



Payroll SME Meeting

 April 15, 2019



Department of Accounting and General Services
in coordination with the
Office of Enterprise Technology Services

TALK STORY TOPICS



- EUTF Team
 - Non-Cash WIK (WF code)
 - Garnishment Inquiries
- Federal and State Tax Calculations
 - New HIP Ticket System
 - Post Death Payments
 - Employment Verification
 - Earnings Dates
- W2 Reprints and Corrections
 - Password Resets



EUTF Outreach and Training

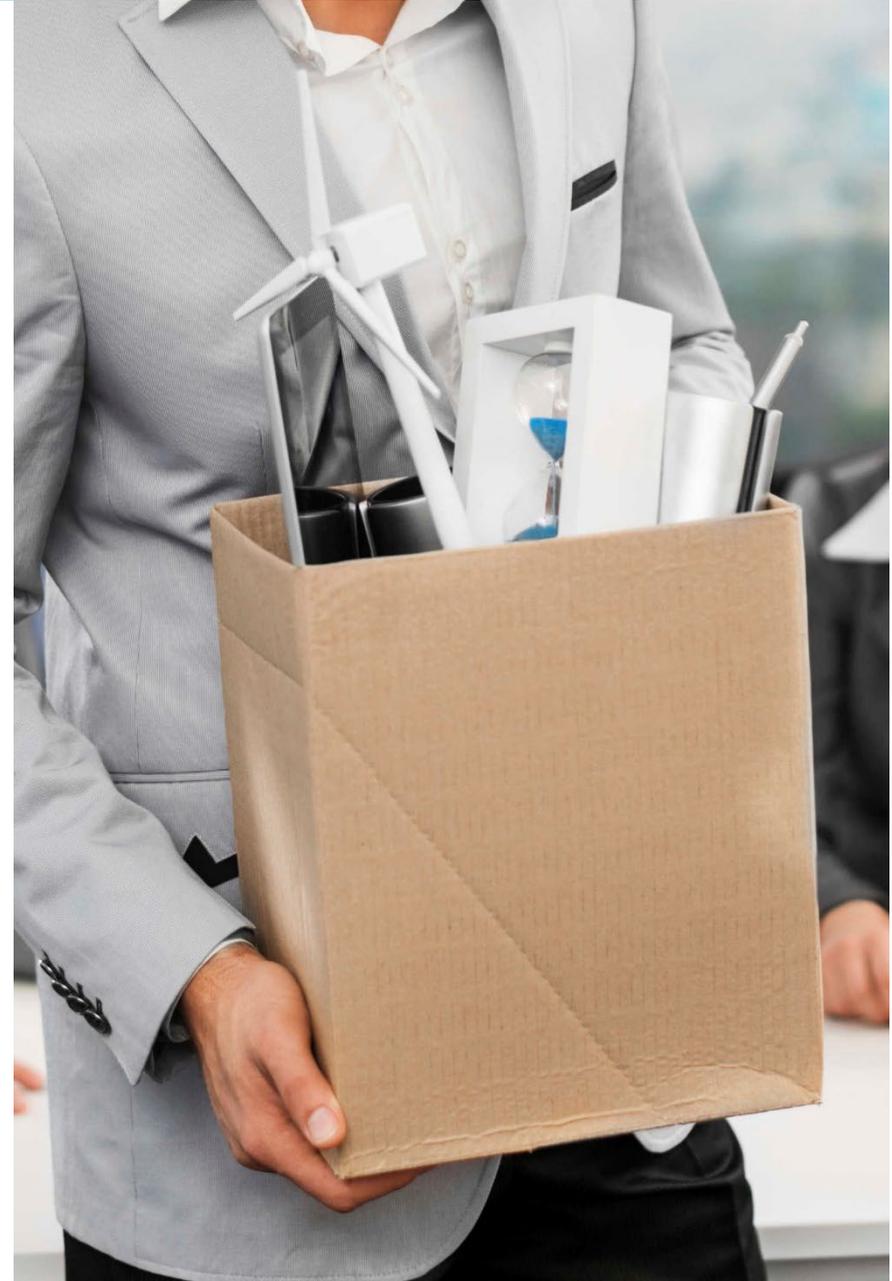
Terminations & Open Enrollment

Hawaii Employer-Union Health Benefits Trust Fund

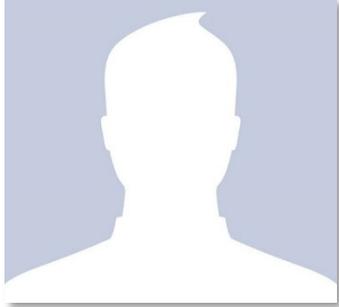
Terminations

Termination of Employment

An employee who terminates employment will continue health coverage until the end of the pay period in which the termination has occurred.

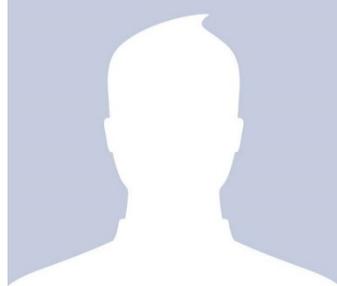


Termination Example



- Jeff terminated his state employment on 04/02/2019.
- Employers would need to submit a EC-1 form to EUTF to terminate the employee three business days prior to the end of the pay period. (04/10/2019)
- He will continue to be covered under his health insurance until the last day of the pay period (04/15/2019) and coverage will terminate on 04/16/2019.
- If Jeff elects COBRA continuation of coverage, COBRA will start on 4/16/2019.
- The last health benefit premium deduction would occur on the 4/20 paycheck.
- Jeff's last paycheck for wages will be on 5/5/2019.

Termination Date – EUTF Notification



■ - Termination Date 4/02/2019

APRIL 2019						
SUN	MON	TUE	WED	THU	FRI	SAT
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Hawaii Employer-Union Health Benefits Trust Fund Submit this form to
HFD Finance Division

**ACTIVE EMPLOYEE
EC-1 HEALTH BENEFITS ENROLLMENT FORM**
Bargaining Unit 12 (Police) Only

EMPLOYEE DATA

Complete each section thoroughly, please print clearly

Enrollment Type (You must check one box): **New Hire** **Qualifying Event** **Open Enrollment**

New Hire or Qualifying Event Date: _____ **Qualifying Event Description:** _____

Full Legal Name: Last _____ First _____ M.I. _____ Social Security No. or EUTF ID No.: _____

Mailing Address: _____ Residence Address: _____
 City _____ State _____ Zip Code _____ City _____ State _____ Zip Code _____

Marital Status: Single Married Domestic Partner Gender: Male Female Birthdate: / /

Employers would need to submit a EC-1 form to EUTF to terminate the employee three business days prior to the end of the pay period. (04/10/2019)

HMSA PPO-90/10 Medical, Chiro and CVS Prescription Drug Monthly Employee Premium	<input type="checkbox"/> Cancel/Waive	<input type="checkbox"/> Self \$284.58	<input type="checkbox"/> Two-Party \$664.90	<input type="checkbox"/> Family \$863.20
HMSA PPO-90/20 Medical, Chiro and CVS Prescription Drug Monthly Employee Premium	<input type="checkbox"/> Cancel/Waive	<input type="checkbox"/> Self \$188.10	<input type="checkbox"/> Two-Party \$423.72	<input type="checkbox"/> Family \$550.48
HMSA PPO-75/25 Medical, Chiro and CVS Prescription Drug Monthly Employee Premium	<input type="checkbox"/> Cancel/Waive	<input type="checkbox"/> Self \$48.06	<input type="checkbox"/> Two-Party \$120.06	<input type="checkbox"/> Family \$155.50
HMSA HMO Medical, Chiro and CVS Prescription Drug Monthly Employee Premium	<input type="checkbox"/> Cancel/Waive	<input type="checkbox"/> Self \$360.54	<input type="checkbox"/> Two-Party \$905.40	<input type="checkbox"/> Family \$1,175.10
Kaiser HMO Comprehensive Medical, Chiro and Prescription Drug Monthly Employee Premium	<input type="checkbox"/> Cancel/Waive	<input type="checkbox"/> Self \$235.98	<input type="checkbox"/> Two-Party \$593.68	<input type="checkbox"/> Family \$771.30
Kaiser HMO Standard Medical, Chiro and Prescription Drug Monthly Employee Premium	<input type="checkbox"/> Cancel/Waive	<input type="checkbox"/> Self \$53.14	<input type="checkbox"/> Two-Party \$132.86	<input type="checkbox"/> Family \$172.18
HMA Supplemental Medical and Prescription Drug Monthly Employee Premium (Must have coverage under a non-EUTF health plan to be eligible for Supplemental)	<input type="checkbox"/> Cancel/Waive	<input type="checkbox"/> Self \$12.82	<input type="checkbox"/> Two-Party \$26.62	<input type="checkbox"/> Family \$29.22
Dental Select one:				
Hawaii Dental Service Monthly Employee Premium	<input type="checkbox"/> Cancel/Waive	<input type="checkbox"/> Self \$13.48	<input type="checkbox"/> Two-Party \$26.98	<input type="checkbox"/> Family \$44.36
Vision Select one:				
Vision Service Plan Monthly Employee Premium	<input type="checkbox"/> Cancel/Waive	<input type="checkbox"/> Self \$2.44	<input type="checkbox"/> Two-Party \$4.50	<input type="checkbox"/> Family \$5.90
Life Select one:				
USABLE Life Monthly Employee Premium	<input type="checkbox"/> Cancel/Waive	<input type="checkbox"/> Self \$0		

Please contact your personnel office for more information on Premium Conversion or Flex Plan options.

Additional resources available on our website at: eutf.hawaii.gov



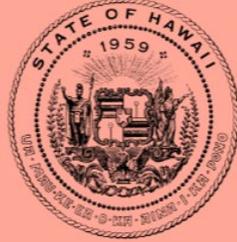
Health Benefit Coverage Continuation - COBRA

- - Termination Date 4/02/2019
- - Health Benefit Coverage continues through 4/15/2019

APRIL 2019						
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10.01.13

Hawaii Employer-Union Health Benefits Trust Fund



IMPORTANT DOCUMENT

This COBRA CONTINUATION COVERAGE ELECTION NOTICE pamphlet contains important information and instructions regarding your health benefits continuation coverage under COBRA.

**If Jeff elects COBRA
continuation of coverage,
COBRA will start on 4/16/2019**

**YOUR RESPONSE IS TIME SENSITIVE.
PLEASE READ THESE INSTRUCTIONS
CAREFULLY.**

IMPORTANT DOCUMENT

1



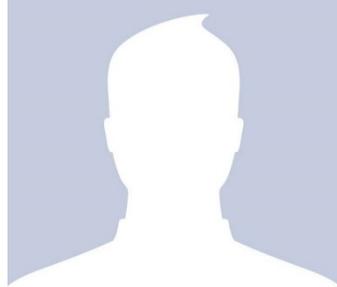
Health Coverage & Premium Deduction

- - Termination Date 4/02/2019
- - Health Benefit Coverage continues through 4/15/2019
- - Last Health Premium Deduction 4/20/2019

APRIL 2019						
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Health Coverage & Premium Deduction



- - Termination Date 4/02/2019
- - Health Benefit Coverage continues through 4/15/2019
- - Last Health Premium Deduction 4/20/2019
- - Last Paycheck for wages 5/5/2019

APRIL 2019						
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MAY 2019						
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26	27	28	29	30	31	

Open Enrollment

2019 Open Enrollment

IMPORTANT DATES



Employees who wish to enroll or make changes must complete and submit an EC-1 or EC-1H enrollment form and any required proof documents on or before the submission deadline to their HRO, CPO, EBU office or enrollment designee. For employees who do not want to make changes, no action is needed.

Do not expect extensions this year

2019 Open Enrollment

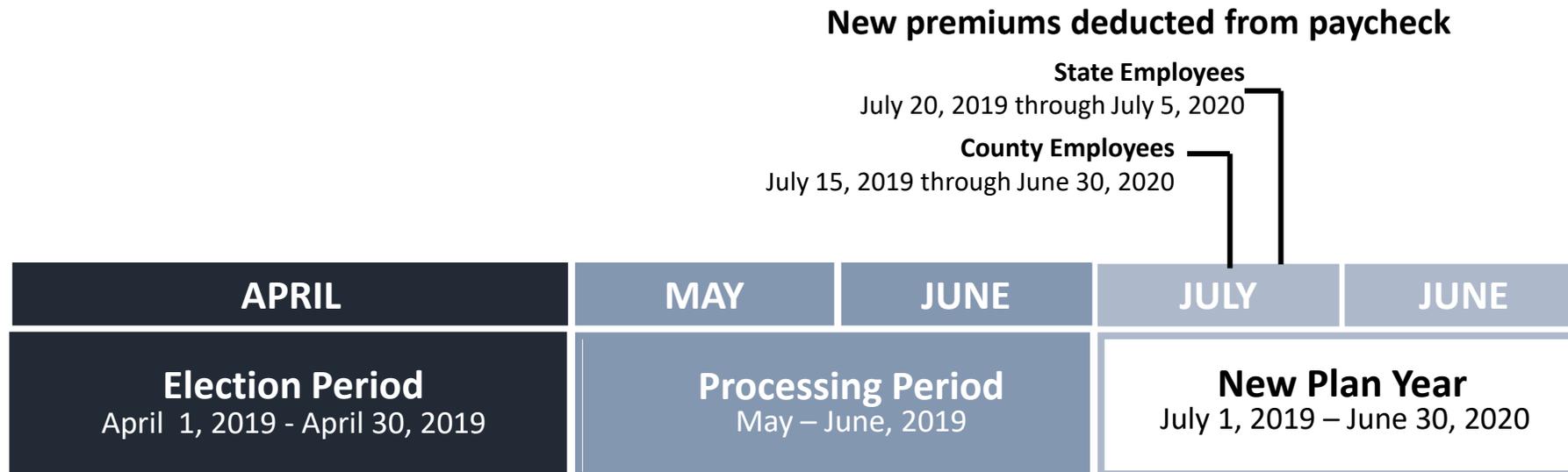
IMPORTANT DATES



Enrollment forms received on or before the deadline will be processed during the months of May and June. Once the enrollment is processed, a confirmation notice will be mailed to the employee. If you do not receive a confirmation notice by the end of June, please contact the EUTF. If you are not enrolling or making changes during the election period, you will not receive a confirmation notice.

2019 Open Enrollment

IMPORTANT DATES



The New Plan Year for active employees begins July 1st and continues until June 30th of the following year. All changes made during open enrollment will take effect July 1st. Any health plan changes including new premiums and rate changes will also take effect July 1st.

Questions?



Mahalo



Non-Cash WIK (WF Code)



- The WF code (formally known as F WIK code in the legacy system) comes from an interface file from EUTF.
- In HIP, on Review Paycheck, it is notated as "WF - Non Cash WIK", but on employee's pay statements, it is just notated as "Non Cash WIK."
- Employee's should contact EUTF if there are questions about what the Non-Cash WIK is about.
- The M_PY_WIK_BY_PP query will help show results of who had WF processed on the paycheck.

What is a Garnishment?

- A garnishment is a court judgment mandating that a portion of an employees income be withheld to resolve a debt within specific legal requirements.
- There are many different types of garnishments – all with varying legal requirements.



** The key to remember is that any and all garnishment inquiries should be directed to Central Payroll for your protection.

Garnishment Inquiries

- Scenario 1: Employee comes to you with a question related to a garnishment order
- Response 1: Ask your employee to send their question to us by email at dags.garnishment@hawaii.gov
 - Please note that we are not able to provide any information to anyone other than the employee.
 - We also need the communication to be in writing (email) to ensure that we are providing correct and documented information to the employee.



Garnishment Inquiries

- Scenario 2: You receive a garnishment order for one of your employees
- Response 2: Please send it as soon as possible directly to DAGS Central Payroll.
 - Please note that you should not retain a copy or communicate any of the information to the employee.



Garnishment Inquiries

- Scenario 3: A vendor, such as an attorney's office, reaches out to you regarding a garnishment order. This may include a phone call, email, official correspondence, etc.
- Response 3: Please send it as soon as possible directly to DAGS Central Payroll at dags.garnishment@hawaii.gov
 - We will follow up to resolve any questions or concerns regarding the employees information
 - Please note that you should not retain a copy or communicate any of the information to the employee.



Federal and State Tax Calculations

- In lieu of issuing a Central Payroll Notice on Federal and State tax calculations, we will provide links to the IRS and State of Hawaii publications each year.
- These will show how to calculate the Federal and State withholdings in the event that you need to complete this manually.



[Federal Tax Withholding](#)



[State Tax Withholding](#)

Federal Tax Calculations Example

- Employee A: Claims Single with 2 Allowances on their W-4 Form

Total Earnings = \$2,500.00

Less Pre-tax deductions = \$500.00

Total Taxable Federal Wages = \$2,000

Convert to annual amount $\$2,000 * 24 = \$48,000$

Per Page 45, deduct \$4,200 from this amount per the number of Allowances Claimed

$\$4,200 * 2 \text{ Allowances} = \$8,400$

$\$48,000 - \$8,400 = \mathbf{\$39,600}$

Table 5. **Percentage Method—2019 Amount for One Withholding Allowance**

Payroll Period	One Withholding Allowance
Weekly	\$ 80.80
Biweekly	161.50
Semi-monthly	175.00
Monthly	350.00
Quarterly	1,050.00
Semi-annually	2,100.00
Annually	4,200.00
Daily or miscellaneous (each day of the payroll period)	16.20



Federal Tax Calculations Example

- Now that you take this amount and complete the calculation on Page 47 for **\$39,600**

TABLE 7—ANNUAL Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
Not over \$3,800		\$0		Not over \$11,800		\$0	
\$3,800	—\$13,500	\$0.00 plus 10%	—\$3,800	\$11,800	—\$31,200	\$0.00 plus 10%	—\$11,800
\$13,500	—\$43,275	\$970.00 plus 12%	—\$13,500	\$31,200	—\$90,750	\$1,940.00 plus 12%	—\$31,200
\$43,275	—\$88,000	\$4,543.00 plus 22%	—\$43,275	\$90,750	—\$180,200	\$9,086.00 plus 22%	—\$90,750
\$88,000	—\$164,525	\$14,382.50 plus 24%	—\$88,000	\$180,200	—\$333,250	\$28,765.00 plus 24%	—\$180,200
\$164,525	—\$207,900	\$32,748.50 plus 32%	—\$164,525	\$333,250	—\$420,000	\$65,497.00 plus 32%	—\$333,250
\$207,900	—\$514,100	\$46,628.50 plus 35%	—\$207,900	\$420,000	—\$624,150	\$93,257.00 plus 35%	—\$420,000
\$514,100		\$153,798.50 plus 37%	—\$514,100	\$624,150		\$164,709.50 plus 37%	—\$624,150

$$\$39,600 - \$13,500 = \$26,100$$

$$\$26,100 * 12\% = \$3,132$$

$$\$3,132 + \$970 = \$4,102$$

$$\$4,102 / 24 \text{ pay periods} = \mathbf{\$170.92}$$
 This is your calculated Federal Tax Withholding Amount

State Tax Calculations Example

- The [State Tax Publication](#) includes the same information to help you through the calculation in the event that you need to manually determine the amount.
- Please start on Page 20 once your taxable state wages have been determined.

ANNUALIZED INCOME TAX WITHHOLDING

Annualized Income Tax Withholding: You may determine the tax to be withheld on the basis of annualized wages (using the tax computation method for annual payroll periods), then prorate the tax on the basis of the payroll period actually used. Employers with more than one payroll period (for instance, part-timers paid weekly; full-timers paid semi-monthly) may find this method helpful for conserving computer memory capacity. Only the annual rates below, wage brackets and allowance values need to be stored.

Example: An employee who is single and has only one job, is paid \$375 a week. He claims three withholding allowances (one personal exemption, an allowance since he is single and has only one job, and an allowance for his estimated itemized deductions) on the Employee's Withholding Allowance and Status Certificate (Form HW-4) on file with you.

1. Multiply weekly wage of \$375 x 52 weeks to determine annual wage	\$ 19,500.00
2. Subtract withholding allowances (\$1,144 x 3).....	<u>3,432.00</u>
3. Amount subject to withholding (line 1 minus line 2)	<u>\$ 16,068.00</u>
4. Compute withholding tax on \$16,068 using the WITHHOLDING TAX RATES below for a single person, annual payroll period:	
Tax on first \$14,400.....	\$ 682.00
Tax on remaining \$1,668 at 6.8%	<u>113.42</u>
Annual withholding tax	<u>\$ 795.42</u>
5. Compute Weekly withholding tax (\$795.42 /52 weeks)	\$ 15.30

* Note: \$1,144 subtracted per allowance

ANNUAL PAYROLL PERIOD

A. SINGLE PERSONS — INCLUDING UNMARRIED HEADS OF HOUSEHOLD

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to be withheld shall be:	
<u>Over</u>	<u>But not over</u>		
\$ 0	\$ 2,400	1.40% of excess over	\$ 0
\$ 2,400	\$ 4,800	\$ 34.00 plus 3.20% of excess over	\$ 2,400
\$ 4,800	\$ 9,600	\$ 110.00 plus 5.50% of excess over	\$ 4,800
\$ 9,600	\$ 14,400	\$ 374.00 plus 6.40% of excess over	\$ 9,600
\$ 14,400	\$ 19,200	\$ 682.00 plus 6.80% of excess over	\$ 14,400
\$ 19,200	\$ 24,000	\$ 1,008.00 plus 7.20% of excess over	\$ 19,200
\$ 24,000	\$ 36,000	\$ 1,354.00 plus 7.60% of excess over	\$ 24,000
\$ 36,000	\$ 2,266.00 plus 7.90% of excess over	\$ 36,000

B. MARRIED PERSONS

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to be withheld shall be:	
<u>Over</u>	<u>But not over</u>		
\$ 0	\$ 4,800	1.40% of excess over	\$ 0
\$ 4,800	\$ 9,600	\$ 67.00 plus 3.20% of excess over	\$ 4,800
\$ 9,600	\$ 19,200	\$ 221.00 plus 5.50% of excess over	\$ 9,600
\$ 19,200	\$ 28,800	\$ 749.00 plus 6.40% of excess over	\$ 19,200
\$ 28,800	\$ 38,400	\$ 1,363.00 plus 6.80% of excess over	\$ 28,800
\$ 38,400	\$ 48,000	\$ 2,016.00 plus 7.20% of excess over	\$ 38,400
\$ 48,000	\$ 72,000	\$ 2,707.00 plus 7.60% of excess over	\$ 48,000
\$ 72,000	\$ 4,531.00 plus 7.90% of excess over	\$ 72,000

20



Introducing the New HIP Ticket System

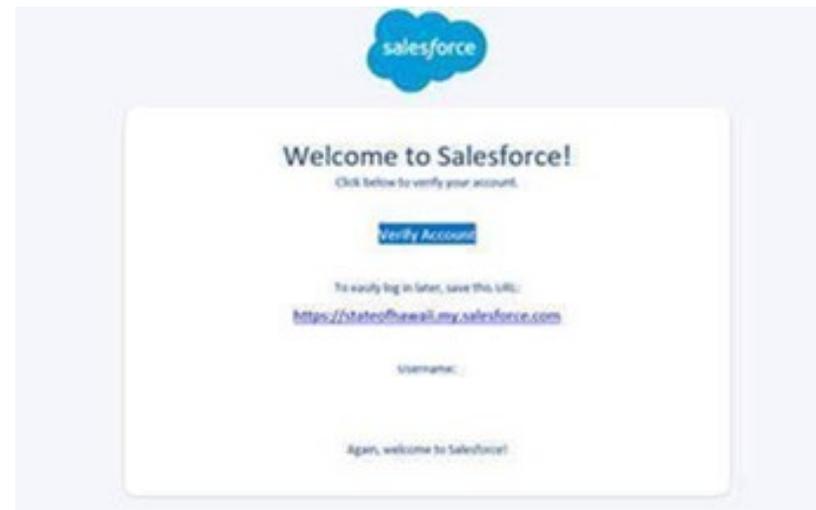
- Included is a "Knowledge Article Library" that will store questions and answers provided to HR and Payroll users.
- An added benefit for HR and payroll users to search for information and find the answers they need.
- Or users now have the ability to submit a HIP Service Ticket using the new online feature.

hipservice.hawaii.gov



Email Invitation from Salesforce

- Prior to the release of the new HIP Ticket System, each payroll user will receive an email invite as shown below.
- The email will come from support@salesforce.com.
- Users will need to first register by clicking on the link to verify their account information. If you or your staff should need any assistance please hip@hawaii.gov.



Post Death Payments to Beneficiary

- Notify DAGS Clerical of a deceased employee
- Will need to process a check for funds to pay beneficiary
- Complete [Post Death Payment Worksheet](#)
- Input into the system through the Online PCS and notify HIP when the payment is coming for processing
 - Submit Post Death Payment Worksheet
 - If no D-90 on file, payment will be issued to the "Estate of _____"
 - Notify us in advance if there will be an Affidavit for Collection of Personal Property



Employment Verifications

- Many Employees need an Employment Verification Completed for many reasons, such as when applying for a loan or a new position.
- Often these are directed to DAGS Central Payroll, however, we are unable to complete these on behalf of your employees.
- These should be referred to your Department to process.
 - This may mean that your HR team completes these with you or on behalf of your employees.
 - Please work within your department to identify who is responsible for these if it is not known rather than sending them to DAGS Central Payroll.

Earnings Dates

- Payroll Entries in the Online PCS include the Earnings Begin and End Dates
- Due to how the payroll data is provided to a number of areas, such as ERS, it is important that these earnings do not exceed one pay period.
- We have created a query for you to validate that you do not have any rows that exceed this range (16 days) to prevent rows from being denied during processing.
- Query Name: **M_PY_PCS_GREATER_THAN_16_DAYS**
 - Please refer to the [Learning Management System \(LMS\)](#) for assistance in running PCS related queries under Resources > HIP PCS Audit Report

W2 Reprints and Corrections

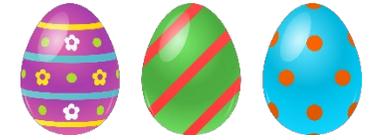
- The W-2 Reprint Fee of \$10, was waived for a number of employees due to the adjustment of converting to a new payroll system.
- After April 18th, the \$10 fee will be in place for all W-2 reprints
- You will need to use Online form for [W2 reprints](#) and [W2-C Requests](#)
- Coordinate with your HR team for any name changes prior to the submission of the request.



Password Resets and Expirations

- Soon you and many of your employees may be reaching the expiration date of their HIP password (90 Days). *Excludes UH Employees
- Passwords are set to expire and must be changed every 90 days to protect employees' security.
- Employees will be directed to the “[Click here to change your password](#)” link, . ([Instructions Here](#))
- Password requirements are: *A minimum of 10 characters, one uppercase letter, one lower case letter, one special character (examples: \$, &, %, or @), and a number.*

Upcoming Events



- Reminder: Future meetings will be held on the third Monday of the month at 1:00 pm
 - May SME Topics Will Include:
 - Salary Overpayments
 - Earning Code Updates
 - ERS Related Updates
 - The Power of our Super SME's
- Please use the new HIP Ticketing System to submit a request for a specific topic to be covered.
- May 31st Save the Date: HawaiiPay Summit

HIP Service Center

- Our website has a new name: ags.hawaii.gov/hip



State of Hawaii
**Enterprise Payroll and Time & Attendance
Modernization**

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HIP LOGIN 🔒

A faster, simpler, convenient way to manage State payroll needs with new, online, self-service features.



MAHALO FOR YOUR TIME!