• Guiding Principles
• Requirements
• Definitions of Supplemental Pay
• Options for Standard Operating Procedures (SOP)
• Updated Employee Pay and Supplemental Pay Matrix
• 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
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.
- **Supplemental Pay** – 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.
• 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.
• 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
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
Multiple Jobs

- 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.
Additional Pay
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
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
Additional Pay

• Future state: Additional Pay Reason used to track metrics
Additional Pay

- 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
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
• 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)
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
• 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

REG Earnings with JED
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 – 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
DRAFT Employee Pay and Supplemental Pay Matrix
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
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
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
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
Fiscal Year End Adjustment Payroll Update
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
Questions