

MiCase HR/Payroll System Application Release Notes

Application Release Date: 20-Feb-2018

These notes provide a brief description of the changes and new features to be found in the HR/Payroll System release dated 20-Feb-2018.

The following items refer to system “bugs” that have been corrected in this version:

No “bugs” were corrected in this version.

The following items refer to miscellaneous changes that have been made in this version – or in previous versions:

1. For payrolls with a *Payroll Run Schedule* of NOSCH (Non-Scheduled), the system has been revised to calculate Federal Income Tax withholding (MiCase deduction code “FIT”) as 22% of the wage base, instead of the 25% previously used. Also for “Non-Scheduled” payroll runs, the system will ignore any entries in the employee’s *Current Pay Tax Break* as well as Federal and State *Additional Withholding* fields.

For instructions how to process a NOSCH payroll, go to the MiCase FAQ web site, <https://www.kresa.org/site/Default.aspx?PageID=2043>. The FAQ *Non-Scheduled Payroll Runs – How to Run* may be found there, along with other helpful documents.

This remainder of these notes address the refund of the RHC deduction and payment of associated interest, from the file supplied by the ORS.

A new *Operation* has been added to the *Module Control Screen*. The *Operation* uses the file supplied by the ORS and creates records to include the refund of the RHC and the payment of the interest on the RHC in a subsequent payroll.

2. Module: *Payroll Module Administration*
Screen: *Payroll Module Control Screen*
A new *Operation > Import ORS RHC Refund file* has been added to the system. The operation uses the file supplied to your district from ORS to refund the RHC deduction and pay the interest on it to your employees in a subsequent payroll.

Before running the *Operation*, consider the following and determine how your district wants to handle the refund of the RHC deduction to your employees:

- a) Decide the *Schedule* of the payroll to include the refund and interest payments (i.e. BIWK, SEMI, NOSCH, etc.). If necessary, be sure to add a record on the

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Pay Dates Definition Screen for the payroll schedule and date to contain the refund and interest payments.

- b) Determine how your district chose to calculate the RHC deduction, in relation to “FICA” (MiCase benefit code “FICA” and deduction codes “MCT” and “SST”).

If your district treated the RHC deduction as “exempt FICA” during the entire period from 2010 to 2012, then “FICA” must be calculated on the refund; in this case, select “FICA taxable” when running the *Operation* to refund the deduction to employees.

If your district treated the RHC deduction as “subject to FICA” during the entire period from 2010 to 2012, then then “FICA” should **not** be calculated on the refund; in this case, select “Exempt FICA” when running the *Operation* to refund the deduction to employees.

- c) Decide the ASN to be associated with the refund of the RHC deduction. If you wish to use a new ASN for this purpose, be sure to define the account in the Financial Accounting system on the *Chart File Information* screen – before running the *Operation*. Also, if *Benefit Distribution Control* records have not been defined for the ASN to be used, define the distribution control record for the FICA benefit before running the operation.

If your district wishes to use multiple accounts to expense the RHC refund, multiple benefit distribution control records will need to be present. In this case, determine the ASN which will be used for the most employees and enter that when running the operation. Then, after the operation has been run, for selected employees, you may change the ASN on the *Employee One-time Postings Screen* as desired.

- d) Decide the ASN to be associated with the payment of the interest. If you wish to use a new ASN for this purpose, be sure to define the account in the Financial Accounting system on the *Chart File Information* screen – before running the *Operation*.
- e) A “cutoff date” to enable the system to identify employees included the ORS file that have not been paid by your district since a given date. This will identify inactive employees who may require special handling to ensure they receive their refund and interest payment.
- f) For employees identified in the step above, the system can update their mailing address in the HR/Payroll System, to match the address found in the

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ORS refund file. Before running the operation, decide if you wish the system to do this step.

- g) For employees identified in step e) above, the system can update their record on the *Employee Master Setup Screen*, so that a check will be created when the payroll is run – instead of an ACH transaction. Before running the operation, decide if you wish the system to make this change. If you run this operation and have an employee who still wishes to have their payment set up as a direct deposit, you can go into their *Employee Master Setup Screen* after you run the operation and change them to Direct Deposit.
- h) After you choose the *OK* button to proceed, you will be asked to *Select File to Append*. Select the CSV file received from ORS to upload.
- i) If you have an employee who is deceased and you don't wish to issue them a check, you can go into the *One Time Postings Screen* and the *Direct to Net Payment Screen* to remove their payment. If you choose to do this, you will then want to issue a check through Accounts Payable for the amount of their refund.
- j) If you have an employee who has a garnishment that is calculated on their earnings and you are paying this as a NOSCH, the process is a little different than a regular payroll. The amount you calculate for the garnishment should be entered as a "Negative Direct to Net Payment". This will actually deduct the amount of the garnishment from their payment. On their next regularly scheduled payroll, add the amount of this garnishment onto the amount for the regular payroll and then enter a "Positive Direct to Next Payment". This will make sure there is no effect on their regular paycheck but will get the payment into the vendor check for their garnishment.

The Operation does the following:

- 1. A record will be created on the *Employee One-time Postings Screen* with the *Pay Amount* of the RHC refund, as well as the payroll *Schedule*, appropriate *Earnings Code* and *ASN* entered when the operation is run. The *Code* of the record will be "RHCRF" (i.e., RHCRFund). If the refund is "FICA taxable", then the *Earnings Code* will be "RUULN"; if the refund is "Exempt FICA", then the *Earnings Code* will be "STDNT".
- 2. A record will be created on the *Employee Direct to Net Postings Screen* with the *Amount* of the interest on the RHC refund, as well as the payroll *Schedule* and *ASN* entered when the operation is run. The *Code* of the record will be "RHCIN" (i.e., RHCINterest). The interest payment will not be subject to any

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taxes or deductions, as it is added directly to the employee's net pay and not included in their gross pay.

3. If the employee has not been paid by your district since the cutoff date entered, the system will indicate that in the *Operations/Error Log* report.
4. If the employee has not been paid by your district since the cutoff date entered and the address in the HR/Payroll System does not match the address for the employee included in the ORS refund file, the system will indicate that in the *Operations/Error Log* report.
5. If the employee has not been paid by your district since the cutoff date entered and the *yes, Match* field is checked, the system will update the employee's mailing address to match the address found in the ORS RHC refund file.
6. If the employee has not been paid by your district since the cutoff date entered and the *yes, Check* field is checked, the system will update the *Employee Master Setup Screen > Check/Direct Deposit* field to Check.

Important notes:

After running the operation, review the *Operations/Error Log* report for details of all changes made in employee payroll records.

This process can be re-run prior to processing your payroll if needed. If it is re-run, any changes made in the *One Time Postings Screen* and *Direct to Net Screen* will be overwritten and replaced with new records from the operation.

Before running the payroll which will include the above items, on the *Payroll Module Control Screen*, verify that the *Payroll Run Schedule* is set to the correct schedule.

If your district calculates workers compensation (MiCase benefit code "WCOMP"), there may be benefit line items in the Employee Register Records created when the payroll is run to refund the items to the employees. If a batch of transactions is created in the Financial Accounting system on the *Payable Batch Screen*, for the WCOMP benefit, it should be deleted and not posted to the general ledger.

As always, please contact our Help Desk with any questions or concerns.

MiTech Information Systems Help Desk

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On behalf of the MiTech staff, thank you.