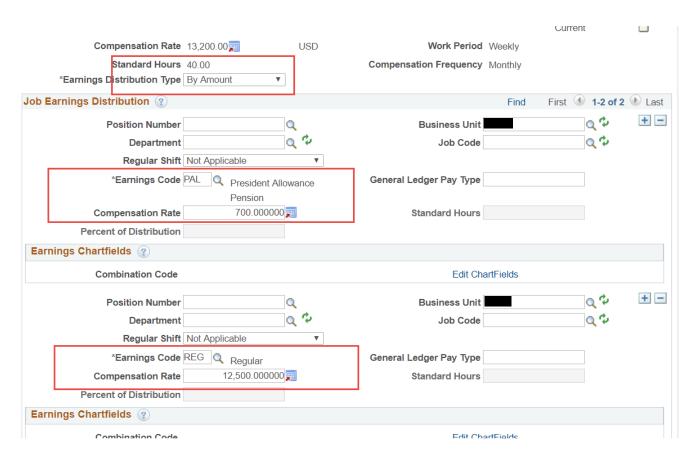UNIVERSITY SYSTEM
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- MCOP w/ JED – Job data comprises two components of pay – NAANNL for regular earnings (REG) and MCPAL for president allowance (PAL)
- Navigate to Compensation page in job Data
- Use Comp rate codes to enter each compensation component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

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- 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

DRAFT Employee Pay and Supplemental Pay Matrix

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Supplemental & Other Pay Next Steps Institution

- **By December 21ˢᵗ** - Review matrix and provide feedback to oneusgsupport@usg.edu
- **January**
  - Develop cross-functional working group to include HR, Payroll, Academic Affairs and Finance Resources
  - Analyze current supplemental and employee pay to determine future method of payment
- **February – July for OneUSG Connect Institutions**
  - Begin transition to the appropriate payment process based on matrix with exception of MCOP JED
  - Prepare for MCOP JED with the FY2020 contracts
- **July 1, 2019** – Transition to MCOP JED
  - Work with AU and GT on transitions concerns

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Supplemental and Other Pay Next Steps Working Team

- Analyze December 21st feedback
- Schedule meeting in January with Human Resource, Payroll and Academic Affairs, Finance Resources
- Develop communication plan and training documentation

- No budget prep impact until FY 2021
- OneUSG Connect Support
  - Diagnostics Review
  - Training follow up

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Off-cycle BPM Update

Off-Cycle Check Proposed BPM Revisions

- Updating BPM Off-Cycle Check Section 5.3.8, Off-Cycle Check Request form and Off-Cycle Procedures
  - Improving processes
  - Enhancing compliance and reporting
  - Ensuring accountability
- Go Live – January 1, 2019

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Off-Cycle Check Proposed BPM Revisions

- Renaming on demand payments to emergency payments
- Requiring CBO signature for emergency payments
- Establishing a schedule for processing emergency payments
- Updating the form to better track root cause

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Fiscal Year End Adjustment Payroll Update

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Fiscal Year End Adjustment Payroll

- An adjustment payroll for fiscal year end will no longer be processed
  - Creates delays in finalizing payroll numbers
  - Significant payments have caused interest and penalties
  - Inaccurately reflects cash flow
- Can be accomplished through online payroll adjustments in PeopleSoft Financials

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Questions

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