

End of Year Payroll and Open Enrollment File Processing

Kristin Lambert

Kentucky Department of Education

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Please send questions to Munis@education.ky.gov



Webcast Information

- Send questions during and after the webcast to Munis@education.ky.gov.
- **The webcast will be archived** and a link distributed via email after it's available.



2020 Open Enrollment Processing

- ▶ Follow the 2020 Open Enrollment File Guide!
- ▶ The steps are listed for a reason, completing steps out of order may cause issues with processing your Open Enrollment health insurance file and employee deductions.



Step 1 – Create New Deduction Codes

- ▶ Dental and Vision plans are now PRE-tax.
- ▶ Add the new deductions in the 2400 – 2799 range.
- ▶ Districts decide what deduction numbers to use to setup the new optional benefits.



Dental Deduction Example



Deduction Identification					
Deduction	Short Desc	Long Description	Abbrev	Start Date	End Date
2450 ...	DENTAL	DENTAL INSURANCE	DENTAL	12/01/2019	12/31/9999
Main Cycles Garnishments Check Options Insurance Escrow					
Primary Information					
Priority	2450			Empe/Empr	1 - EMPLOYEE PAYS
Category	02 - HEALTH				<input type="checkbox"/> Benefit
Insufficiency	M - MANDATORY (MUST BE RESOLVED)				<input type="checkbox"/> Annual Tax Table
Calc Code	02 - AMT FROM EMPLOYEE DEDUCTION				<input type="checkbox"/> Credit Emp Acct via ACH
State Code					<input type="checkbox"/> Encumber Remaining
Local Code					<input type="checkbox"/> Adjust for Rounding
Tax Table Type					<input type="checkbox"/> Calculate Employer Match
Check Type	B - PAYROLL CHECK			Total Cycles	0
Ck/Invoice Entity				Expense	
Vendor Number	3 ...	Address	0 ...	Withholding	10 ... 7461 ...
					ACCR SALARIES & BENEFIT PAYABLE
Amounts/Limits					
Empe Amt/Pct	.0000	Empr Amt/Pct	.0000		
Empe Annual Amt	.00	Empr Annual Amt	.00		
Empe Limit	.00	Empr Limit	.00		
Limit Type		Multi-Limit			
Empe Minimum	.00	Transaction Fee			

- Determine deduction code and description to be used by your district.

Vision Deduction Example



Deduction Identification					
Deduction	Short Desc	Long Description	Abbrev	Start Date	End Date
2451 ...	VISION	VISION INSURANCE	VISION	12/01/2019	12/31/9999
<div style="display: flex; justify-content: space-between; border-bottom: 1px solid black;"> Main Cycles Garnishments Check Options Insurance Escrow </div>					
Primary Information					
Priority	2451		Empe/Empr	1 - EMPLOYEE PAYS	
Category	02 - HEALTH			<input type="checkbox"/> Benefit <input type="checkbox"/> Annual Tax Table <input type="checkbox"/> Credit Emp Acct via ACH <input type="checkbox"/> Encumber Remaining <input type="checkbox"/> Adjust for Rounding <input type="checkbox"/> Calculate Employer Match	
Insufficiency	M - MANDATORY (MUST BE RESOLVED)			Total Cycles	
Calc Code	02 - AMT FROM EMPLOYEE DEDUCTION			0	
State Code				Expense	
Local Code					
Tax Table Type				Withholding	
Check Type	B - PAYROLL CHECK			10 ... 7461 ...	
Ck/Invoice Entity				ACCR SALARIES & BENEFIT PAYABLE	
Vendor Number	3 ...	Address	0 ...	KENTUCKY STATE TREASURER	
Amounts/Limits					
Empe Amt/Pct	.0000		Empr Amt/Pct	.0000	
Empe Annual Amt	.00		Empr Annual Amt	.00	
Empe Limit	.00		Empr Limit	.00	
Limit Type			Multi-Limit		
Empe Minimum	.00		Transaction Fee	...	

- Determine deduction code and description to be used by your district.

Step 2 – Verify Records in Pending

- ▶ *Prior to importing the 2020 Open Enrollment file*, review all records in the KY Employee Benefits pending area to determine if you have any current or prior year records.
- ▶ If you have any unprocessed 2019 files or records they should be imported and processed before proceeding with the open enrollment file.
- ▶ After processing the remaining pending records, any remaining records that are not needed should be purged (again, please verify before purging).



Step 2 – Verify records in Pending

Records for new employees whose insurance is effective 1/1/2020 or later:

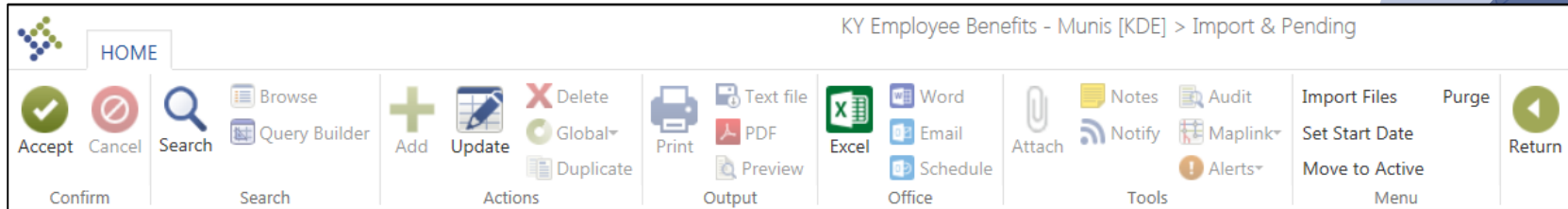
- If you have Open Enrollment records for new employees with insurance effective 1/1/2020, keep those in the Pending area until after you import the official file.
- Once the open enrollment file has been imported, review the records to see if the new employee records were included on the open enrollment file.
- If the records are on the open enrollment file, purge the previously received records.
- If their records were not received on the open enrollment file, review the existing record to verify that all information is correct and use these records to process the employee benefit deductions.
 - If you imported these records before the new dental or vision deduction codes were setup, you will need to manually modify the deduction code on those records.



Step 2 – Purge Old Records from Pending Area

Human Resources/Payroll > Payroll > State Specific > South > Kentucky > KY Employee Benefits

- ▶ Select **Import/Pending**
- ▶ From the ribbon, select **Update**.
- ▶ Choose the **Select All** button then **Accept**. If any new hire records remain, deselect those records.
- ▶ Select the **Purge** button and select **Yes** to the prompt.



Step 3 – Update KY Employee Benefits Setting Screen



- ▶ Prior to importing the OE file, update the dental and vision deduction codes on the Benefits Setting screen.
- ▶ Note: If you receive any 2019 plan year dental or vision import files, you will need to manually process those deductions once the Benefits Setting screen is updated to reflect the new deduction codes used in 2020.

Update the Benefits Setting Screen



Main

Health

Allow Health Insurance Maintenance

Months of Coverage

Deduction Cycles

Cycles Per Month ▼

Liquidation Cycles

Employee Health Insurance Deduction ... ANTHEM BLUE CROSS/BLUE SHIELD

Employee Health Insurance Post-Tax ... BOARD PD HEALTH INSURANCE

Employer Cost Deduction ... HEALTH INS EMPLOYER COST

Administration Fee Amount

Life Insurance Fee Amount

Dental Insurance

Dental Insurance Deduction ... DENTAL INSURANCE

Deduction Cycles

Cycles Per Month ▼

Vision Insurance

Vision Insurance Deduction ... VISION INSURANCE

Deduction Cycles

Cycles Per Month ▼

Flex Spending

Flex Spend Health Deduction ... HEALTH CARE SPENDING

Flex Spend Dependent Deduction ... DEPENDENT CARE SPENDING

Deduction Cycles

Cycles Per Month ▼

Life

Optional Life Plan Deduction ... GROUP LIFE INS - SELF

Dependent Life Deduction ... GROUP LIFE INS - DEPENDENT

Deduction Cycles

Cycles Per Month ▼

Federally Funded Deductions

HRA Stand-Alone Deduction ... FED. FUNDED HRA STANDALONE

Administration Fee Deduction ... FEDERATA STATE ADMIN FEE

Life Insurance Deduction ... FEDERAL LIFE INSURANCE

Health Insurance Deduction ... FEDERAL FUNDED HEALTH INS

Deduction Cycles

Cycles Per Month ▼

Step 4 – Import the 2020 Open Enrollment File

- ▶ KDE anticipates the distribution of the Open Enrollment file by close of business on December 6th.
- ▶ The file can be imported into the Pending area before December payrolls have been completed.

Crucial!

- ▶ Make sure the Benefits Setting screen has been updated before importing the file!



Step 4 – Importing the 2020 Open Enrollment File

- ▶ Select the Open Enrollment file and import.
- ▶ The Open Enrollment file can be identified by Date and File Size/Bytes (larger than daily files) when selecting the file from the import screen.



Step 4 - Importing the 2020 Open Enrollment File

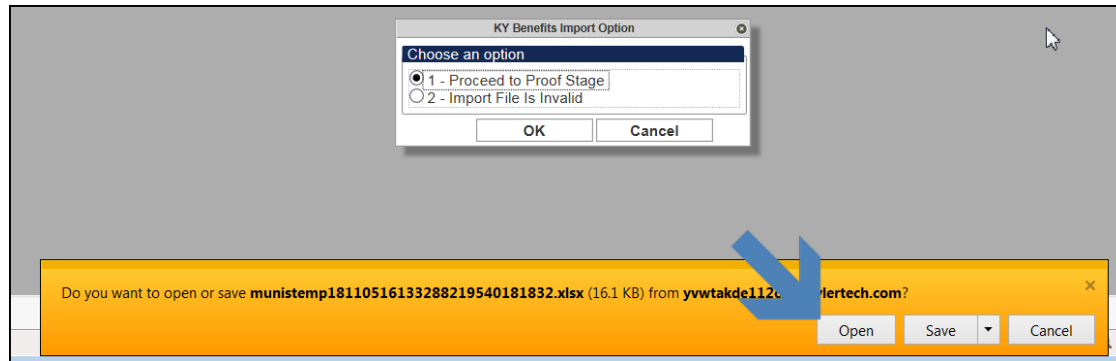


- ▶ Select **Accept** on the Export Filter screen.

Select	Field
<input checked="" type="checkbox"/>	LAST 4 SSN
<input checked="" type="checkbox"/>	LAST NAME
<input checked="" type="checkbox"/>	FIRST NAME
<input checked="" type="checkbox"/>	CROSS REFERENCE
<input checked="" type="checkbox"/>	HEALTH PLAN
<input checked="" type="checkbox"/>	EFFECTIVE DATE
<input checked="" type="checkbox"/>	TOTAL COST
<input checked="" type="checkbox"/>	EMPLOYER COST
<input checked="" type="checkbox"/>	EMPLOYEE COST
<input checked="" type="checkbox"/>	DENTAL
<input checked="" type="checkbox"/>	VISION
<input checked="" type="checkbox"/>	FSA HEALTH
<input checked="" type="checkbox"/>	FSA DEPENDENT
<input checked="" type="checkbox"/>	LIFE EE COST
<input checked="" type="checkbox"/>	DEP LIFE EE COST

Step 4 – Importing the 2020 Open Enrollment File

- ▶ Munis will think for a moment and a pop up will appear at the bottom of your screen if using IE.
- ▶ Select **Open** to view the report.



Step 4 – Importing the 2020 Open Enrollment File

- ▶ The Open Enrollment file and ALL subsequent files must be imported in order by date received.
- ▶ You can review the records in Pending, however do not process the **Set Start Date**, **Move to Active** or the **Update Deductions** steps prior to completing all December 2019 payrolls.



Step 5 – Complete all 2019 Payrolls

- All 2019 payrolls must be completed prior to proceeding to the next step.



Step 6 – Find and Delete Last Year Deductions

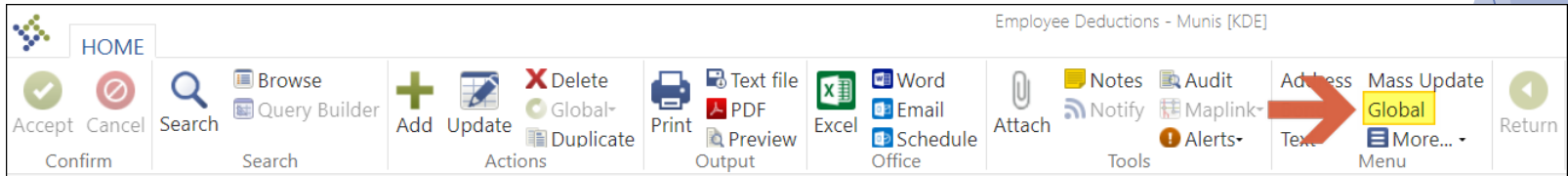
➤ Start with a clean slate! Find and Delete all the following deductions *after all 2019 payrolls have been completed.*

- Employee Health Insurance
- Employer Health Insurance
- FSA Dependent
- FSA Health
- Optional Life
- Dependent Life
- Dental
- Vision



Step 6 – Find and Delete Last Year Deductions

- This can be completed using the **Global** option on the Employee Deductions program screen.
- Select **Global** then click **Delete** (red X).



Step 6 – Find and Delete Last Year Deductions

- From the drop-down menu, select the deduction number for each deduction and select **Accept**.
- Select **Yes** if you are ready to delete the deductions.
- Be sure to delete the following deductions:
 - Employee Health Insurance
 - Employer Health Insurance
 - FSA Dependent
 - FSA Health
 - Optional Life
 - Dependent Life
 - Dental
 - Vision

The screenshot displays a software interface for managing deductions. The main window is titled 'Deduction' and contains the following fields:

- Deduction:** 2440 - HEALTH CARE SPENDING (dropdown menu)
- Active:**
- Calc Code:** (empty dropdown menu)
- Factor:** (empty dropdown menu)

Below these fields is the 'Deduction Application Criteria' section, which includes:

- Start Date:** (empty dropdown menu)
- End Date:** (empty dropdown menu)
- Employee Amt/Pct:** (empty dropdown menu)
- Employee Limit:** (empty dropdown menu)

The 'Deduction Cycles' section shows a table with columns 1 through 5, each with a blue square checkbox below it.

Overlaid on the interface is a modal dialog box titled 'Employee Deduction Global Delete'. The dialog contains:

- An information icon (blue exclamation mark in a circle).
- The text: 'DELETE selected deduction for ALL employees'.
- The question: 'Continue with delete?'.
- Two buttons: 'Yes' and 'No'.

At the bottom of the main window, there are fields for 'Emp Group' (to ZZZZ) and 'Job Class' (to ZZZZ).



Step 7 – Set Deduction Start Date & Move 2020 Records to Active

- After steps 1-6 have been completed, you can process the **Set Start Date** and **Move to Active** step on the **KY Employee Benefits Import & Pending** screen.
- Using 12/14/2019 as the Deduction Start Date for the *example* shown below, Munis will pull the new deduction amounts into the January 2020 payrolls. **The Deduction Start Date must fall one day before the beginning of the pay period start date.**
 - Pay Period Start Date: 12/15/2019
 - Pay Period End Date: 12/31/2019
 - Check Date: 01/02/2020



Step 7 – Set Deduction Start Date & Move 2020 Records to Active



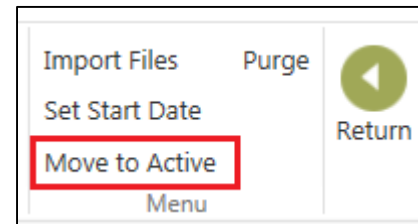
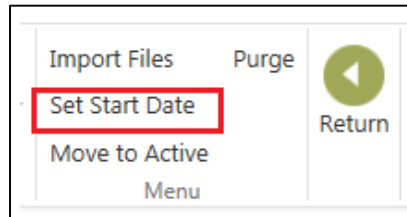
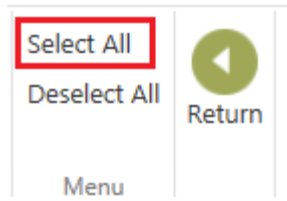
- ▶ In the Import/Pending area, search for the Open Enrollment records that need to be moved to active.
- ▶ Enter the Open Enrollment file name in the Import File Name field and check the box of each benefit type.
 - *If no other records exist in Pending except for your open enrollment file, this step may be skipped.*
- ▶ Click **Accept**

Employee #	<input type="text"/>
Employee Last Name	<input type="text"/>
Employee First Name	<input type="text"/>
Import Employee Name	<input type="text"/>
Import File Name	KHR032.5002
Effective Date	<input type="text"/>

Type of Record	
<input checked="" type="checkbox"/>	Health
<input checked="" type="checkbox"/>	Basic Life
<input checked="" type="checkbox"/>	Optional Life
<input checked="" type="checkbox"/>	Dependent Life
<input checked="" type="checkbox"/>	FSA Health
<input checked="" type="checkbox"/>	FSA Dependent Care
<input checked="" type="checkbox"/>	Dental Insurance
<input checked="" type="checkbox"/>	Vision Insurance

Step 7 – Set Deduction Start Date & Move 2020 Records to Active

- Select **Update** then choose **Select All** and click **Accept**.
- Select **Set Start Date** and enter the deduction start dates into the screen.
- Select Move to Active.



Step 8 – Post Tax Health Deductions



- ▶ Post-Tax health deductions only apply in certain situations.
- ▶ Post-Tax health deductions – All Health records are posted to employee deductions as pre-tax deductions unless the Pre-Tax check box is cleared on the employee's Benefit Record.
 - **Manual intervention is required to treat deductions as post-tax.**
- ▶ From the Benefit Records screen, find the employee whose health deduction needs to be treated as Post-Tax.
 - Select Update
 - Remove the check from the Pre-Tax check box.
 - Repeat for each employee who needs a post-tax health deduction record.

A screenshot of a software interface showing a form with the following fields:

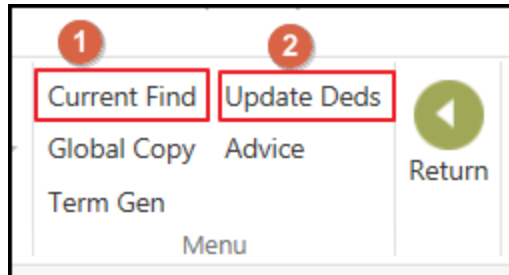
- 'Ded Start' with a calendar icon to its right.
- 'Pre-Tax' with a checked checkbox and a yellow highlight.
- 'HI Ending Date' with a calendar icon to its right.
- 'Months Covered' with an empty input field.

A mouse cursor is visible over the 'Months Covered' field.

Note: Make sure the Post-Tax Deduction code for your district has been entered on the Benefit Settings screen prior to updating the benefit records.

Step 9 – Process Update Deductions

- ▶ Do *not* process the **Update Deductions** step until all prior steps have been completed.
- ▶ From the **KY Employee Benefits** main menu, select **Benefit Records**.
- ▶ Select **Current Find** then select **Update Deds**.



Step 9 - Update Deductions

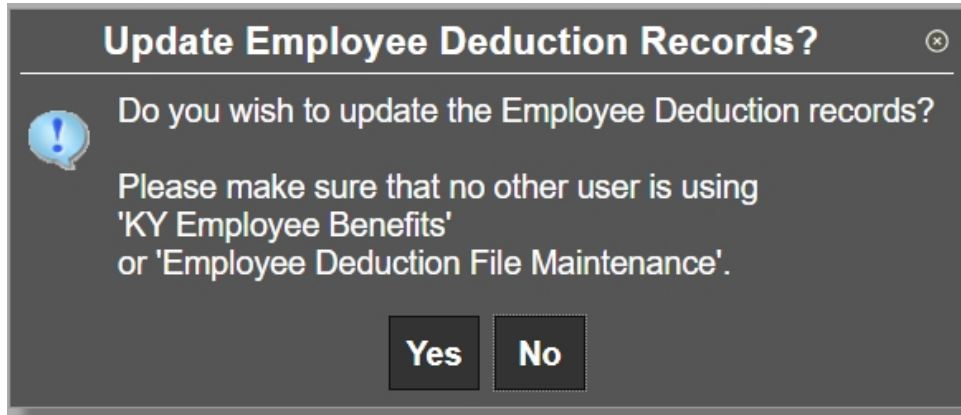


- ▶ Select **Define** and then enter a **Minimum Deduction Start Date**.
 - Only benefit records with a Deduction Start Date as of that date or later will be processed during the Update Deduction process when the Minimum Deduction Start Date field is utilized. Any unposted records with a Deduction Start Date that falls before this date will be ignored.
 - Example, a retired teacher is now a sub and has an unposted health insurance record from a prior year. If the Minimum Deduction Start Date is not used, the unposted record could create a health insurance deduction.

Minimum Deduction Start Date	12/14/2019	
Prior Deduction Option	<input checked="" type="radio"/> Delete Employee Deduction <input type="radio"/> Inactivate Employee Deduction and Populate End Date	
Prior Deduction End Date		

Step 9 - Update Deductions

- ▶ Select **Delete Employee Deduction**.
- ▶ Close **Employee Deductions** program if open before proceeding.



- ▶ Select **Output-Post**.



Update Deduction Process



The Update Deds step **must be performed** in Munis. The posting of both the employee and employer portion is critical for W-2 processing. It is the district's responsibility to make sure both employee and employer cost of coverage deductions are posted.



Miscellaneous Import File Info

- Continue importing files received after the official Open Enrollment file.
- Files received after the official Open Enrollment file may contain both 2019 & 2020 records.
- 2019 files received after importing the open enrollment file and processing the Update Deductions step, require a manual update to the employee deduction(s) in payroll to charge or refund any arrears. (If posted, it will overwrite 2020 deduction amounts)





Misc. End of Year Payroll Information

Reporting Employer Cost of Coverage on W-2s

- ▶ Beginning in 2012, employers were required to report employee *and* employer paid health insurance.
- ▶ The employer paid portion for school district employees is paid by KDE but must be reported on employee W-2 forms.
- ▶ The employer cost deduction information should have been processed with each payroll.
- ▶ The employer cost information will be pulled from employee accumulators when W-2 forms are processed.



W-2 & 1099 Filing Deadline

- The due date for Forms W-2, W-3, and 1099-MISC with data in box 7 for non-employee compensation is January 31, 2020. This applies to paper and **electronically** filed returns.
- More information can be found on the following IRS website [Filing Information Returns Electronically \(FIRE\)](#).



2020 Social Security Tax Update

- Social Security Tax – The Social Security Maximum Taxable Earnings will increase to \$137,700 for 2020.
- Update the Deduction Master Employee Limit for both FICA deductions prior to generating the first payroll for 2020.



Deduction Identification					
Deduction	Short Desc	Long Description	Abbrev	Start Date	End Date
1000 ...	FICA	SOCIAL SECURITY	FICA	01/01/1990	12/31/9999
Main Cycles Garnishments Check Options Insurance Escrow					
Primary Information					
Priority	1		Empe/Empr	3 - BOTH PAY	
Category	01 - TAX			Benefit	
Insufficiency	M - MANDATORY (MUST BE RESOLVED)			Annual Tax Table	
Calc Code	03 - PCT FROM DEDUCTION MASTER			Credit Emp Acct via ACH	
State Code				Encumber Remaining	
Local Code				Adjust for Rounding	
Tax Table Type	00 - NONE			Calculate Employer Match	
Check Type	B - PAYROLL CHECK		Total Cycles	0	
Ck/Invoice Entity			Expense	... 0221 ...	
Vendor Number	2427 ...	Address 0 ... IRS	Withholding	10 ... 7472 ...	
				EMPLOYER FICA CONTRIBUTION	
				FICA WITHHELD PAYABLE	
Amounts/Limits					
Empe Amt/Pct	6.2000		Empr Amt/Pct	6.2000	
Empe Annual Amt	.00		Empr Annual Amt	.00	
Empe Limit	8,537.40		Empr Limit	8,537.40	
Limit Type	Y - CALENDAR YEAR		Multi-Limit		
Empe Minimum	.00		Transaction Fee	...	

Tax Tables & W-2 Updates

- ▶ Service Pack 11.3.19 will be available on December 2nd on the MIU. Updates to the W-2 program are included in this update.
- ▶ State & Federal annual tax tables will be distributed when available pending review of the new tax withholding tables.
- ▶ Be on the lookout for more information regarding changes to W-4's for 2020. No need to fear though, the current method of withholding taxes will continue to work.
- ▶ More detailed information is included in the EOY Guide that was emailed.



ACA 1095-C Reporting Information

- ▶ The files with coverage dates for Participants (employees) and Dependents will be distributed around January 7th. **An email will be sent once the files have been distributed.**
- ▶ The KDE guide on ACA processing is found on the [KDE Munis Support and Guides](#) website.



ACA 1095-C Reporting Information

- ▶ The deadline for tax year 2019 is as follows:
 - Due to employees (1095-C Form):
 - ✓ January 31, 2020
 - Filing to the IRS:
 - ✓ Paper Form Filing 1094-C: February 28, 2020
 - ✓ Electronic Form Filing 1094-C: March 31, 2020
- ▶ In prior years the IRS has extended the deadline, as of 11/25/19 no extension has been announced.



Questions?

Please send questions via e-mail to the team box and not an individual person:

Munis@education.ky.gov

