

SHARP-SHOOTER

TAKING AIM TO BETTER SERVE THE CUSTOMER

Volume 5, Issue 6

December, 2000

Payroll Calendar Year-end Reminders

The Division of Accounts and Reports is busy planning and preparing for the successful conclusion of calendar year 2000 payroll processing and for the beginning of processing for calendar year 2001. It is important for agencies to be planning and preparing for this transition as well.

As a reminder, employees wanting to claim the Earned Income Credit in calendar year 2001 must complete and file with their agency a 2001 Form W-5. Employees wanting to claim exemption from withholding in calendar year 2001 must complete and file a new Form W-4.

The deduction end date on the general deduction panel for 2000 United Way contributions should be dated between December 10, 2000 and December 23, 2000 in order for the last 2000 deduction to be taken on the paycheck issued December 22. For calendar year 2001, agencies can enter a new row effective-dated between December 10, 2000 and December 23,

2000 in order for the first deduction for 2001 to be taken on the January 5, 2001 paychecks.

The Social Security Administration (SSA) has announced that the 2001 social security wage base will be \$80,400, an increase of \$4,200 from the 2000 wage base of \$76,200. The maximum social security tax employees and employers will each pay in 2001 is \$4,984.80. As in prior years, there is no limit to the wages subject to the Medicare tax; therefore, all covered wages are still subject to the 1.45% tax.

Agencies should make every effort to collect all arrearage balances either by personal reimbursement or by paycheck deduction prior to the cut-off date for the December 26, 2000 off-cycle payroll. Agencies should refer to the most recent KPAY007, "Deductions in Arrears Report," and evaluate all existing arrearages for your agency and verify that collection will be made; agen-

cies should continue monitoring the KPAY007 reports to determine collections will be made by calendar year-end.

The home address shown on the Personal Data 1 panel is used as the mailing address for employee W-2s. To help ensure that each employee receives this important tax document, agencies should enter any needed home address changes. Address changes should be entered prior to December 29th to be effective for the W-2 mailing.

Accounts and Reports will be issuing an Informational Circular in December, 2000 which contains all of the key reminders and processing dates which affect calendar year-end 2000. Please watch and refer to this circular to ensure a smooth and problem-free transition to 2001.

AKSESS a Success

Last October, for the first time, state employees made their benefits open enrollment selections via the Internet using AKSESS (Automated Kansas State Employees Service System). Benefits eligible employees went online over 14,000 times to view or change their group health insurance coverage or enroll in a Flexible Spending Account.

The Department of Administration

believes that a major part of the success of this year's open enrollment is due to agency human resources and benefits staff. Their willingness to respond to surveys earlier this year, attend stakeholder meetings, ensure agency readiness, participate in testing, and assist employees as they enrolled was vital. Many thanks to those of you who helped make this year's open enrollment a success.

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2001 Leave Accrual Schedule

The following chart shows the Leave Accrual Schedule for 2001. The chart lists the following: beginning and ending pay period dates; leave accrual job run date; final pay calculation date; the last day to correct time and leave entry in the current pay period; and the pay day for each corresponding pay period. This document can be printed from the SHARP Web Site: <http://da.state.ks.us/sharp/>. Look for "Leave Accrual Schedule 2001" under the Documents section.

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Pay Period	Begin Date	End Date	Leave Accrual, Final Pay Calculation, & Last Day for T&L Corrections */**	Pay Day**
26	12/10/00	12/23/00	12/29/00	01/05/01
	12/24/00	01/06/01	01/26/01	01/19/01
2	01/07/01	01/20/01	01/26/01	02/02/01
	01/21/01	02/03/01	02/09/01	02/16/01
4	02/04/01	02/17/01	02/23/01	03/02/01
	02/18/01	03/03/01	03/09/01	03/16/01
6	03/04/01	03/17/01	03/23/01	03/30/01
	03/18/01	03/31/01	04/06/01	04/13/01
8	04/01/01	04/14/01	04/20/01	04/27/01
	04/15/01	04/28/01	05/04/01	05/11/01
10	04/29/01	05/12/01	05/18/01	05/25/01
	05/13/01	05/26/01	06/01/01	06/08/01
12	05/27/01	06/09/01	06/15/01	06/22/01
	06/10/01	06/23/01	06/29/01	07/06/01
14	06/24/01	07/07/01	07/13/01	07/20/01
	07/08/01	07/21/01	07/27/01	08/03/01
16	07/22/01	08/04/01	08/10/01	08/17/01
	08/05/01	08/18/01	08/24/01	08/31/01
18	08/19/01	09/01/01	09/07/01	09/14/01
	09/02/01	09/15/01	09/21/01	09/28/01
20	09/16/01	09/29/01	10/05/01	10/12/01
	09/30/01	10/13/01	10/19/01	10/26/01
22	10/14/01	10/27/01	11/02/01	11/09/01
	10/28/01	11/10/01	11/14/01	11/21/01
24	11/11/01	11/24/01	11/30/01	12/07/01
	11/25/01	12/08/01	12/14/01	12/21/01
26	12/09/01	12/22/01	12/28/01	01/04/02
1	12/23/01	01/05/02	01/11/02	01/18/02

* In current pay period

** Dates are subject to change

2000 Total Compensation Statement

Using SHARP data, the Division of Personnel Services and the Division of Information Systems and Communications are working together to create the 2000 Total Compensation Statement for all benefits eligible state employees excluding the seven Regents Institutions. The Regents Institutions will provide the information directly to their employees. The statement is in response to House Bill 2034, passed by the 2000 Legislature, which requires the Secretary of Administration to “prepare and distribute to each state officer or employee an annual one-page summary” of their compensation package from the state.

According to the legislation, the statement is to illustrate both the direct compensation and indirect compensation received as a State of Kansas employee. Direct compensation is pay received for hours worked, holidays, leave, etc. Indirect compensation includes payments made by the State of Kansas as the employer such as the employer contribution for insurance, retirement, and taxes.

While many employees may not realize it, their compensation package may also include other benefits and services such as direct deposit, optional group life insurance, flexible spending accounts, pretax premium option, HealthQuest, training, and tuition reimbursement.

The 2000 Total Compensation Statement does not replace W2 forms or other income tax related information and is not intended for use in tax preparation. It will be mailed to each benefits eligible

employee in February, 2001. The Division of Personnel Services will also provide general information to agency human resource offices

about the earnings codes used to determine the different forms of compensation.

Discretionary Holiday for 2000 and 2001

Agencies should remind eligible employees who have not yet used their 2000 discretionary holiday they have until December 23, 2000 to use it. Since the majority of the state workforce is off on Saturdays, for most employees the last day to use this holiday is Friday, December 22, 2000.

The 2001 discretionary holiday balances for employees that are eligible to receive a discretionary holiday will be updated via a batch program. The program will run during the December 24, 2000 to January 6, 2001 pay period. As a reminder, the program will in-

crease eligible employees’ balances by 24 hours in order to cover those employees whose regularly scheduled workday is longer than 8 hours. This does not mean employees have three 8-hour discretionary days. An employee is still limited to using the discretionary holiday on only one day. The employee’s check stub will still display a “DD” if the employee has a balance. Once the “day” has been used, whether it is a 4, 8, 12, or any amount up to a 24-hour day, the “DD” is removed from the check stub and the balance in the SHARP system is reduced to zero.

Holidays for State of Kansas Employees

Holidays for 2001

New Year’s Day	Monday	January 1, 2001
Martin Luther King Day	Monday	January 15, 2001
Memorial Day	Monday	May 28, 2001
Independence Day	Wednesday	July 4, 2001
Labor Day	Monday	September 3, 2001
Veterans Day	Monday	November 12, 2001
Thanksgiving Day	Thursday	November 22, 2001
	Friday	November 23, 2001
Christmas Day	Tuesday	December 25, 2001
Discretionary Day		<i>May be used any day from 12/24/00-12/22/01</i>

Dear Dead Eye...

Q: How do I add a new 10-digit Department ID in my agency and what are some things to consider before doing so?

A: To add a new 10-digit Department ID, send a request to Gina Vinyard at gina.vinyard@state.ks.us or 785-296-4314. Please include the Department ID and the 30-character name for the Department ID. You should consider the following when adding a new Department ID:

1. Set up funding right away for your new department using the Department Budget FTE table in Add mode. (This is the one time you use Add mode instead of Update/Display mode.) For more information on setting up

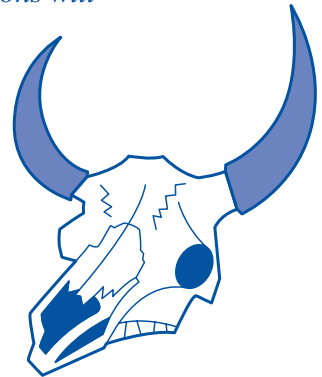
funding, please reference the Manage Positions Computer-Based Training (CBT) or the Payroll CBT.

2. When you move employees to your new department, beware of timing. You should move employees to a new department effective the first day of a pay period. Keep in mind that timesheets are created on the first day of the pay period. If you move an employee to a new department after timesheets are created, you will need to add a timesheet for the employee in the new department and delete their timesheet in the old department. (For instructions on how to Add and Delete

timesheets, please reference the Time & Leave CBT.) Your best bet is to future date movement to a new department so that a timesheet is automatically created for the employee in their new department.

All questions for Dear Dead Eye are welcomed and should be directed to "Dead Eye" at the project address, (785) 296-4886, or E-Mail: douglas.quinn@state.ks.us.

All questions will be answered in the following issue of the newsletter.



Parking Compensation Reduction Program

The State of Kansas Parking Compensation Reduction Program established pursuant to Section 132 of the Internal Revenue Code and K.S.A. 75-5535 was approved by the Secretary of Administration on July 28, 2000. The purpose of the Program is to provide a parking compensation reduction program that results in payment of parking fees by state employees for state owned or leased parking facilities (including the Signature Building) on a pre-tax basis. The Program authorizes employees to participate in a pre-tax parking payroll deduction where the amount of the parking deduction is not included in gross income. As a result, the employee does not pay employment taxes for federal withholding, state withholding, OASDI, and Medicare on the compensation reduction amount or parking fee. The unemployment compensation insurance (UCI) gross will be reduced by the compensation reduction amount or parking fee.

This program will be administered in accordance with Section 132 of the Internal Revenue Code, and any regulations promulgated thereunder, and K.S.A. 75-5535, by the Division of Facilities Management (DFM) with the advice and approval of the Director of Accounts and Reports. Savings resulting from the reduction in employer paid FICA contributions will be paid to the Department of Administration for administration of the program. Except for parking at Board of Regents institutions, the employer contribution deduction will be distributed as follows:

4.65% for Division of Facilities Management and 3.0% for the Division of Accounts and Reports. For parking administered by Board of Regents institutions, the employer contribution will be distributed as follows: 1.0% for the Regents institution, 2.5% for the Division of Accounts and Reports and 4.15% for the Division of Facilities Management.

The Program will utilize the “negative election permitted” approach. This means that employees who have parking payroll deductions in place under K.S.A. 75-5535 will automatically be enrolled in the pretax program unless the employee elects not to participate. DFM Parking Administration is responsible for notifying such employees of the opportunity to not participate in the Program. Elections not to participate shall be effective at the beginning of

the next payroll period following the date the election not to participate is received by DFM Parking Administration or received by the affected Regents institution parking administration office in the case of Regents parking.

The salary reduction is a fixed dollar amount as stated on the signed parking contract for the parking facility. In the event the rates change, advanced notice will be given to affected employees who will have the option to elect not to participate. The Program will be provided on a bi-weekly basis that coincides with payroll periods and will be automatically renewed for subsequent periods until a timely election not to participate is received. Compensation reduction amounts are not refundable unless a timely election not to participate is received.

SHARP Agencies

- The following new general deduction codes will be established in SHARP to implement parking on a pre-tax basis for SHARP employees:

<u>Current Deduction Code</u>	<u>New Deduction Code</u>	<u>Amount</u>	<u>City/Lot Designation</u>
PKT01B	PPKT01	\$4.62	Topeka/Lot #01
PKT02B	PPKT02	4.62	Topeka/Lot #02
PKT04B	PPKT04	4.62	Topeka/Lot #04
PKT05B	PPKT05	4.62	Topeka/Lot #05
PKT06B	PPKT06	4.62	Topeka/Lot #06
PKT07B	PPKT07	4.62	Topeka/Lot #07
PKW01C	PPKW01	9.70	Wichita/Lot #01
PKW02A	PPKW02	5.08	Wichita/Lot #02

continued on reverse

Parking Compensation continued

- The following new general deduction codes will be established in SHARP to implement the employer contribution for pre-tax parking for SHARP employees:

<u>Deduction Code</u>	<u>Amount</u>
PPKAD1	\$0.35 (\$4.62 X .0765)
PPKAD2	0.74 (\$9.70 X .0765)
PPKAD3	0.39 (\$5.08 X .0765)

- Conversion to New Codes - General deduction records for all SHARP employees currently enrolled in parking will be updated with the appropriate deduction end date and two new effective-dated rows with the new parking codes (employee and employer). The conversion to the new codes will occur in SHARP on December 18, 2000. All active SHARP employees with an existing parking deduction will be enrolled in the pre-tax parking program effective December 10, 2000.

- Future Maintenance - After the initial enrollments have been made in SHARP, the Division of Facilities Management will be responsible for adding and updating the employee and employer deduction codes for pre-tax parking for new enrollments, changes, and deletions.

- The Division of Accounts and Reports, Payroll Systems Team is responsible for making the necessary updates to the SHARP payroll system.

Regents Institutions

- The following new general deduction codes will be established in SHARP to implement parking deductions for Regents on a pre-tax basis:

<u>Deduction Code</u>	<u>Regents Institution</u>
PPKS01	Wichita State University
PPKL01	University of Kansas
PPKM01	Kansas State University
PPKE01	Emporia State University
PPKP01	Pittsburg State University
PPKK01	University of Kansas Medical Center
PPKH01	Fort Hays State University

- Regents should continue to use the “AGYPAY” deduction code to collect parking fees from their employees on an after-tax basis in the following situations:

- for those parking facilities which are not state owned or leased, or

- for employees who elect NOT to participate in the pre-tax program for those lots that are state owned or leased.

- Only one pre-tax deduction code will be established for each participating Regents institution. Regents institutions having multiple parking lots with differing rates can establish additional pre-tax parking codes as needed in their payroll system. However, the codes should be “rolled up” and reported on the Regents paydetail file using the appropriate pre-tax parking general deduction code assigned.

- A new general deduction code PPKADR will be established in SHARP to implement the employer contribution for pre-tax parking for Regents’ employees.

- Regents institutions are responsible for ensuring these changes are reflected in their individual systems.

For questions about business process design or to submit a test file please contact Nancy Ruoff, Payroll Services at (785) 296-5369 or nancy.ruoff@state.ks.us.

Questions about remittance or accounting information may be directed to Myrene Bears, Payroll Services at (785) 296-5368 or myrene.bears@state.ks.us.

Other questions about the Parking Compensation Reduction Program may be directed to Ken Bartel, Facilities Management at (785) 296-1318 or ken.bartel@state.ks.us.