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## 2.3 TIMING

An understanding of the concept of Timing is necessary to ensure accurate pay on time. There are no system messages to assist a preparer in recognizing the proper timing of an action.

**Change in status actions may necessitate additional changes to elements or “codes” critical to accurate pay.** Therefore, it is imperative that changes to the terms and conditions of employment occur on the EDB prior to production of the MO timesheets during the month the change is effective.

### The Time Sensitive Elements Which Impact Pay:

#### Primary Pay Cycle

This code contains the logic which drives the processing of many deductions. Note: Any change in the primary pay cycle, whether MO to MA or MA to MO, must be effective the 1st day of the month, not mid-month.

#### Student Status

An employee’s student status code is the control key for several processes, such as the AIS Interface and automatic derivation of Retirement/FICA. Each process enables the University to comply with Federal mandates and University policy.

#### Retirement/FICA *(system derived)*

The University is liable for the proper withholding and reporting of tax. Additionally, Service Credit may be affected.

### The Change in Status Actions

Following are examples of actions which may affect one or more of the critical elements listed previously:

- Limited to Career
- Career to Limited
- Renewal of Appointment
- Extension of Time
- Additional Employment
- Change in Percent Time

#### Caution:

If a change in status action which affects these time-sensitive elements is not made to the EDB prior to the production of the MO timesheets, contact Payroll for instructions on how to proceed.

## Additional Timing Issues

In addition to the change in status actions shown above, proper timing of an action can assist Service Center personnel in the performance of their duties. Below are several additional situations where special consideration must be given to the timing of the transactions.

### Change in Leave Accrual Code

If changed at the appropriate time, the system will begin accruing leave at the correct rate, eliminating or reducing the need to add balances to the timesheet.

### Effective dates

Effective dates are critical in ensuring accuracy of pay. In order for the edit process to work correctly, it is necessary to provide the precise information on time. Several areas where effective dates must be considered:

- **End/Begin for Appointments/Distributions**
- **Leave of Absence Begin and End dates**
- **Separation Date/Last Day on Pay Status**
- **BELI changes**

### Example of Improper Timing

A non-student casual employee accepts a career position. The **primary pay cycle** must change from MA to MO. The employee has previously been in Safe Harbor but must now be covered by Retirement and OASDI/Medicare. Additionally, there are monthly deductions, one of which is required by law. Although the EDB is not updated on time, the Service Center adds the employee on the timesheet to generate pay.

**Consequences:** *The check is bad.* The following shows how a \$2,000.00 payment would process based on the information contained in the EDB at the time of the check write. Column A shows the erroneous payment. Column B is an accurate reflection of what payment should be in accordance with Federal and State regulations and University policy:

	<b>Column A</b>		<b>Column B</b>
Gross Pay	\$2,000.00		\$ 2,000.00
Less:			
Safe Harbor	150.00	DCP savings	21.00
Fidelity	.00	Fidelity	25.00
Subject to tax	<u>\$1,850.00</u>	Subject to tax	<u>\$1,954.00</u>
Medicare	29.00	Medicare	29.00
OASDI	.00	OASDI	124.00
Federal Tax	244.95	Federal Tax	260.55
State Tax	46.78	State Tax	53.02
Emergency Loan	.00	Emergency Loan	100.00
Salary Attachment	.00	Salary Attachment	200.00
Parking	.00	Parking	25.00
Net pay	<u>\$1,529.27</u>	Net pay	<u>\$1,162.43</u>

In all cases where OASDI should have been withheld the University is liable for both the employee and employer portion. The percentage increases to 15.3% when the Medicare portion of FICA enters the equation. Additionally, the University is also liable for the salary attachment and may be subject to penalties and/or prosecution! Although the employee is entitled, insurance contributions do not process.

### Payroll Deadlines

There are certain periods during each month when the only changes allowed on-line are those which do not affect the current time file or are non-employment related in nature. The data base time file must remain stable during the paytran process (the period between production of the timesheets and the payroll compute).

**Under no circumstances can changes be made to the terms and conditions of employment for MO employees during the period between production of the Monthly timesheets and the Monthly payroll compute.**

**Likewise, no employment related changes are allowed to an MA employee during the period between production of the Hourly timesheets and the Hourly payroll compute.**

Examples of changes which are allowed during the CLOSED period include: W4, address, credit union, United Way, union dues, etc. These changes may be entered through the date of compute to affect that particular check write.

**Note: If an error is discovered after the timesheets have been returned to the Payroll Office, contact Payroll to see if an adjustment can be made. Payroll must be notified immediately when an overpayment is made to a separating employee.**

### Payroll Deadline Schedule

The Payroll Deadline Schedule (PDS) outlines the OPEN and CLOSED periods for on-line entry update and provides the preparer with other important information such as: the payroll cycle number, the date timesheets are produced, and when the compute will happen. Payroll Deadline Schedules are updated quarterly and are available on the Payroll website, <http://www.ucsc.edu/finaff/payroll>. (see [Section 2.2, Monthly Payroll Processes](#) for more information about the Payroll Deadline Schedule).

#### EXAMPLE OF A PAYROLL DEADLINE SCHEDULE

SAMPLE PAYROLL DEADLINES FOR THE PERIOD:							ONLINE EDB and OPTRS ENTRY UPDATE INPUT SCHEDULE		
JULY - SEPTEMBER							UPDATE INPUT SCHEDULE		
All forms due in Payroll no later than NOON on dates indicated EXCEPT TIMESHEETS WHICH ARE DUE AT ACCOUNTING DROP BOX BY 8:00 AM							Online System up 7:00 am-7:00 pm Monday-Saturday		
	1	2	3	4	5	6	7	8	9
Schedule no.	Payroll (earnings period):	Payroll Release Date (check date)	OPTRS Closed for this compute	Repetitive Deductions (Union dues, BFCL, loans, etc)	Timesheets to departments from Payroll	Timesheets due to Accounting Office Drop Box by 8 am	COMPUTE Any DEU entered up to and including this date would correspond to the cycle number on same color coded line.	OEU OPEN PERIOD: OEU updated during these dates will affect the Schedule and Payroll noted in columns 1 and 2	OEU CLOSED PERIOD: OEU is closed for updates to appointment/distribution data for the Schedule and Payroll noted in columns 1 and 2.
V-36	July Monthly	08/01/XX	07/25/XX	07/11/XX	07/16/XX	07/22/XX	07/25/XX	06/25/XX - 07/15/XX	07/16/XX - 07/25/XX
V-37	July Hourly	08/08/XX	08/02/XX	07/24/XX	07/29/XX	07/31/XX	08/02/XX	07/03/XX - 07/28/XX	07/29/XX - 08/04/XX
V-41	August Monthly	08/30/XX	08/23/XX	08/12/XX	08/15/XX	08/20/XX	08/23/XX	07/26/XX - 08/14/XX	08/15/XX - 08/25/XX
V-42	August Hourly	09/06/XX	08/30/XX	08/21/XX	08/26/XX	08/28/XX	08/30/XX	08/05/XX - 08/25/XX	08/26/XX - 09/02/XX
V-46	September Monthly	10/01/XX	09/24/XX	09/11/XX	09/16/XX	09/19/XX	09/24/XX	08/26/XX - 09/15/XX	09/16/XX - 09/24/XX
V-47	September Hourly	10/08/XX	10/02/XX	09/23/XX	09/26/XX	09/30/XX	10/02/XX	09/03/XX - 09/25/XX	09/26/XX - 10/02/XX
			NO OPTRS updates for this specified compute may be entered on this date.	NOTE: W4, address change, name change should be done either on UC Self Service website by employee, or OEU at the Service Center		UPAY 644E Time Reporting Worksheets (TE & TX)	Example: Any DEU entered up to and including 7/25 would correspond to cycle number V-36. DEU entered after 7/25 and before 8/2 would correspond to cycle number V-37, etc.)	Online EDB entry update okay during "open" window for compute noted in columns 1 and 2	NO OEU on appointment/distribution data during "closed" window for corresponding payroll schedule (noted in columns 1 and 2). Updates to non-appointment/distribution data, such as W4, address change, name change, check/dispo, etc. is permitted during this period.

## Additional Examples Detailing Problems Associated With Improper Timing

### Example

At the start of the quarter a student employee accepts a TA position. Again the **primary pay cycle** must change from MA to MO. However, the EDB is *not* updated in time to reflect this change. In order to get the employee paid on time, the unit submits an AP transaction to generate pay on the MO. The change to the **primary pay cycle** occurs during MA EDB processing.

**Consequences:** *The check is bad.* Not all of the proper deductions processed. For instance, the first installment of the fee deferment did not deduct nor did it suspend because the logic which drives the deduction was not amended on time. Because of this, the student's registration fees are not satisfied by payroll deduction and intervention is required by the Payroll Office, Graduate Division and the Office of Accounts Receivable to resolve the issue.

### Example

Same circumstances as above, only this time the Service Center recognizes the problems associated with paying the employee on the MO cycle prior to changing the EDB. Therefore, no pay is generated on the MO. Deductions do not suspend during the MO compute because the **primary pay cycle** is still MA. During the MA EDB cycle the Service Center updates the system to reflect the change in status and the change to **primary pay cycle**, and the auto derivation of Retirement/FICA occurs. The employee is paid \$ 2,000.00 by LX on the hourly cycle.

**Consequences:** *The check is bad.* Now although retirement and FICA deductions are correct, the voluntary deductions and insurance contributions do not process and *never will* for this month because the change to **primary pay cycle** is after the compute for the monthly checks.

### Example

A student employee graduates and accepts a career position. There is no break in service. **Primary pay cycle** must again change from MA to MO, retirement/FICA codes must change in addition to student status. Again the EDB is not updated prior to timesheets being printed but the Service Center adds the employee to the timesheet to generate pay.

**Consequences:** *The check is bad.* As a student employee the earnings were not subject to retirement and FICA, but effective with the date the student status changes the earnings are subject. However, because the change was not updated to the EDB prior to payment, the check does not reflect the proper tax treatment. Also, if the employee had taken advantage of all available benefits such as the tax-deferred programs, insurance, parking, recreation fees, etc., the discrepancy between net pay as it should be and that actually paid would be enormous.

### Example

A career employee accepts a limited position. The **primary pay cycle** must change from MO to MA. The EDB is not updated in time to reflect the change. Monthly timesheets are produced and sent to the Service Center. Recognizing the change in status, the Service Center checks the Exception timesheet and reduces the monthly percentage to show the reduction in time.

Subsequently, the EDB is changed after the monthly check write but prior to production of the hourly timesheets. The hourly timesheet is produced with the employee's new sub, title and rate reflected. The Service Center enters the hours on the timesheet failing to remember the employee was paid on the monthly cycle.

**Consequences:** *Overpayment.* The employee is paid twice for the same period. The voluntary deductions process from both payments since the EDB was not changed prior to the monthly check write. Had the Service Center not paid the employee on the monthly timesheets the overpayment would not have occurred but

there would have been double deductions from the hourly payment: deductions resulting from suspended balances in addition to the current deductions based on the MA **primary pay cycle**.

### Example

An employee has been placed on Leave of Absence without pay effective 09/16/95 through 10/16/95. If the EDB is not updated on time, it is likely the employee will be paid in excess of the amount due for both September and October, unless the Service Center remembers to recalculate the percentage and change the timesheet. This is particularly true for employees paid by Exception (time code T). However, if the leave information is updated on time, the **system** will calculate the percentage of time the employee should be on pay status, based on the leave dates. This saves time and effort on the part of the Service Center. Also, late leave information could have several disastrous results on insurance: health, dental and vision insurance may deduct from future pay; or the employee may be de-enrolled from all insurance. Additionally, policy requires an employee be on an approved Leave of Absence to be eligible to continue insurance.

If the LOA is extended through 12/01/95 the EDB must be updated on time to reflect the extension. If paid in error, there is a possibility the employee may be asked to repay *more than* the net pay received. For example, if the employee has a \$ 100.00 bond deduction and a \$ 200.00 Fidelity 403B deduction, the employee must repay net PLUS an additional \$ 300.00 to cover the cost of the bonds and 403B. The University is unable to reverse these funds which have gone to the Federal Reserve and Fidelity Investments. The money for these two programs still belongs to the employee but there may be penalties assessed if the employee attempts to obtain a refund.

If the LOA information has already purged from the data base, the information must be re-entered using the original leave begin date unless there has been a change to the leave type, i.e. from

Furlough to a Personal leave. In this case, the leave begin date would change to reflect the date the new leave type was effective. For instance, an employee is placed on Furlough effective 07/01/95 through 08/31/95, leave type 10. Rather than returning to work 09/01, the employee takes a Personal LOA, type 08. Changes must occur to the leave begin date, leave end date and leave type.

### Example

The employee has been on a personal leave of absence since 04/05/95 and is scheduled to return to pay status 09/01/95. The employee resigns the position effective 09/02/95, requesting vacation time be used to remain on pay status 09/01/95. The Service Center updates the database on time to reflect a separation date of 09/02/95 but indicates the last day on pay status is 04/05/95 rather than 09/01/95 as intended.

**Consequences:** The employee does not preprint on the time sheet and is not paid for the 09/01 payday as entitled and intended. Insurance contributions and deductions do not process.

### Example

An employee advises the Service Center that the Surepay account used to deposit their earnings has been closed or the employee is changing from one bank to another. The Service Center gives the employee a new Authorization Agreement for Automatic Deposits and advises the form be completed and sent to the Payroll Office.

**Consequences:** The earnings are electronically transferred to the financial institution shown on the EDB at the time of the payroll compute. In the employee has closed the account, the funds are either returned to the University or the employee must contact the bank to request payment of the funds. When changing banks, the employee may assume by completing and forwarding the forms as instructed the change will be implemented on time and begins to write checks against the new bank account. Both situations prove to be financially disastrous for the employee. Payroll must be

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advised immediately of a change to an existing Surepay account. Failure to do so may result in a delay in receipt of funds for the employee for up to two weeks.