



AG Call
December 10, 2019

Agenda

- PY: Domestic Tax Renewal
Minnesota Tax Withholding
Important Deadlines for 12A & 12M Payroll
End of Year Off-Cycle Processing
- UWSHR: 2019 FSA Unsubstantiated Claims

W-4 Workshop Reminder
Institutional Feedback

PY: Annual Domestic Tax Renewal

Combination of automated and manual processes to renew tax exemptions that expire annually.

- Federal and/or State Withholding Exemption
- W-200: Employees pre-paying Wisconsin State Tax
- WT-4A: Employees electing to withhold flat amount of Wisconsin State Tax
- IRS Form 673: U.S. Citizen performing UW work and residing outside USA

Federal Withholding Exemption Renewal Timeline

- Expires after January Monthly or January B Bi-Weekly
- Employees notified week of December 16, 2019
- Employees to turn in forms by January 24, 2020
- Payroll entry deadline is February 7, 2020
- Employees without new forms entered will be reset to Single/0 Adjustments on February 10, 2020

PY: Annual Domestic Tax Renewal

- State Withholding Exemption Renewal
 - State exemptions expire on April 30, 2020.
 - If an employee renews their federal and state before the state deadline, both will count.
 - A separate reminder will be sent for State renewal in April.
- Deadlines for other exemptions
 - W-200 expires after November Monthly or December A Bi-Weekly
 - W-200 entry between December 12 and December 16, 2019
 - WT-4A expires after March Monthly or April A Bi-Weekly
 - WT-4A entry between April 17 and April 22, 2020
 - IRS Form 673 expiration varies by individual

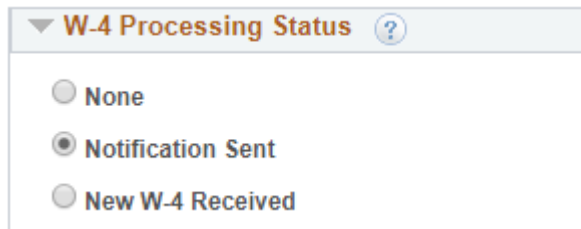
Resource: <https://uwservice.wisconsin.edu/docs/publications/pay-domestic-tax-renew-expiration.pdf>

PY: Domestic Tax Renewal – New Form W-4

- Employees must use the new Form W-4 2020 when renewing their exemption status.
 - Please do not accept renewal forms for 2020 with the 2019 W-4 form.
- Renewal emails will be sent automatically through HRS
 - List of the employees impacted will be provided to campuses
 - Bounce backs will be forwarded to the campuses for follow-up.
- Details aren't available on the applicable changes for Update Tax Data page with this process to date.
- Instructions will be forthcoming on changes to the entry of the new process in HRS for tax forms received for renewal.
- Resource: <https://kb.wisc.edu/hrs/page.php?id=16889>
 - Note – the screenshots may change

PY: Federal Renewal Processing

- When notification process runs, W-4 processing status changes to “Notification Sent”
 - This is in the W-4 Processing Status Menu



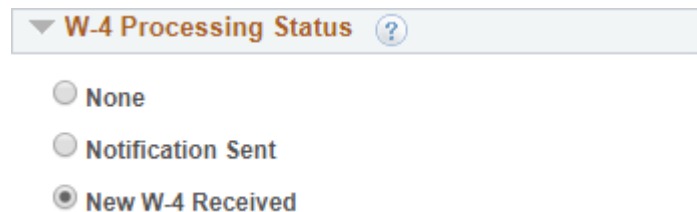
▼ W-4 Processing Status ?

None

Notification Sent

New W-4 Received

- When new W-4 received, person entering must change status to “New W-4 Received”.
 - If status is not changed, employee will be changed to Single/0 Adjustment when W-4s reset



▼ W-4 Processing Status ?

None

Notification Sent

New W-4 Received

PY: MN Tax Withholding 2020

- Employees will have the option to set up taxable wage reporting and tax withholding to the State of Minnesota starting in 2020.
- This ONLY applies for individuals working remotely in Minnesota for the University of Wisconsin System.
- Employees that are interested need to submit a W-4MN to their campus for processing.
 - <https://www.revenue.state.mn.us/sites/default/files/2019-01/w-4mn.pdf>
- Job aid to assist in W-4MN entry into HRS:
 - <https://uwservice.wisconsin.edu/docs/publications/pay-mn-tax-info.pdf>
- Elections for Minnesota withholding can be entered in HRS on or after 12/13/2019 for the 12B and 12M payrolls (first payrolls paid in 2020).

PY: MN Tax Withholding 2020

Service Operations will send out an email notification on December 12 to all active employees that have Minnesota as a home or mailing address.

- The defined population of employees and a copy of the email template will be available through the AGs. Your campus is then able to send this communication to anyone that may have been missed in this mailing, including applicable new hires.

PY: MN Tax Withholding 2020 Email

You are receiving this email because our records show you have a home or mailing address in the state of Minnesota. For tax year 2020, you now have the option to set up taxable wage reporting and tax withholding to the state of Minnesota.

Elections for Minnesota withholding can be accepted beginning with payrolls paid in 2020. If you are a resident of Minnesota **and work** in Wisconsin, you are responsible for Wisconsin tax reporting and withholding. **The Form W-4MN only applies to individuals working remotely in Minnesota for the University of Wisconsin System.**

If you are interested in this new option, you must submit a [W-4MN](#) to your Payroll office for processing.

Please note: For federal purposes you still must have a valid [UW W-4](#) (or Federal W-4) on file.

****State tax reporting cannot be set up for multiple states. If you work in both Wisconsin and Minnesota, you may withhold and report in **one** state and make estimated tax payments in the other state for the time period in which you are responsible for that state income tax.**

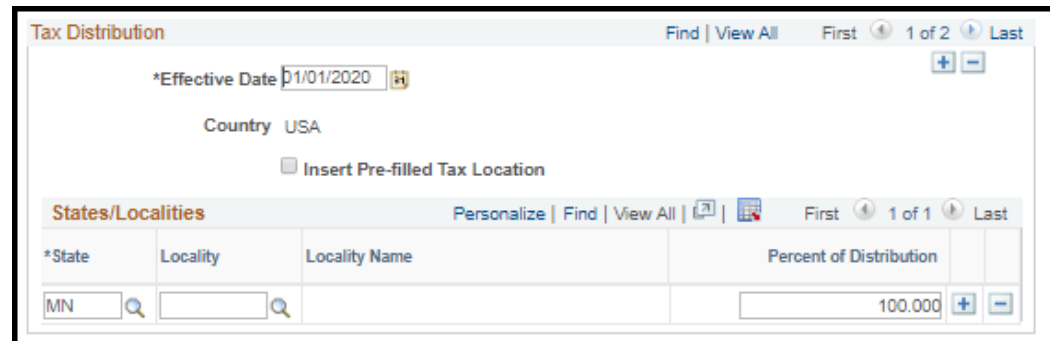
HRS – Tax Distribution

After you enter Update Tax Data W4 for MN, please update Tax Distribution.

- Path: Payroll for North America/Employee Pay Data USA/Tax Information/Update Employee Tax Distribution

Add a new row for MN 100% tax distribution. (Every new employee is defaulted to WI 100%).

Please see KB#16889 for detailed instructions on entering W4.



The screenshot shows a web application interface for "Tax Distribution". At the top, there are navigation options: "Find | View All", "First", "1 of 2", and "Last". Below this, there is a field for "*Effective Date" set to "1/01/2020" and a "Country" dropdown set to "USA". There is also a checkbox for "Insert Pre-filled Tax Location" which is currently unchecked. Below these fields is a table titled "States/Localities" with a sub-header "Personalize | Find | View All | 1 of 1 | Last". The table has four columns: "*State", "Locality", "Locality Name", and "Percent of Distribution". The first row of the table shows "MN" in the "*State" column, an empty field in the "Locality" column, an empty field in the "Locality Name" column, and "100.000" in the "Percent of Distribution" column. There are search icons next to the "MN" and "Locality" fields, and plus/minus icons next to the "100.000" value.

*State	Locality	Locality Name	Percent of Distribution
MN			100.000

Payroll – MN tax withholding

Review Paycheck screen, Paycheck Taxes tab

- Will see amount of withholding now in tax section of Review Paycheck.
- Employee will also have a separate line on Earnings Statement.



Taxes							
Tax Details 1		Tax Details 2		Tax Tips			
Tax Entity	State	Resident	Locality	Locality Name	Tax Class	Taxable Gross	Tax Amount
US Federal					Withholding	5,000.00	685.21
State	MN	Y			Withholding	5,000.00	244.41
State	WI				Unempl ER	5,000.00	

PY: Important Deadlines

- 12A:

- Payline submissions due at 4:30PM on Monday, December 9th.
- FICA files are due by Noon on Tuesday, December 10th.

- 12M:

- Payline submissions due at 4:30PM on Friday, December 13th.
- FICA files are due by Noon on Monday, December 16th.

PY: End of Year Off-Cycle Processing

- During the week of December 23 – 27, 2019
 - Missed Payroll requests are due by Noon on Monday, December 23
 - Off-Cycle batch will be processed at 10am on Thursday, December 26
 - Employees should see payment on Saturday, December 28
- During the week of December 30 – January 3, 2020
 - Missed Payroll requests are due by Noon on Monday, December 30
 - Off-Cycle batch will be processed at 10am on Thursday, January 2
 - Employees should see payment on Saturday, January 4

Questions?



2019 FSA Unsubstantiated Claims

The FSA unsubstantiated claims process may be found at www.wisconsin.edu/ohrwd/benefits/fsaunsubstantiated

Communications to affected participants will be sent as follows:

- From **TASC**: December 20*
- From **UW System**: week of December 9 (reminder to substantiate email), week of January 13 (notice that payroll withholding will occur email)

**Sent via U.S. mail and email; all others only sent via email.*

UW System will send the report of affected employees and the employee communication to institutions the week of December 9.

2019 FSA Unsubstantiated Claims

Action Necessary:

Using the report sent the week of December 9, institutions may contact employees directly with balances greater than \$250 to ensure they have received the communications and are working toward substantiation.

This should occur prior to the payroll withholding process.

Current Unsubstantiated Claims Systemwide (as of December 2):

- **455** At or less than \$100
- **258** between \$100.01 and \$250
- **392** greater than \$250

2019 FSA Unsubstantiated Claims

What if an employee indicates payroll withholding will cause a financial hardship?

The institution should contact UW System HR at uwshr@uwsa.edu as soon as possible. There may be an opportunity to reduce the amount taken through payroll withholding if the request is made by 4 p.m. the day prior to the payroll calc.

Note: *ETF and TASC require that a minimum of \$250 is processed through payroll withholding.*

Hardships should **not** be advertised to employees. Institutions should **not** stop the general deduction in HRS.

Claims that remain unresolved (e.g. financial hardship) after the payroll withholding process (3/31/20) will be converted to business debt owed to ETF.

2019 FSA Unsubstantiated Claims

Refer employees with questions to TASC. Due to the complexities of the recovery process, TASC is the most appropriate party to answer questions regarding participant accounts.

TASC Customer Care

844-786-3947 or 608-316-2408

1customercare@tasconline.com

Resource: *A summary of the FSA unsubstantiated claims process, employee communications and tentative timeline may be found at:*

www.wisconsin.edu/ohrwd/benefits/fsaunsubstantiated

Questions?



W-4 Workshop – HRS Changes

- When: Thursday, December 12 at 1:30pm
- Call in Information:
 - Blackboard link:
<https://us.bbcollab.com/guest/c894fd5237c94bd2b5457d2d18b14d29>
 - Phone number: 1-866-244-1129
 - Passcode: 8646 190#

Institutional Feedback

- UW-Stout
- UW-Superior
- UW-System Administration
- UW-Green Bay
- UW-Parkside
- UW-River Falls