



[Newsletter Archive](#) | [Statewide Accounting Manual](#) | [Forms](#) | [State Comptroller](#)

PAYROLL

[October Columbus Day Federal Holiday](#)

In planning your work for October, it is important to remember that Columbus Day is Monday, Oct. 14. Although not a state holiday, Columbus Day is a federal/bank holiday. As a reminder, all payrolls and documents must be received five (5) business days prior to the actual pay date to ensure adequate time for audit and processing. Adherence to this policy will ensure payrolls are processed to pay timely.

>> [Back to Top](#)

[SoonerSave Contributions to Employee Accounts](#)

Employee deferrals and employer contributions must be remitted to OPERS in a timely manner to ensure participant amounts are posted and transferred to the selected investment options within 10 business days of payday, end of payroll period or process date, whichever is later. OMES processes payments for SoonerSave amounts on confirmed payrolls on a weekly basis. This payment schedule far exceeds the requirements set forth in the plan and IRS rules. On many occasions contributions are posted to employee accounts on or before the actual pay date. Occasionally, and due to the payroll processing schedule of agencies, payments may post after the actual pay date.

Please remind employees that payments not showing on a quarterly statement may be due to the later processing of payroll and will show in the next quarterly statement. Employees are also encouraged to use the SoonerSave website to review and receive up-to-date information on their account. The following link will take you directly to the [SoonerSave website](#).

>> [Back to Top](#)

[SoonerSave Contributions and Eligible Compensation](#)

As a reminder to agencies, certain types of earnings are eligible for deferral to SoonerSave while others are not considered eligible compensation. Annual leave payout is generally eligible for SoonerSave deferral on termination of employment. However, payments on severance from employment do not qualify. Therefore, payments under voluntary buyouts and reductions in force would be excluded from deferral consideration. Only compensation from an agency that is attributable to services performed for the agency may be considered as earnings from which SoonerSave deferrals can be taken. This would include regular pay, overtime, shift differential and other similar payments based on employment. If an amount would have been paid had the employment continued, such as annual leave, then deferrals may be taken.

Please advise employees that changes in deferral amounts must be submitted to the SoonerSave administrator and approved before processing through payroll. For additional information, agency personnel

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In This Issue ...

- [October Columbus Day Federal Holiday](#)
- [SoonerSave Contributions to Employee Accounts](#)
- [SoonerSave Contributions and Eligible Compensation](#)
- [Taxable Fringe Benefits](#)
- [Employee Overpayments Collected After Year End](#)
- [Reduction of Annual Leave Hours for Overpayments](#)
- [Deceased Employee Payroll Processing and Reporting](#)
- [Outstanding Wages Beneficiary Designation Option](#)
- [Submission of OMES Form 94P](#)
- [Adjustments to Oklahoma Child Support Payments](#)
- [GSA Federal Per Diem Rate Changes – Effective Oct. 1, 2019](#)
- [Payroll Funding Corrections](#)
- [Agency W-9 Requests](#)
- [Association of Government Accountants Upcoming Events](#)
- [2019 Oklahoma Payroll Conference](#)
- [Upcoming OFMA Meeting](#)
- [Webinar - PeopleSoft Upgrade Demonstration](#)
- [Best Practices for Payroll Taxes and 1099 Issues](#)
- [Payroll Law 2019](#)
- [The Complete Guide to Payroll Taxes and 1099 Issues](#)
- [Contacts](#)

TRAINING

[Association of Government Accountants Upcoming Events](#)

Location: The Tasting Room at Will Rogers Theater

4322 N. Western Ave.
Oklahoma City, OK 73118

Sept. 18, 2019, Luncheon (one CPE).

Speaker: Huey Pat Long, City Manager, City of Spencer.

Oct. 16, 2019, Luncheon (one CPE).

Speaker: Lynne Bajema, State Comptroller.

Luncheons are \$25 for non-members and \$20 for members.

Professional Development Training

Nov. 12, 2019

All day training (eight CPEs).

CGFM Class to be held March 2-6, 2020. More information to come in the next newsletter.

>> [Back to Top](#)

[2019 Oklahoma Payroll Conference](#)

Presented by the Northeastern and Oklahoma City Chapters of the American Payroll Association

Thursday and Friday, Sept. 19-20, 2019.

Northeastern State University

3100 E. New Orleans St.

Broken Arrow, OK 74014

should contact their SoonerSave coordinator or the SoonerSave administrative office at 800-733-9008 or 405-858-6781.

[>> Back to Top](#)

Taxable Fringe Benefits

As we approach the end of the calendar year, be reminded that the payroll system has been structured to accommodate the reporting of non-cash, taxable fringe benefits. Of specific concern to state employees, the following benefits should be reviewed to determine if W-2 wage adjustments are necessary:

- Group term life insurance.
- Employee use of state vehicles.
- Maintenance, car and housing allowances.
- Additional non-cash benefits.

Reporting of these benefits is required by state and federal law and it is the responsibility of the individual agency to ensure compliance. If the item is not run through the payroll system in the current year, the employer may deduct the taxes associated with the wage item on a following paycheck in the next year as a miscellaneous deduction. Any taxes associated with items not run through the payroll system must be sent to OMES in a timely manner so the tax deposits can be made by established deadlines and the items posted to the employee's earnings record.

Under IRS rules, an employer can choose to pay the employee's share of taxes on group term life, auto fringe, and other non-cash benefits. If the employer pays these taxes without deducting them from the individual, those taxes must be included as wages for federal, state, social security and Medicare wages (boxes 1, 3, 5, and 16). This increase in the employee's wages is also subject to employee social security and Medicare taxes. This again increases the amount of additional taxes the employer must pay. Example: Tom received a non-cash benefit valued at \$100.00. The agency decides to pay the employee's taxes on all non-cash benefits. The employee's taxes would be $\$7.65 [(100 \times 6.2\%) + (100 \times 1.45\%)]$. The amount the employer is paying for the employee is another benefit to the employee and must be taxed $[(7.65 \times 6.2\%) + (7.65 \times 1.45\%)] = \0.58 . This additional \$0.58 is again taxable to the employee $[(0.58 \times 6.2\%) + (0.58 \times 1.45\%)] = \0.05 . Total taxes to the employee are \$8.28, for total wages of \$108.28. An easier way to calculate, is to "gross up" the benefit. Divide the benefit amount by 92.35% (100% - 6.2% - 1.45%) to get the gross wages to report. From this amount, the Social Security and Medicare taxes are calculated. $100.00/92.35\% = \$108.28$ (the taxable wage amount). $[(108.28 \times 6.2\%) + (108.28 \times 1.45\%)] = \8.28 (taxes).

Refer to the W-2 instructions and Publication 15A, Employer's Supplemental Tax Guide, for additional information if needed. Also, refer to OMES Human Capital Management rules to determine whether these payments are a valid pay plan for a particular agency.

[>> Back to Top](#)

Employee Overpayments Collected After Year End

Employee overpayments that are collected in the next calendar year are to be repaid at the gross overpayment amount in accordance with Internal Revenue Service regulations. If an employee owes the agency, notify the employee that if the amount is not paid in full by Dec. 31, 2019, the amount due will increase to the gross

For more information please visit their [website](#).

[>> Back to Top](#)

Upcoming OFMA Meeting

Mark your calendars for the next OFMA meeting on Thursday, Oct. 3. The agenda is still being finalized but will include information from the new state purchasing director and information from the state's new Digital Transformation team.

Seminars are provided free of charge. Register today at: www.okfma.com.

Date: Oct. 3, 2019.

Time: 1:30-4 p.m.

Place: Business Conference Center Auditorium.

MetroTech Springlake Campus
1900 Springlake Drive, Oklahoma City

[>> Back to Top](#)

Webinar - PeopleSoft Upgrade Demonstration

Date: Oct. 8

Time: 10 a.m.

Watch for details via e-mail.

[>> Back to Top](#)

Best Practices for Payroll Taxes and 1099 Issues

Presented by the Oklahoma Society of Certified Public Accountants.

Friday, Nov. 15, 2019, Tulsa, OK

For more information, please visit the [OSCPA website](#).

[>> Back to Top](#)

Payroll Law 2019

Presented by Fred Pryor Seminars

Nov. 18, 2019 – Tulsa

Nov. 19, 2019 – Oklahoma City

For more information, please visit their [website](#).

[>> Back to Top](#)

The Complete Guide to Payroll Taxes and 1099 Issues

Presented by the Oklahoma Society of Certified Public Accountants

Monday, Dec. 9, 2019, Oklahoma City, OK

For more information, please visit the [OSCPA website](#).

[>> Back to Top](#)

Contacts

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State Comptroller:

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405-522-5577

lynne.bajema@omes.ok.gov

OMES Services CAR Accounting:

Jennie Pratt, CPA, CGFM

accounting@omes.ok.gov

Agency Business Services/Deputy State Comptroller:

Steve Funck, CPA, CGFM

carfinancialsharingservices@omes.ok.gov

Financial Reporting Unit:

Matt Clarkson, CPA

matt.clarkson@omes.ok.gov

Transaction Processing Manager:

Steve Wilson

405-521-4679

steve.wilson@omes.ok.gov

Statewide Accounts Payable:

Courtney Cowart

OMESTPAccountsPayable@omes.ok.gov

amount.

In accordance with [74 O.S. § 840-2.19](#), the agency must send a notice to the employee within 10 days of identifying an overpayment. The employee then has 30 days to respond to this notification. Employees have several options for repaying overpaid payroll amounts:

- Reduction of annual leave (for the gross overpaid).
- Reduction of current gross salary (for the gross overpaid) in a lump sum or installments over a term not to exceed the term in which the overpayment(s) occurred.
- Lump-sum cash repayment.
- Miscellaneous payroll deduction (for the net overpaid) in a lump sum or installments over a term not to exceed the term in which the overpayment(s) occurred.
- Any combination of the above options.

With the calendar year end nearing, the collection of any outstanding overpayment is especially important and must be conveyed to employees who owe any monies back to the agency. When an overpayment is reimbursed in a subsequent year, IRS rules state that the employee must reimburse at the gross amount because the funds were available for use in the prior year and as such, they are taxable to that year. Additionally, federal and state wages and taxes cannot be reduced for prior years when repayments are made after the end of that calendar year.

For example, John Doe was overpaid in August by \$1,000.00 regular wages. This was discovered in September and the agency calculated what the correct payroll should have been. The net check difference is \$743.50, the amount the employee owes the agency if making the reimbursement by personal check or miscellaneous deduction in the current year. If the employee does not reimburse the net amount by Dec. 31, 2019, the employee owes the agency the full \$1,000.00 gross overpayment.

If the employee reimburses the entire gross amount after year end, the applicable W-2, Corrected W-2, or W-2C will only reflect a change in the Social Security and Medicare wages and taxes. Since the employee received and had use of the funds during the year of overpayment, the amount is still taxable for federal and state purposes. The W-2 form will not correct federal or state taxable wages or income taxes. The employee may be entitled to either a deduction or credit on their current year Form 1040, and should be advised to speak to their tax accountant.

[>> Back to Top](#)

[Reduction of Annual Leave Hours for Overpayments](#)

When an employee chooses to reimburse an overpayment using annual leave, the amount of annual leave reduced should equal the gross amount of the overpayment.

If an employee reimburses an overpayment using terminal leave, an OMES Form 94P must be submitted to correct the retirement amounts reported on the check that included the overpayment. Terminal leave is not included in retirement wage calculations; therefore, a payroll earnings adjustment is required.

[>> Back to Top](#)

[Deceased Employee Payroll Processing and Reporting](#)

Agencies must complete Form DER, Deceased Employee Reporting, when an employee dies and payments are made after the date of death. The form is on the OMES website under [CAR Forms](#). Complete

Replacement Warrants:

OMESTPReplacement.Warrants@omes.ok.gov

Voucher Processing:

OMESTPVouchers@omes.ok.gov

Payroll Transaction Processing:

Elsa Kunnel

payrolltransprocess@omes.ok.gov

Payroll Reporting:

Lisa Raihl, CPA

405-521-3258

lisa.raihl@omes.ok.gov

Purchase Cards and Travel (Online

Booking) Assistance:

Linda Powell

pcard@omes.ok.gov

Vendor Registration:

Victoria Baker

405-522-3093

victoria.baker@omes.ok.gov

Vendor File Maintenance:

vendor.form@omes.ok.gov

Vendor Remittance Updates:

Updates to remittance contact for vendor payment notification.

remittance@omes.ok.gov

OMES Service Desk:

405-521-2444 or toll-free 866-521-2444

servicedesk@omes.ok.gov

all forms and send to OMES CAR payroll, attention Alicia Reel, as soon as possible after all payments have been processed. Procedures for processing payroll after the death of an employee are available in the OMES HCM how-to document titled "[Payroll Processing for Death of an Employee.](#)"

NOTE: Remember to update the date of death on the HR Personal Data Record, update Job Data for a termination with the reason code SO4 (deceased), and terminate the employee's direct deposit. Banks will return direct deposits for deceased customers. A return of an item will cause a delay to the individual receiving the payment.

>> [Back to Top](#)

[Outstanding Wages Beneficiary Designation Option](#)

[40 O.S. § 165.3a](#) allows employers to provide employees the option of designating a beneficiary for wages and benefits payable upon an employee's death. There is no requirement for an employer to allow employees to select beneficiaries, but agencies may want to consider adopting such a policy. Providing the option to employees relieves stress and anxiety on family members after the death of the employee. It also provides clear guidance on who is to receive final wage payments. This statute does not include any longevity payment that may be due as of the date of death of an employee. [74 O.S. § 840-2.18, subsection H.2](#) authorizes any longevity payment to be paid to the decedent's surviving spouse, or if there is no surviving spouse, to the decedent's estate.

For more information or sample forms and instructions, please contact Jean Hayes at 405-522-6300, jean.hayes@omes.ok.gov or Lisa Raihl at 405-521-3258, lisa.raihl@omes.ok.gov.

>> [Back to Top](#)

[Submission of OMES Form 94P](#)

When an employee reimburses a payroll overpayment, please complete and submit the OMES Form 94P as soon as the reimbursement is made. Timely submission helps ensure corrections are reflected in the quarter in which they occurred for proper reporting and also helps in the full recovery of OPERS retirement amounts. If the retirement system is not aware of an overpayment and the pending overpayment refund request, payouts to former employees may be incorrect, resulting in a loss to the agency. In addition, retirement calculations may be incorrect if the overpayment is not reported timely.

Please do not provide copies of personal checks. The form allows the agency to enter the amount reimbursed. Additional backup data is not required.

The form requires the State EmplID be entered. This has been changed for the privacy and security of the employee. Please do not submit with the Social Security number or any other number.

>> [Back to Top](#)

[Adjustments to Oklahoma Child Support Payments](#)

Agencies must notify OMES CAR by 5 p.m. on Friday of any items that will affect the Oklahoma centralized child support payment to be made the following Monday. Items that could affect the amount to be paid include refunds to employees for amounts withheld in error and reversals of payroll warrants. If OMES is not notified and the centralized child support payment is processed, the agency will be responsible for contacting the Department of Human Services Child Support Division to attempt to get a refund. If the funds have already been disbursed to the recipient, the money

might not be refunded back to the agency. Timely communication from agencies is critical in these situations.

Each Monday OMES CAR runs the OMES HCM process to report and make payment to the OCSS/Oklahoma Centralized Support Registry, PS Vendor ID 0000190715. The process is run for payments with dates from the second previous Saturday through the previous Friday. For example, paychecks with an issue date between 3/23/2019 and 3/29/3019 were processed to pay the child support withholdings on 4/01/2019. All payments going to the OCSS must be set up to use Vendor ID 0000190715.

Payments to Vendor ID 0000000830 or Vendor ID 0000197419 for the OCSS are no longer allowed and will not be processed for centralized payment if used in error.

In PeopleSoft Financials, a journal entry is created to remove the funds from the agency's 994 fund. The agency will see a debit to the 633190 account and a credit to 101000.

For questions, please contact Alicia Reel at 405-522-9479, alicia.reel@omes.ok.gov or Jean Hayes at 405-522-6300, jean.hayes@omes.ok.gov.

>> [Back to Top](#)

ACCOUNTING

[GSA Federal Per Diem Rate Changes – Effective Oct. 1, 2019](#)

The Government Services Administration has posted revisions to the per diem rates we use for travel which are effective Oct. 1, 2019, (federal fiscal year of October-September). The federal Standard CONUS Rate lodging increased, as did the Oklahoma City lodging rate. However, the federal meals and incidentals rates (our per diem) **did not** change, so there is no change for Oklahoma City/Oklahoma County per diem.

Find the 2019/2020 rate comparisons [here](#).

This rate change is effective for travel occurring Oct. 1, 2019, and after, which is the start of the federal fiscal year 2020.

These new rates can be viewed or downloaded at the GSA website, www.gsa.gov/perdiem. For specific traveled to locations, use <https://www.gsa.gov/travel-resources>.

>> [Back to Top](#)

[Payroll Funding Corrections](#)

Submissions for payroll funding corrections should be submitted through email to accounting@omes.ok.gov. The submission should include the signed request as a pdf and the Excel version of the form to allow for automated processing. Agencies that are providing an xml file may continue to do so.

The amount being corrected cannot exceed the original entry at the detail chartfield level. Selected lines being corrected are checked to the original entry and must include the same detail funding. If the correcting entry is reclassifying an amount and the original entry included the sub account or CFDA number, the correcting entry must also include those chartfields. Agencies using chartfields that are not on the form provided on the OMES website should add columns to include the additional chartfields.

>> [Back to Top](#)

MISCELLANEOUS

[Agency W-9 Requests](#)

Agencies in need of a W-9 to provide to businesses that make payments to them may request one through OMES CAR. The form will be signed by State Comptroller Lynne Bajema and include the correct

information to provide to payers. Once an agency has received a current year signed W-9, please make copies and provide to payers as they request. Payers should not be referred to OMES for W-9s; the agency should have one on-hand, and if not, request one directly from OMES.

>> [Back to Top](#)

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