

# Institution Administrator Call

November 23, 2022

# Agenda

- Portal Articles
- Calendar Year End Communications
- 2023 Social Security Wage Base Increase
- New State Tax Withholding
- ACA Hours
- University Insurance Association (UIA) Life Insurance Annual Process
- ICI Deferred Enrollment and Sick Leave Swap
- Banked Leave Eligibility – University Staff

# Portal Articles

## Recently posted:

- Personal Information Update
- Reminder: Deadlines for Using Flexible Spending Accounts
- What is an Explanation of Benefits?
- Retirement Plan Contribution Limits to Increase in 2023
- University Staff: Use Paid Leave Before Year-End

## Upcoming articles:

- 2023 Social Security and Medicare Tax
- University Staff: Banking Leave Balances
- UIA Life Insurance Annual Premium Deduction

# CYE Dates 2022

- Important Calendar Year-End Dates for 2022-23 have been released
  - [uwservice.wisconsin.edu/administration/cye](https://uwservice.wisconsin.edu/administration/cye)
- Dates have been broken down by month for your convenience

Calendar Year End (HRS)

Timeline Resources

December 2022

January 2023

February / March 2023

# Calendar Year End Communications

Email blast to employees to sign up for E-consent for W2

- 1<sup>st</sup> communication will be sent Sunday, December 4, 2022
- 2<sup>nd</sup> communication will be sent Monday, January 2, 2023

Email blast to terminated employees reminding them to review/update their address will be sent Monday, November 28, 2022

# 2023 Social Security Wage Base Increase

The Social Security Administration announced that the 2023 social security wage base will be \$160,200

- This is an increase of \$13,200 from \$147,000 in 2022

Reminder: There is no wage limit for Medicare tax; all covered wages are subject to the 1.45% tax

- Wages in excess of \$200,000 will be subject to an additional 0.9% tax

# New State Tax Withholding

UW-Shared Services will be sending out an email notification on Monday, December 12, 2022, to all active employees with an approved Remote Work Agreement or a home/ mailing address in Arizona, Connecticut, Georgia, Montana, Nebraska, South Carolina or Utah

**New for 2023:** All W-4s can be updated through Self-Service. Initial paper forms are no longer required.

Arizona A-4

Montana MW-4

Connecticut CT-W4

Nebraska W-4N

Georgia G-4

South Carolina SC-W4

\*\*Utah uses the Federal W-4 form

# New State Tax Withholding

- Elections for Arizona, Connecticut, Georgia, Montana, Nebraska, South Carolina, or Utah withholding can be entered into HRS starting on Wednesday, December 28, 2022, to be effective for the 2023 payrolls
- Administrators must date all entries with an effective date of January 01, 2023, or after
- Instructions for entry in HRS can be found on the payroll landing page under the W-4 tile, [uwservice.wisconsin.edu/administration/payroll](https://uwservice.wisconsin.edu/administration/payroll)



# New State Tax Withholding

## Reminder:

- After you enter/update Tax Data W-4, please update Tax Distribution in HRS
  - **Navigation: Payroll for North America > Employee Pay Data USA > Tax Information > Update Employee Tax Distribution**
  - Add a new row for AZ, CT, GA, MT, NE, SC, or UT 100% tax distribution
    - Every new employee is defaulted to WI 100%
- New state withholding can be viewed in the Tax Section of Review Paycheck
- Employees will see a new withholding line on their Earnings Statement



# ACA Hours

- ACAHW hours need to be provided for **all employees** who have a **lump sum** payment
- Employees can enter ACAHW hours or institutions can request
- If hours are not entered timely, hours for lump sum payments will automatically be calculated at 8 hours per working day for the period the lump sum payment was entered for
  - Hours will most likely be overstated for the period adding more hours to the measurement period which could put the employee over the 130 average hours per month, making the employee eligible for health insurance under ACA rules but under State of WI benefit eligibility rules the employee would not be eligible
  - UW System cannot cover the employee but would be required to report the employee as eligible under ACA
- Use **ACA report Missing ACAHW Hours** (UW\_ACAHWREQ) to manage employees with lump sum payments with no ACAHW hours reported where Days-Worked Equivalency method is being used
  - See [Running the Affordable Care Act Reports in HRS \(KB 65060\)](#) for more information
- Employees enter hours in their timesheet the same as any other hours worked. Code of ACAHW should be selected
- Review the [Affordable Care Act \(ACA\) for Administrators web page](#) for additional ACA resources

# ACA Hours

- Requests for 2022 ACAHW entries should be submitted via a ticket (serviceoperations@support.wisconsin.edu) by December 2, 2022, using the following format:
  - Dates must be a single day, not a date range
  - Hours should be in .25 increments and must not exceed 24 hours
  - Employee ID must have leading zeros

Employee ID	Empl Rec Num	Date	Hours	TRC	
00109251		02016-01-06	5 ACAHW		(Sample Data)
00139794		02016-01-06	4 ACAHW		(Sample Data)

- 2022 ACA full year processing is planned for the week of December 19, 2022
  - All 2022 hours entered before December 19, 2022, will be included
  - ACAHW entries for lump sums paid in December should be entered by January 1, 2023



# University Insurance Association (UIA) Life Insurance Annual Process

- University Insurance Association (UIA) Life Insurance Eligibility:
  - Faculty / Academic Staff / Limited Appointees (FA/AS/LI)
  - Actively employed on January 1<sup>st</sup> of the deduction year
  - Meet the minimum monthly salary threshold – for 2023 plan year the threshold is \$2,952 per month
  - Lump Sum, Ad Hoc (Zero Dollar) and inactive appointments (summer service/session) are not factored into the monthly salary
- Eligibility is reviewed annually
- Premium deduction will be on the January A biweekly payroll – paid January 26, 2023

# University Insurance Association (UIA) Life Insurance Annual Process

- Communications:
  - Employees who have coverage and do not qualify for the 2023 plan year will be sent conversion information
  - Employees on LOA that meet the annual qualifications will be sent a Benefits Billing Statement
    - Employees who have not paid by March 1st (received by) will have coverage terminated as of December 31, 2022
  - Employees who leave employment will be sent continuation (retirees) or conversion (terminations) information through the COBRA process
  - Portal articles:
    - 9/15/2022 - Informed employees of increase in annual premium to \$38.40 from \$24.00
    - Mid-December – Reminder of premium increase and premium deduction will occur on January A paycheck (1/26/2023)

# University Insurance Association (UIA) Life Insurance Annual Process

## *UW System HR Responsibilities:*

- Send Benefits Billing Statements directly to eligible employees on approved LOA, along with February reminder
  - Payments must be received by March 1, 2023

## *UW-Shared Services, Service Operations Responsibilities:*

- Send out conversion emails to employees who do not qualify for the 2023 plan year no later than January 11, 2023
- Receive Benefits Billing Payments
  - Payments received after March 1, 2023, will be returned to the employee
- Enter Benefits Billing and update HRS to reflect the Benefits Billing Payment



# University Insurance Association (UIA) Life Insurance Annual Process

- UIA process will be run January 9, 2023
- UIA events created effective January 1, 2023
  - Only employees whose eligibility has changed will get an event:
    - Eligible Empl Classes: FA, AS, LI, OT1
    - Excluded: Lump Sum or FTE equal to 0.000250
    - Eligibility Field 5 will be updated with a Y or N
- Reminders:
  - Increase in annual premium to \$38.40 from \$24.00
  - Employees enrolled in coverage who terminate have coverage through 12/31 following their last day of employment



# ICI Deferred Enrollment and Sick Leave Swap

- Annually eligible employees are allowed an Income Continuation Insurance (ICI) deferred enrollment opportunity based on accrued sick leave hours
- University Staff employees can enroll in ICI the first time sick leave balances reach the levels outlined below as of the December B payroll (pay period end 12/17/2022):

ICI Category	Sick Leave Hours
University Staff – Category 3	Accrued at least 80 hours of unused sick leave during the calendar year*
University Staff – Category 4	Accrued 520 – 727 hours of unused sick leave
University Staff – Category 5	Accrued 728 – 1039 hours of unused sick leave
University Staff – Category 6	Accrued 1040 hours or more of unused sick leave (any year)

\*Prorated based on FTE or sick leave earned

# ICI Deferred Enrollment and Sick Leave Swap

- An opportunity for University Staff AND Faculty, Academic Staff, and Limited Appointees (FA/AS/LI) any year they accrue 1,040 hours or more of sick leave by the end of the December B payroll (pay period 12/17/2022)
  - University Staff > Category 6
  - FA/AS/LI > 180 Day Elimination Period
- ICI Resources:
  - UW System Employee Benefits website > [ICI web page](#)
- Additional information on the ICI processes and timeline will be provided early January

# Sick Leave Swap

- An employee may swap out used sick leave for unused leave (vacation, personal holiday, etc.)
- The opportunity to swap used sick leave for other leave can provide deferred enrollment opportunities into the ICI program or reduce ICI premiums for employees enrolled (change premium category)
- Decision to notify employees of their eligibility to swap sick leave:
  - For institutions on Benefits Counseling: Employees who are within 16 hours of reaching a category change will be contacted
  - For institutions not on Benefits Counseling: Institution discretion to contact employees and determine threshold level
- Sick Leave used to pay for health insurance premiums while on furlough *cannot* be swapped for other unused leave
- Deadlines for all leave swaps that will affect the ICI premium category:
  - Friday, December 30, 2022 (end of day): Leave swap request must be submitted by the *employee*
  - Tuesday, January 3, 2023 (4:30 pm): *Institution* request must be submitted to Payroll Service Delivery (for institutions on Payroll Service Delivery)
  - Wednesday, January 4, 2023 (4:30 pm): *Payroll Administrators* must enter leave swap in HRS
- The 2023 ICI premium category will not be affected by any leave swaps made after the ICI annual update process runs in January

# Projected Sick Leave Balance Report

- Projected Sick Leave Balance report:
  - Displays a *snapshot in time* of current sick leave balances and *assumed* sick leave earnings that may be used for counseling the employee on swapping opportunities
  - December 1, 2022, the Projected Sick Leave Balance report will be available to institutions that choose to reach out to employees about sick leave swapping
    - Email: [serviceoperations@uwss.wisconsin.edu](mailto:serviceoperations@uwss.wisconsin.edu) to request the report for your institution
- Resources
  - [Processing the Sick Leave Swap Report \(KB 58681\)](#)
  - [How to Filter the Leave Swap Report](#)

# Projected Sick Leave Balance Report

- Assumptions made with the report:
  - Employee will *not* use any sick leave for the remainder of the year
  - All leave balances are up to date as of the November B payroll
  - Job Data accurately reflects FTE and leave of absences
  - Employee will earn sick leave based on FTE in Job Data
- The following have been removed from the report:
  - Employees age 70 and older
  - Employees enrolled in Category 6

# Sick Leave Swap Process

- Eligible Time Frame for Swapping:
  - January A 2022 to December B 2022
    - Eligible pay period dates: 12/19/2021 – 12/17/2022
    - When reviewing Results By Calendar, eligible leave swap is:
      - 202113A – 202212B: 12/19/2021 – 12/17/2022
    - Before performing a leave swap, check EACH calendar year's end balances to be sure the balance is available for swapping (13A of 2021 and 12B of 2022)
- Resources
  - [Viewing Absence Management Results by Calendar in HRS \(KB 19169\)](#)
  - [Managing Absences for a Prior Pay Period in HRS \(KB 16880\)](#)





# Banked Leave Eligibility – University Staff

- At the end of each calendar year, eligible University Staff are given the opportunity to convert unused annual vacation or vacation carryover to a banked leave account, receive a cash payout, or a combination of both
- Once banked, hours do not expire
- The eligibility for University Staff to bank unused vacation is based on the following:
  - Years of Service, FTE & FLSA Status -or-
  - Vacation Accrual Rate & Sick Leave Accumulation
- Nonexempt Supervisors who receive exempt leave accrual and banked leave eligibility are identified by their job code
  - Effective with the TTC implementation on 11/7/21, the job codes end with an "X"

# Banked Leave Eligibility – University Staff

<b>University Staff Paid Leave Banking Schedule</b>		
<b>Years of Service</b>	<b>Full-Time University Staff – Nonexempt</b>	<b>Full-Time University Staff – Exempt and Nonexempt Supervisors</b>
<b>First 5 Years</b>	0 hours	0 hours
<b>5+ to 10 Years</b>	0 hours	40 hours
<b>10+ to 15 Years</b>	40 hours	40 hours
<b>15+ to 20 Years</b>	40 hours	80 hours
<b>20+ to 25 Years</b>	80 hours	120 hours
<b>25+ Years</b>	120 hours	120 hours
<b>Earn &lt; 160 hrs of vacation &amp; have accrued at least 520 hrs of sick leave</b>	40 hours	40 hours

# Banked Leave Eligibility – University Staff

- Eligibility for employees is displayed in two places on their portal:
  - Absence balances within the timesheet
  - On the form under leave reports
- Entry for Banked Leave and cash payments must be dated and processed between 12/1 and 12/31
  - Self-service entry attempted prior to 12/1, even if using an effective date between 12/1 and 12/31, will generate an error upon submitting
- Entries dated and processed prior to the Dec A payroll confirmation will be paid on 12/15/22
- Entries dated and processed prior to the Dec B payroll confirmation will be paid on 12/29/22 (last check of the year)
  - It is **not** required that cash payments be included in the last paycheck of the calendar year.
- Entries dated and processed prior to the Dec C payroll confirmation will be paid on 01/12/23

# Banked Leave Eligibility – University Staff

- Forms received after 12/31/22 must be rejected
- Best Practice Considerations:
  - Use a non-scheduled workday (Saturday or Sunday) to avoid conflicts with Time & Labor
  - To target a cash payment in the 2023 tax year, the 2022BW12C dates (12/18/22 – 12/31/22) will have to be selected

# Banked Leave Eligibility – University Staff

- Eligibility files will be provided to institutions
- References:
  - [Entering and Reviewing University Staff Annual Leave Conversion Processing in HRS](#)
  - [Employee Tip sheet: Entering Banked Leave Conversion Through Self-Service](#)
  - [Running the Banked Leave Annual Eligibility/Election Summary Report in HRS](#)
  - [Annual Leave Conversion Instructions](#)
- Policy:
  - [UW System Administrative Policy 1210 \(formerly BN1\): Vacation, Paid Leave Banks, and Vacation Cash Payouts](#)
  - [Madison Policy Library: Vacation](#)



# Ticket Reminder

When sending an email to service operations remember to include the following critical information:

- Full legal name (First & Last Name)
- Employee Empl ID
- Employee Record

If seeing unexpected results or error messages, include a screenshot.



# Campus Collaboration & Discussion

- For discussion topics email [uwss-svc.CampusCallSlides@uwss.wisconsin.edu](mailto:uwss-svc.CampusCallSlides@uwss.wisconsin.edu)