

FRESNO COUNTY OFFICE OF EDUCATION PAYROLL CHANGES – 08/02/2006

BACKGROUND

In order to be compliant with Internal Revenue Service Code (IRC) §451, several changes have been made to both the Payroll Update and Prelist applications. The most significant change will be seen on the Prelist application where Deferred Pay employees having tax reducing voluntaries scheduled for next summer will be identified in a grid.

PAYROLL PRELIST

1.1 The Prelist application screen looks slightly different, due to some changes made to accommodate the report queue. See Illustration 1.1.

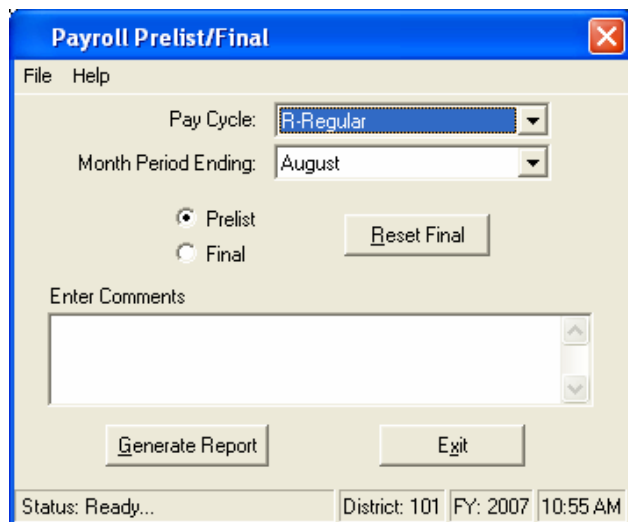


Illustration 1.1

1.2 Select the *Pay Cycle* and *Month* as you normally would and click **Generate Report**.

1.3 The most significant change will be visible once the prelist starts working. This is a grid that shows Deferred Pay employees, and their Voluntary Deduction number and name, where the deduction is in conflict with the months worked. (Illustration 1.3)

1.4 If there are no exceptions between voluntaries and Deferred Pay, the Prelist will run normally and the following items will not display.

1.5 The grid may be printed for reference, or you may choose to **Cancel** (cancelling will continue the Prelist without printing the grid). Until December 31, 2006, you may decide to leave the displayed voluntary deductions alone. You will no longer have that choice starting in January, 2007; they must be corrected at that point in order to run payroll.

1.6 Selecting **Print Grid** will send that list displayed to the printer.

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1.7 Once the list has been printed, or once you have cancelled, a message box will pop up. (Illustration 1.6)

| | SSN # | Employee Name | Voluntary Deduction Not Allowed |
|---|--------|---------------|-------------------------------------|
| 1 | xxx-xx | John Doe | 1081 - VFS FINANCIAL SERVICES, LLC |
| 2 | xxx-xx | Jane Doe | 3040 - LIFE INS CO OF THE SOUTHWEST |
| 3 | xxx-xx | Billy Idol | 8951 - AMERICAN FAMILY LIFE 125 |
| 4 | xxx-xx | Billy Idol | 8951 - AMERICAN FAMILY LIFE 125 |
| 5 | xxx-xx | Billy Idol | 8951 - AMERICAN FAMILY LIFE 125 |

Illustration 1.3

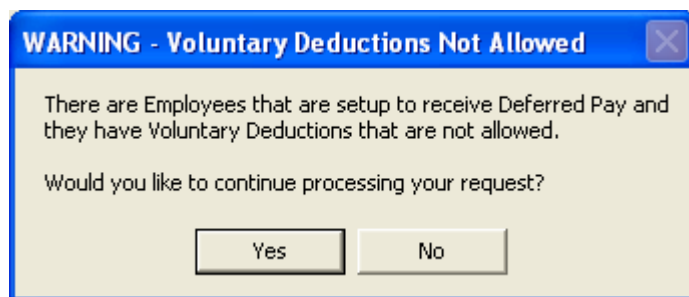


Illustration 1.6

1.8 Click **Yes** to continue on with the Prelist, or **No** to exit and return to the menu.

1.9 The Prelist will run as normal after this.

Note: After January 1, 2007, the Prelist will not process if there are still items identified in the grid.

PAYROLL UPDATE

2.1 Some changes have been made to the Payroll Update application as well. If you select an employee identified in the Prelist grid and move to the Voluntary deductions tab, you will see something similar to the example in Illustration 2.1.

2.2 The yellow line indicates that there is a problem with that voluntary deduction. This is because the months deducted are set up for the same months that the employee has deferred pay. Since this

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particular deduction reduces their taxable gross, it is disallowed in those summer month(s). (The line will appear blue if it is highlighted.)

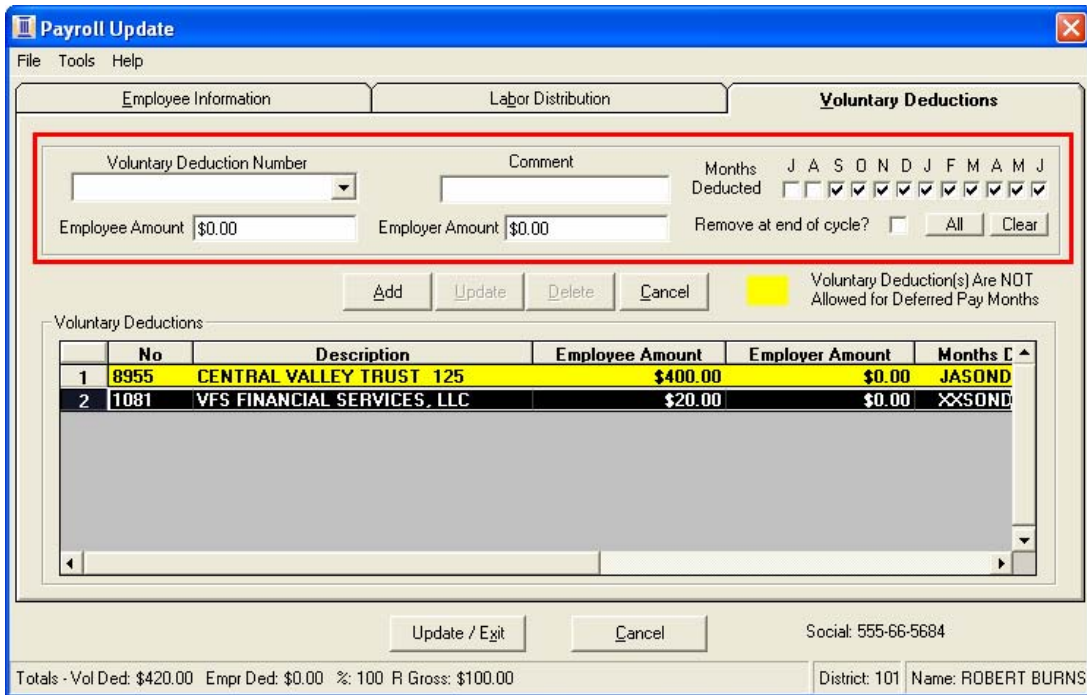


Illustration 2.1

2.3 **IMPORTANT** – If this voluntary (8955 in the example) is selected, it will automatically reset the months deducted and set them equal to the months paid. If it is before January 1, 2007 and you do not wish this to happen, you will have to re-check the summer months.

2.4 In addition to this, the only other change made was to the way the Retirement base applied against the Labor lines. When the Retirement base is changed on the first tab and the question appears to apply it against all Labor lines, it will now only apply to the NML monthly lines.