L&I Premiums Overview
Fund 035 – GL 5187 – Info Type 0234 "Add. Withh. Info."

- DOP is responsible for entering the rates into HRMS that L&I charges for each agency by risk class. Updates are entered on a "lag basis." *(Ex: 01/01/2010 rates will take effect on the 02-2010 payroll.)*

- Use the "BSI Medical Aid Rates / Medical Aid Rates by Override Group" report: ZHR_RPTPYU05 to verify rates keyed into HRMS by DOP. Only "Pers. Area" is required. See OLQR instructions for running this report.

- L&I only sends agency rates to DOP annually. If a rate notice update is received, **the agency is responsible** for sending it to DOP. If this is not done, the old rates will continue to be used.

- Risk class rates are listed online through L&I's Secure Access: https://secureaccess.wa.gov Agencies are also sent rate letters directly from L&I each time there is a rate change.

- HRMS applies the L&I rates based on the "Employee Override Group Number" set up within IT0234 "Add. Withh. Info. US". This infotype is PAY DATE effective. The rate in effect on the employee's actual pay date (ex: 10/26/09) will be applied to all hours worked reported for the pay period.

- The Employee Override Group Numbers are unique to each agency and are further defined in the "Employee Override Group Name" to show the agency number and risk class.

- All employees in the agency should have a group name that begins with the agency/entity number .

  Example: Group "0101" name is "4770-4902-00" representing Agency 4770, risk class 4902-00.
  Comparatively "0068" name is "3000-4902-00" representing Agency 3000, risk class 4902-00.
  While these are both for risk class 4902-00, the rates differ between the agencies.
  Tip: Select specific "EE groups" using the "Personal list" button to avoid picking another agency's code.

- Premiums are credited in GL 5187 to the AFRS agency (Business Area) in effect on the last day of the period.

- Per DOP – IT0234 is pay date driven. The "Start" date should always be the **first pay date** of the appointment (e.g. if the employee is hired on 1-1-2010, the first pay date would be 1-25-2010.)

- Losing agencies can be proactive and end date their record as the **day before** the first pay date at the gaining agency.

- The most important task in any reconciliation is *communication!* Communicate between agencies and within the agency to get the best, most consistent results!

Reconciliation Reports – (Details of each are in a separate document.)

- ZHR_RPTPAN02 - Flexible Employee Data Report – Identify code corrections for rate audits.

- ZHR_RPTPYU26 - Movement / Turnover Report – Identify agency transfers and code corrections.

- ZHR_RPTPA457 - Actions Report – Identify internal appointment transfers.

- ZHR_RPTPY126 – Payroll Posting Report – Identify hours and Enterprise GL amount details by L&I risk class. It can also be run for any state employee to help troubleshoot details between personnel areas/agencies.

- ZHR_RPTPY394 – Medical Aid Report for Quarter – Identify gross wages for L&I reporting.

- ZHR_RPTPY376 – Payroll Journal Voucher Report ID 13 & 14 – Identify HRMS transfers. Will show as "TSFPYYPP" for "Cur Doc No" in Enterprise. Gaining agency will be credited for all L&I charges.

- ZHR_RPTPY010 – Accrued Payroll Deductions reports (optional – does not record retro activity or adjustments. Not suitable for full reconciliation. Do not use for payment information.)

- Enterprise Reporting – "General Ledger Analysis Flexible" or Ad Hoc Reporting – Identify GL Balance to pay L&I. Normal balance is "Credit". HRMS deductions are credits. L&I payment is a debit.

Clean reporting and filing:

<u>In a "perfect world" scenario:</u>
HRMS collects L&I premiums for six payrolls that are credited to GL 5187.
The GL 5187 credit balance amount is paid to L&I quarterly.
Example: $10,000 x 6 pay periods = $60,000 credited to GL 5187 and paid to L&I.

Most agencies file on a "lag quarter" basis to match the earning periods:
Ex: First quarter (January – March) = Payroll 2 thru 7, second qtr. = 8–13, third qtr. = 14- 19 & fourth qtr = 20-01.

How HRMS handles Retroactive Changes to IT0234 with Rates changes

- **Watch period**(s) being affected. A change entered retroactively may not process as intended.
  Example: A correction to IT0234 starting 10/26/09, entered in November, will only retro to 11/10/09.

- **Decreased** rate in the same calendar year: HRMS will handle all corrected amounts.

- **Increased** rate in the same calendar year: HRMS will only correct Employer share amounts.

  Agencies decide whether or not to charge the employee for these increases.
  However, GL 5187 must still be credited and L&I paid.

  A manual adjustment "IT0015 Additional Payment" is required to collect the Employee share increase using wage type "7443 – EE Medical Aid". L&I adjustment wage types: 7432, 7433, 7434, 7442 & 7443. HRMS is not designed to handle large dollar adjustments. Use JV's and/or A19's as appropriate for larger corrections.

- **Previous quarter** retroactive changes may also require manual adjustments and amended returns.

- If you are **crossing calendar years**, HRMS will not make any corrections. OFM and L&I should be consulted to see if cross calendar year corrections are appropriate. There is a three year amended return limit:
  http://apps.leg.wa.gov/rcw/default.aspx?cite=51.16.190 (RCW 51.16.190)

Online Resources:

DOP Resources:
http://www.dop.wa.gov/payroll/HRMS/HRMSSupport/Pages/AgencyContactList.aspx
- DOP Agency Contact List - Key communication tool between agencies.

http://www.dop.wa.gov/payroll/HRMS/OnLineQuickReference
- User Procedures: Medical Aid Rate – Additional Withholdings Info – Shows how to set up IT0234.
- HRMS Reports: Medical Aid Rates by Override Group – ZHR_RPTPYU05
- Course Manuals: HRMS Maintain Payroll Master Data – Shows how to set up IT0234.
- Course Manuals: Financial Reporting – Gives information on the statewide variants available and how to run reports.

OFM Payroll Resources:
http://www.ofm.wa.gov/resources/payroll.asp

- **Mid Period Transfers**
  Spreadsheet overview of how GL's are affected.

- **Account 035 Reconciliation**
  General ledger information and reconciliation spreadsheet templates are available.

- **GL 5187 Reconciliation Worksheet, Overview, How To & Report instructions**
  Guideline document for reconciling the accrual and payment of L&I premiums.

L&I Online for filing and additional account information:
L&I's Secure Access: https://secureaccess.wa.gov

How to Reconcile GL5187 & Pay L&I Quarterly Premiums

1. Verify current IT0234 "Add. Withh. Info." codes for accuracy.

    Code correction and rate audit tools:
    a. ZHR_RPTPAN02 - Flexible Employee Data Report
    b. ZHR_RPTPYU26 - Movement/Turnover Report
    c. ZHR_RPTPA457 - Actions Report
    d. ZHR_RPTPY126 – Payroll Posting Report with SWV variant

2. Determine the amount available to pay L&I: Run an Enterprise and/or Ad Hoc report for GL5187 to include payrolls being reported for the quarter.

3. Determine dollars by risk class:
    a. Run the ZHR_RPTPY126 – Payroll Posting Report with SWV variant "/MED AID HRS" or use "/GL5187" (divide hours shown by 5).
    b. Adjust ZHR_RPTPY126 dollar totals by "TSFP" amounts for mid-period transfer employees – See ZHR_RPTPY376 – Payroll Journal Voucher Report ID 13 & 14.

4. Back into hours using dollars available divided by risk class rates for the agency. If there is a difference from the PY126 report hours, research retro activity and determine if amended returns are needed.

5. Determine "Gross Payroll" = "Gross Salary" in HRMS by risk class:
    a. Run ZHR_RPTPY394 – Medical Aid Report for Quarter.

6. Gather any volunteer hour information, calculate the premium amount and add this to the dollars determined. Volunteer premiums are not accrued to GL5187. This amount will be the "Premium Amount Calculated by the Payroll System" for online L&I express filing.

7. Use "Gross Payroll", calculated "Worker Hours", and volunteer hours to file L&I quarterly report.

8. Submit payment to L&I by IAP. The payment total will be the GL5187 credit balance plus the volunteer premiums being paid out of the operating account(s).

Summary of when to run recommended reports:

Days 2, 3 & 5:   ZHR_RPTPAN02 - Flexible Employee Data Report
                     ZHR_RPTPYU26 - Movement/Turnover Report
                     ZHR_RPTPA457 - Actions Report
                     ZHR_RPTPY126 – Payroll Posting Report with SWV variant

Day 5:   ZHR_RPTPY376 – Payroll Journal Voucher Report ID 13 & 14

Monthly Recon: Enterprise Reporting and/or Ad-Hoc Tool

Quarterly Filing: Run ZHR_RPTPY394 – Medical Aid Report for Quarter
                     Enterprise Reporting and/or Ad-Hoc Tool
                     ZHR_RPTPY126 – Payroll Posting Report with SWV variant