

UNIVERSITY PAYROLL & BENEFITS NEWSLETTER

Volume 1, Issue 1

February 2010

Highlights & Hot Topics

FURLOUGHS

By Laurie Pitner

On January 5, 2010, the President implemented a mandatory furlough program. This program requires faculty and academic professional employees making more than \$30,000 per year to take 4 furlough days in the next 4 pay periods, or one per pay period through May 15, 2010.

Certain senior administrators identified by the President and Chancellors will be required to take a total of 10 furlough days in the next 5 pay periods or 2 per pay period through June 15, 2010. The pay reduction for the furlough days will be taken through the payroll system and no action is required by either the employee or the unit to affect the employee's pay.

The President and Chancellors announced on January 20, 2010 that employees affected by the mandatory furlough program have the option of taking a voluntary pay reduction (VPR) instead of taking furlough days.

If an employee elects the VPR option by February 8, 2010, they would **not** take furlough days, nor would they be subject to work hour limitations. The voluntary pay reduction, like the furlough pay reduction, will be taken through the payroll system.

No action is required by either the employee or their unit to

affect the employee's pay after the employee elects the VPR option.

If no election is made for the voluntary pay reduction by February 8, 2010, the employee will be subject to the mandatory furlough program.

With the exception of teachers, physicians engaged in the practice of medicine for the University, and attorneys engaged in the practice of law for the University, the Fair Labor Standards Act requires employees who are otherwise exempt by virtue of the "salary test" to be paid on an hourly basis during a work week containing a furlough. Therefore, an academic professional employee becomes non-exempt for the week during which a furlough day is taken and **must track all hours worked** on the non-furlough days.

In tracking hours, *employees are required to ensure that they do not work on a furlough day or additional hours during the remainder of a furlough week* to make up for the furlough day. Therefore, the maximum number of hours a full time academic professional employee can work during the furlough week is 32 hours. **A [Furlough Time Sheet](#) tracking hours worked during the week an employee takes a furlough will need to be completed.**

Most academic professional employees will complete four reports, one for each week they took a furlough day. Furlough days must be taken within the pay period that the reduction in pay is taken and cannot be "saved" and taken in one block of time.

OBFS-UPB Payroll Services has posted a [Monthly Net Pay Calculator](#) on the Payroll and Earnings page under Calculators. The calculator will provide an estimate of what the net pay will be for an employee when a furlough day is taken.

The employee will need their annual salary from their last Notification of Appointment (NOA), their most current earnings statement for deduction information as well as their W-4 filing status to complete the calculator. All of these can be obtained by logging into [NESSIE](#). The NOA can be accessed from the Personal Info tab and the Earnings Statement and W-4 information can be accessed from the Compensation tab.

Additional information regarding furloughs can be found at <http://www.uillinois.edu/our/news/budget/2010Furlough.cfm>. This site includes the announcement, policy and frequently asked questions.

Inside This Issue

1. **Highlights and Hot Topics**
 - Furlough-pg.1
2. **Information**
 - Investment Opportunities for Employees Separating from the University-pg. 2
 - Customer Service Metrics- pg. 2
3. **Important Dates**
 - Foreign National Appointment Labs-pg. 3
 - Payroll Training Events – pg. 3
4. **Questions and Answers –pg. 4**

Investment Opportunities for Employees Separating from the University

By Brenda Butts & Carole Devaney

Retiring or Leaving the University?

Employees separating from the University who have accrued compensable sick and/or vacation leave may contribute to the 403b and/or Deferred Compensation (457) plans from their Terminal Benefit Payout (TBP) check. Contributions are subject to the individual annual maximum limits set by the IRS listed below.

2010 IRS Maximums:

- Employees under age 50 may contribute up to \$16,500 into **each** plan (403b and/or 457).
- Employees age 50 and over can contribute up to \$22,000 into **each** plan (403b and/or 457).

Contact your campus University Payroll Benefits Office (UPB) for information on the 15 year Catch-up Provisions available.

Are you separating from the University? Here is what you need to do to take advantage of this investment opportunity:

- **For the 403b plan:** Contact your campus UPB Benefits Office **no later than 20 days prior to your separation date** to fill out enrollment and salary reduction forms.
- **For the 457 plan:** Contact your campus UPB Benefits Office **no later than 60 days prior to your separation date** to fill out the 457 enrollment or change forms.

Please refer to the [Deferred Compensation Payroll Conversion Chart](#) to determine deadlines for enrolling or making changes to the 457 Deferred Compensation plan. Enrollment or change forms must be received by Central Management Services by the date noted in the last column on the chart. For further assistance with enrollments or changes, contact your campus UPB Benefits Office.

UPB Contacts by Campus & Employee Last Name

UIC 312-996-6471	UIUC 217-333-3111	UIS 217-206-7142
A-E: James Albovias	A-G: Desiree McMillion	Bob Lael
F-K: Guadalupe Barocio	H-P: LaVerne Purchase	
L-R: Tim Gavin	Q-Z: Susan Patterson	
S-Z: Victoria Falconi		

Customer Service Metrics

Customer Satisfaction

For every call and visit made to Payroll Customer Service, a case is created and tracked using Unicenter software. Below is a table showing the number of Payroll Customer Service cases closed monthly between October 2009 and December 2009.

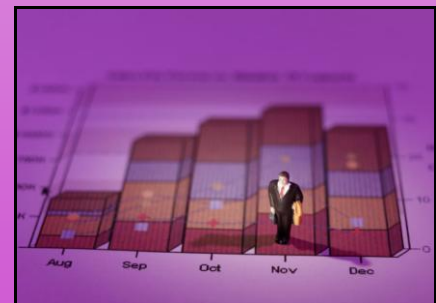
	October	November	December
Cases Closed	1925	1493	1411

Payroll Operations Metrics

During the last quarter of 2009, 79 timesheets fell into an error status at Disposition 05 and had to be manually fixed by Payroll Operations. This error occurs when an employee's required statutory deductions are not active or do not exist during the pay period.

Payroll Adjustments Processed October 2009 – December 2009

October	November	December
5229	3352	3502





Important Payroll Dates



Important DATE!



DON'T FORGET!



Reminder!

Payroll Training Events Now Open for Registration

UIUC

Adjustment Processing for Units

February 9 1:00pm to 4:00pm

Department Time Entry for Biweekly Employees

February 17 9:00pm to 12:00pm

Labor Redistributions

March 17 9:00am to 10:30pm

One-Time Payments

March 17 11:00am to 12:30pm

UIC

Adjustment Processing for Units

February 16 9:00am to 12:00pm

Department Time Entry for Biweekly Employees

February 16 1:00pm to 4:00pm

Labor Redistributions

March 23 9:00am to 10:30am

One-Time Payments

March 23 11:00am to 12:30pm

UIS

There are no classes listed at this time.

For further information on the Payroll courses or to register for a class, please visit the [OBFS Training Center](#).

Foreign National Mass Appointment Labs

The dates below are available for status review of new employees and for current employee renewals.

UIUC

February

4–8:30am to 10:00am; 10:30am to 12:00pm; 1:30 to 3:00pm
8–8:30am to 10:00am; 10:30am to 12:00pm; 1:30 to 3:00pm
10–8:30am to 10:00am; 10:30am to 12:00pm; 1:30 to 3:00pm
15–8:30am to 10:00am; 10:30am to 12:00pm; 1:30 to 3:00pm
18–8:30am to 10:00am; 10:30am to 12:00pm; 1:30 to 3:00pm
22–8:30am to 10:00am; 10:30am to 12:00pm; 1:30 to 3:00pm

March

8–8:30am to 10:00am; 10:30am to 12:00pm; 1:30 to 3:00pm
16–8:30am to 10:00am; 10:30am to 12:00pm; 1:30 to 3:00pm
18–8:30am to 10:00am; 10:30am to 12:00pm; 1:30 to 3:00pm
22–8:30am to 10:00am; 10:30am to 12:00pm; 1:30 to 3:00pm
30–8:30am to 10:00am; 10:30am to 12:00pm; 1:30 to 3:00pm
31–8:30am to 10:00am; 10:30am to 12:00pm; 1:30 to 3:00pm

UIC

February

11–9:00am to 10:30am; 11:00am to 12:30pm; 1:30 to 3:00pm
25–9:00am to 10:30am; 11:00am to 12:30pm; 1:30 to 3:00pm

March

2–9:00am to 10:30am; 11:00am to 12:30pm; 1:30 to 3:00pm
15–9:00am to 10:30am; 11:00am to 12:30pm; 1:30 to 3:00pm
25–1:30pm to 3:00pm

Please refer to the [registration site](#) for updates or changes to the Foreign National Mass Appointment Lab offerings.

Questions & Answers

Q: *I believe my W-2 is incorrect. Who should I contact?*

A: If you think there is an error on your W-2, or have questions, you can verify that your reportable taxable gross and Medicare earnings are correct by accessing the Excel spreadsheet created by University Payroll titled [Verification of Taxable Gross and Medicare Earnings on your W-2.](#)

To use this spreadsheet, you will need to reference your final earnings statement issued to you for the calendar year 2009 and follow these steps:

- Enter the Year-to-Date (YTD) totals in the right column for each of the items listed on the earnings statement.
- Enter the Gross Pay YTD, Taxable Benefits and Excess Life YTD totals from the Summary section of the earnings statement.
- Enter any remaining YTD amounts listed within the Deduction Summary section of the earnings statement.
- The spreadsheet will automatically calculate the totals for you. The Medicare calculation will also automatically calculate based on the numbers entered above, and will only be applicable if you have Medicare deductions.

If there is a discrepancy between the spreadsheet and your Form W-2, you should contact the University Payroll Service Center at 312-996-7200 or 217-265-6363. If needed, University Payroll will issue you a W-2C to be used for tax preparation. The W-2C and the original W-2 should be sent with your tax forms to the IRS.

Q: *I received a Form 1099 but am unsure why?*

A: 1099's are produced by University Payables. Customer Service for University Payables should be able to answer your inquiry. They can be reached at (217) 333-6583 or obfsupay@uillinois.edu.

Q: *A coworker received a 1098-T. What is a 1098-T and should I have received one?*

A: Form 1098-T is a form used to report education cost to the IRS. The statement would include tuition and related expenses as well as any scholarships or grants credited to the Student's account. Information reported on this form would be helpful to students or parents of students claiming educational credits on their income tax return.

Q: *I have no withholding for federal taxes because I filed a W-4 with exempt. I received an email stating that would end on 2-15-10. What do I need to do to keep the exempt status?*

A: If an employee wishes to file exempt from federal tax withholding, a new W-4 must be completed each year.

For 2010, the deadline for submission is February 16, 2010 and will remain in effect through February 16, 2011. This can be done through NESSIE on the Compensation tab. In the event an employee claimed exempt for 2009 and fails to provide University Payroll with a new W-4 by the deadline, University Payroll will begin withholding as if the employee is single with zero withholding allowances.

An employee cannot claim exemption from withholding if (a) income exceeds \$950 and included more than \$300 of unearned income, and (b) another person can claim the employee as a dependent on his/her tax return.

