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RUNNING WORKERS COMP CHECKS THROUGH PAYROLL

Effective 1/1/2019

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Running Workers Comp Checks through Payroll:

The retirement health and pension deductions will be calculated 'as normal', so the full deduction can be picked up on the ORS text file. Pay Execute will then programmatically move pre-tax deductions to non-pre-tax deductions for amounts related to Workers Comp. All districts will use the same Pay Items for these non-pre-tax retirement deductions.

Steps:

1. Payroll Person enters \$ amount in Workers Comp Pay Item in Time Entry or on the EI screen
2. Pay Execute does the rest! 😊
 - a. It calculates retirement deductions 'as normal', so they are picked up on the ORS text file
 - b. It recognizes that there is a workers comp pay item in play because there are specific earnings types mapped on the company level in Pay Item Manager - RESA already mapped these
 - c. It calculates the appropriate split between pre-tax and non-pre-tax, puts it into standard pay items 5341/5342/5518/5518 in check history, and adds these new Pay Items to the EI Pay Item Screen after commitment, if they aren't already there
 - i. You will be warned in the ORS Warnings Section that 5341/5342/5518/5518 will added
 - d. It calculates DC Pay Items 5380, 5390, 5430, and 5440 by excluding workers comp wages before applying the VOYA %s. We are now looking at the "Include in DTL4" flag on the company level pay item, to determine what dollar amount to apply the VOYA percentages to

Examples follow

Example Workers Comp Wages + Regular Wages

Employee is in Plan 'H' - Pension Plus with 3% Retiree Health. Employee is in third tier of contributions (6.4%)

Pay

Item	Description	Amount	DTL4 Flag
0010	Regular Wages	1000	✓
1370	WComp Wages	500	
3350	Cash In Lieu	200	✓
A299	Retirement Wages	1500	
A000	Total Pay	1700	

Pay

Item	Description	Amount	Taxability	Calculations done by PayEx	
5340	ORS RET HLTH	45	Pretax	$\$1500 \times 3\% = \45	Calculated as always, pick up on text file
5341	ORS RET HLTH-WC	15	Not Pretax	$\$45 \times 500/1500 = \15	Pro-rate Hlth based Wcomp Wage Ratio
5342	ORS HLTH OFFSETT	-15	Pretax	$\$45 \times 500/1500 \times -1 = -\15	Pre-Tax Offset
5310	ORS PENS+/MIP+	96	Pretax	$\$1500 \times 6.4\% = \96	Calculated as always, pick up on text file
5518	ORS RET DED-WC	32	Not Pretax	$\$96 \times 500/1500 = \32	Pro-rate MIP based Wcomp Wage Ratio
5519	ORS DED OFFSET	-32	Pretax	$\$96 \times 500/1500 \times -1 = -\32	Pre-Tax Offset
5380	ORS EE DC	24	Pretax	DTL4 flags = $\$1200 \times 2\% = \24	Calculate EE DC based on DTL4 flags
5390	ORS ER DC	12	Pretax	DTL4 flags = $\$1200 \times 1\% = \12	Calculate ER DC based on DTL4 flags

Example Workers Comp Wages Only - EE signed over check

Employee is in Plan 'H' - Pension Plus with 3% Retiree Health. Employee is in third tier of contributions (6.4%)

Pay Item	Description	Amount	DTL4 Flag
1370	Workers Comp Wages	500	
3350	Cash In Lieu	200	✓
A299	Retirement Wages	500	
A000	Total Pay	700	

Pay Item	Description	Amount	Taxability	Calculations done by PayEx	
5340	ORS RET HLTH	15	Pretax	$\$1500 \times 3\% = \45	Calculated as always, pick up on text file
5341	ORS RET HLTH-WC	15	Not Pretax	$\$45 \times 500/1500 = \15	Pro-rate Hlth based Wcomp Wage Ratio
5342	ORS HLTH OFFSETT	-15	Pretax	$\$45 \times 500/1500 \times -1 = -\15	Pre-Tax Offset
5310	ORS PENS+/MIP+	32	Pretax	$\$1500 \times 6.4\% = \96	Calculated as always, pick up on text file
5518	ORS RET DED-WC	32	Not Pretax	$\$96 \times 500/1500 = \32	Pro-rate MIP based Wcomp Wage Ratio
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5380	ORS EE DC	24	Pretax	DTL4 flags = $\$1200 \times 2\% = \24	Calculate EE DC based on DTL4 flags
5390	ORS ER DC	12	Pretax	DTL4 flags = $\$1200 \times 1\% = \12	Calculate ER DC based on DTL4 flags

New Earnings Types – we have already mapped them to your district’s existing Workers Comp Pay Items

When an employee signs over the check – notice “Include in DTL4” flag is NOT checked

Earning Code: 1370 Description: WKR CMP NO TAX Supplemental Pay

Calc Method: Fixed Amount
Calc Amount: 0
Credit Account:
Debit Account:
GL Class Code: 8000

Frequency
 First Pay
 Second Pay
 Third Pay
 Off Cycle

EarningType: WORK COMP

Include in A000
Include in Detail4 Gross
Include in MESC
Add back to Net Pay

Wages Exempt Withholding Exempt

Federal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
FICA	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
State	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Paired Deduction:

When an employee cashes the check – notice “Include in DTL4” flag is not checked, AND the Paired Deduction

Earning Code: 1380 Description: WKR CMP ern/ded Supplemental Pay

Calc Method: Fixed Amount
Calc Amount: 0
Credit Account:
Debit Account:
GL Class Code: 8000

Frequency
 First Pay
 Second Pay
 Third Pay
 Off Cycle

EarningType: WORK COMP IMPUTED

Include in A000
Include in Detail4 Gross
Include in MESC
Add back to Net Pay

Wages Exempt Withholding Exempt

Federal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
FICA	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
State	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Paired Deduction: 6138

New Standard Retirement Deductions to move Pre-Tax deductions to Non-Pre-Tax

The following are additional pay items set up in Pay Item Manager related to workers comp retirement deductions

You will need to set up the Credit Accounts for your district. For 5341 and 5342, use same account # as 5340. For

5518, and 5519: If all your regular MIP deductions are set up to the same GL account; use that same account. If they are different, create a new one (they are offsetting), or choose an existing one

Retiree Health

Pay Item 5341 - non-pre-tax ORS Health deduction related to Workers Comp Wages. Tax exempt flags NOT checked
The portion of the retiree health that is related to the workers comp wages is calculated and stored here

Deduction Code: 5341 Description: ORS RET HLTH-WC Employer Deduction TDP Deduction Allow Direct Deposit

Calc Method: Fixed Amount
Calc Amount:
Credit Account:
Debit Account:
GL Class Code: Priority: 50

Frequency
 First Pay
 Second Pay
 Third Pay
 Off Cycle

Tax Flags
 Federal Exempt
 FICA Exempt
 State Exempt

Additional
Deduction Type: (NONE) Roth Vendor Code:
Vendor Name:

Retirement Deduction

Pay Item 5518 - non-pre-tax ORS MIP deduction related to Workers Comp Wages. Tax exempt flags NOT checked
The portion of the retiree health that is related to the workers comp wages is calculated and stored here

Deduction Code: 5518 Description: ORS RET DED-WC Employer Deduction TDP Deduction Allow Direct Deposit

Calc Method: Fixed Amount
Calc Amount:
Credit Account:
Debit Account:
GL Class Code: Priority: 50

Frequency
 First Pay
 Second Pay
 Third Pay
 Off Cycle

Tax Flags
 Federal Exempt
 FICA Exempt
 State Exempt

Additional
Deduction Type: (NONE) Roth Vendor Code:
Vendor Name:

Pay Item 5342 - pre-tax ORS Health offset related to Workers Comp Wages. Tax exempt flags ARE checked.

The portion of the retirement deduction that is related to the workers comp wages is calculated and stored here as a negative value, and is a pre-tax offset

Deduction Code: 5342 Description: ORS HLTH OFFSET Employer Deduction TDP Deduction Allow Direct Deposit

Calc Method: Fixed Amount
Calc Amount:
Credit Account:
Debit Account:
GL Class Code: Priority: 50

Frequency
 First Pay
 Second Pay
 Third Pay
 Off Cycle

Tax Flags
 Federal Exempt
 FICA Exempt
 State Exempt

Additional
Deduction Type: (NONE) Roth Vendor Code:
Vendor Name:

Pay Item 5519 - pre-tax ORS Retirement offset related to Workers Comp Wages. Tax exempt flags ARE checked

The portion of the retirement deduction that is related to the workers comp wages is calculated and stored here as a negative value, and is a pre-tax offset

Deduction Code: 5519 Description: ORS DED OFFSET Employer Deduction TDP Deduction Allow Direct Deposit

Calc Method: Fixed Amount
Calc Amount:
Credit Account:
Debit Account:
GL Class Code: Priority: 50

Frequency
 First Pay
 Second Pay
 Third Pay
 Off Cycle

Tax Flags
 Federal Exempt
 FICA Exempt
 State Exempt

Additional
Deduction Type: (NONE) Roth Vendor Code:
Vendor Name: