



State of Wisconsin

Department of Administration

Death of an Employee Job Aid

Version 1.0

Version History

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Role: Agency Payroll Specialist

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OVERVIEW

*****Agency Payroll must complete the [Death of an Employee Checklist](#) and send to [Central Payroll](#) when completed along with the W-9 from the estate.*****

When Agency Payroll is notified of the death of an employee, the steps outlined in each of the following sections should be taken as soon as possible to ensure state and federal compliance and correct processing of the employee's payroll and benefits.

NOTIFY EMPLOYEE TRUST FUNDS

1. Contact ETF within 24 hours of notification of the employee's death at (608) 266-3285 or via [email](#) to report the following employee information.

NOTE: If not all this information is known, contact the beneficiary/next of kin prior to notifying ETF. You may need to verify and contact the executor of the estate if the beneficiary/next of kin is unknown.

- a. Name
- b. Social Security Number
- c. Date of Death
- d. Date of Birth

- e. Beneficiary/next of kin's relationship to employee, address, and contact information
2. ETF will assign a counselor and send a death benefits packet to the beneficiary/next of kin 4-6 weeks after notification of the death.
3. Notify the beneficiary/next of kin that they will need to provide a certified copy of the death certificate that lists cause of death to ETF. Copies can be obtained from these locations or similar agencies in the applicable state if employee resided outside of WI:
 - a. The funeral home or cremation organization – this is usually the easiest method as they prepare and file the death certificate.
 - b. Any [WI County Register of Deeds Office](#).
 - c. The [Vital Records Office](#).
4. Notify the beneficiary/next of kin that they may also need to contact the following organizations:
 - a. The [Social Security Administration](#).
 - b. The Wisconsin Deferred Compensation Program at (877) 457-9327 if the employee had a deferred compensation account.
 - c. The companies for any other health, life or disability coverage the employee may have had.
 - d. Any other investment plans or financial institutions in which the employee had assets.

NOTIFY WORKER'S COMPENSATION COORDINATOR (IF APPLICABLE)

If the employee's death was due to a work-related injury, notify your agency's Worker's Compensation Coordinator immediately because paperwork must be submitted to the Department of Workforce Development within 24 hours of the fatality.

NOTIFY HR TO ENTER TERM IN JOB DATA

Notify Agency HR of the employee and the date of death so they can key the termination in Job Data using Action **Termination** and Action Reason **Death** effective dated the day after the employee's death.

The screenshot shows a web form titled "Work Location Details" with a search bar and navigation controls at the top right. The form contains several fields:

- *Effective Date:** A date field with a calendar icon, containing the date "10/02/2023".
- Date of death is:** A text field containing "10/01/2023".
- Effective Sequence:** A numeric field containing "0".
- *Action:** A dropdown menu with "Termination" selected.
- Reason:** A dropdown menu with "Death" selected.
- Payroll Status:** A text field containing "Deceased".
- *Job Indicator:** A dropdown menu with "Primary Job" selected.

There is a "Go To Row" button and "+" and "-" buttons to the right of the form.

If the employee is to receive one or more paychecks in the year after the date of death (e.g. death on 12/27/2023 and final check on 1/11/2024), take the following action based on the timing in pay period:

- **Non-payroll week:** Notify Agency HR to update the FICA Status to **2 – Not Subject** effective dated at the beginning of the current pay period so no FICA taxes are applied to the next year.

- Payroll processing week and/or Job Data row already exists in current pay period: Notify [Central Payroll](#) to update the FICA Status and pay lines to **2 – Not Subject**.

Work Location	Job Information	Job Labor	Payroll	Salary Plan	Compensation
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Payroll for North America ?

Pay Group

Employee Type

Tax Location Code

Dept of Administration

Hourly

Wisconsin

Holiday Schedule WISCONSIN

GL Pay Type

FICA Status

UPDATE FEDERAL AND STATE TAX DATA

Paychecks dated after the date of death should not have federal or state taxable gross and withholding applied. Enter the updates below as soon as you are notified of the death to ensure future checks are taxed correctly. Central Payroll will apply 24% backup withholding to paychecks after date of death that will be refunded to the estate upon receipt of the W-9.

NOTE: If notified of the death after the current payroll has confirmed but before the check date, allow the ACH to process as normal unless the beneficiary/next of kin has requested the paycheck be stopped and reissued to the estate.

1. Navigate to **Update Employee Tax Data** page.
 - a. **Navigation:** Workforce Administrator Homepage > Payroll Dashboard > Payroll Processing Tile > Pay Data Folder > Update Employee Tax Data.
 - b. Enter at least one search criteria and click **Search**.
2. Click on **Plus Sign (+)** on **Federal Tax Data** tab to add a new effective dated row.

Tax Data ?

| < | << | 1 of 1 | >> | > | View All

Company WIS

State of Wisconsin

*Effective Date

Updated By Emp Sf Svc

Date Last Updated 02/16/2021

3. Effective Date defaults to today's date. Select date for the new entry using the first day of the pay period or the next available day in the pay period if needed.

Tax Data ?

| < | << | 1 of 3 | >> | > | View All

Company WIS

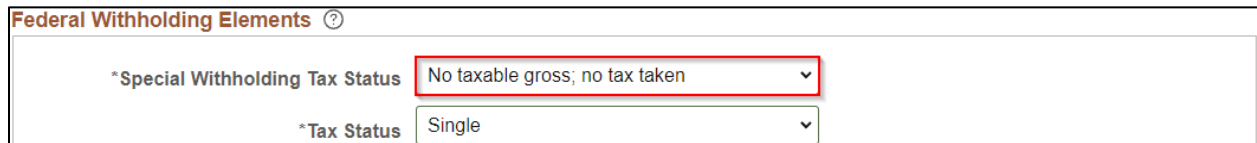
State of Wisconsin

*Effective Date

Updated By System

Date Last Updated 12/06/2018

4. Select a Special Withholding Tax Status of **No taxable gross; no tax taken** from the dropdown. It is not necessary to change the Tax Status.



The screenshot shows the 'Federal Withholding Elements' section of a form. It contains two dropdown menus. The first, labeled '*Special Withholding Tax Status', is set to 'No taxable gross; no tax taken' and is highlighted with a red box. The second, labeled '*Tax Status', is set to 'Single'.

5. Click on **State Tax Data** tab (skip steps 5 and 6 if employee was working in the state of CO, DC, GA, IA, MD, MO, NC, NJ or SC and has a matching Tax Residence state).



The screenshot shows the 'State Tax Data' tab selected in a form. The tab is highlighted with a red box. Below the tabs, there is a 'Person ID' field and a 'Tax Data' section with a search icon and pagination controls showing '1 of 2'.

6. Select a Special Withholding Tax Status of **No taxable gross; no tax taken** from the dropdown in the row with the Tax Residence box checked. It is not necessary to change the Tax Status.



The screenshot shows the 'State Withholding Elements' section of a form. It includes a state selection dropdown set to 'WI' (Wisconsin), checkboxes for 'Resident' (checked) and 'Non-Residency Statement Filed' (unchecked), and checkboxes for 'UI Jurisdiction' (checked) and 'Exempt From SUT' (unchecked). Below this is the '*Special Withholding Tax Status' dropdown, which is set to 'No taxable gross; no tax taken' and highlighted with a red box. The '*Tax Status' dropdown is set to 'S' (Single).

7. When both Federal and State Withholding Elements are updated, click **Save**.

INACTIVATE DIRECT DEPOSIT

Paychecks dated after the date of death should be processed as paper checks if possible. Make sure to key the inactivation of direct deposit as soon as your agency is notified of the death.

NOTE: If notified of the death after the current payroll has confirmed but before the check date, allow the ACH to process as normal unless the beneficiary/next of kin has requested the paycheck be stopped and reissued to the estate.

1. Navigate to **Request Direct Deposit** page.
 - a. **Navigation:** Workforce Administrator Homepage > Payroll Dashboard > Payroll Processing Tile > Pay Data Folder > Request Direct Deposit.
 - b. Enter at least one search criteria and click **Search**.

2. Click on **Plus Sign (+)** in Deposit Information to add a new effective dated row.

Deposit Information ?

*Effective Date 05/07/2018

*Status Active

☒ Suppress DDP Advice Print

+ -

3. Use the default Effective Date of today's date and change the Status to **Inactive**.

Deposit Information ?

*Effective Date 01/12/2024

*Status Inactive

☒ Suppress DDP Advice Print

+ -

4. Click **Save**.

UPDATE PAYCHECK NAME

Paychecks dated after the date of death should be issued to the employee's estate. The **Update Payroll Options** page allows for the name to be overridden. Do not change the employee's actual name on the **Modify a Person** page.

1. Navigate to **Update Payroll Options** page.
 - a. **Navigation:** Workforce Administrator Homepage > Payroll Dashboard > Payroll Processing Tile > Pay Data Folder > Update Payroll Options.
 - b. Enter at least one search criteria and click **Search**.
2. Click on **Payroll Options 2** tab.

Payroll Options 1 Payroll Options 2

3. Update Paycheck Name to **"Estate of Employee's Name"**.

John Smith ID [redacted] Company WIS

Primary PayGroup 505

Paycheck Location Option

☒ Home Department Location
☐ Job Location
☐ Other Location

Other Location Information

Set ID [redacted] Location Code [redacted]

Mail Drop ID [redacted]

Paycheck Name Estate of John Smith

4. Click **Save**.

REVIEW BENEFITS

Once the Job Data termination row is entered, a DEA benefit event will be created that closes the next day and terminates insurances at the end of the month in which the employee passes. The effective date of the termination row should be the day **after** the employee dies.

1. Verify insurances employee is enrolled in by navigating to **Benefits Summary** page.
 - a. **Navigation:** Workforce Administrator Homepage > Benefits Administration Dashboard > Benefit Enrollments Tile > Review Employee Benefits Folder > Benefits Summary.
 - b. Enter at least one search criteria and click **Search**.
 - c. Click on the arrow next to employee's name to bring up summary.

Enrollment Type ¹	Plan ¹	Coverage / Participation ¹	Dependents or Beneficiaries ¹	Coverage Begin
Health	Network with Dental	Family	2 Dependents	01/01/2024
Health (Waiting Period)		Terminated		09/01/2020
Health (100% Employee Paid)		Terminated		09/01/2020
State Group Life	Life - Basic+Suppl (2x salary)	Salary X 2		01/01/2024
State Group Life Additional	Life - 3 Additional Units	Salary X 3		01/01/2024
State Group Life Spouse & Dep	Life - 2 Units Spouse & Dep	Enrolled		01/01/2024
ICI Standard	ICI Standard Coverage 3	75% of Salary		01/01/2024
ICI Supplemental	ICI Supplemental 3	75% of Salary		01/01/2024
Dental - Supplemental	Delta Dental PPO Select Plus	Family	2 Dependents	01/01/2024
Vision	DeltaVision	Family	2 Dependents	01/01/2024
Accident Plan	Accident Plan - Family	Enrolled		01/01/2024

2. Review retro benefit deductions to ensure correct refunds are scheduled to process from the next paycheck by navigating to **Update Retro Ded Calc Results** page.
 - a. **Navigation:** Workforce Administrator Homepage > Benefits Administration Dashboard > Benefit Deductions Tile > Retro Arrears Folder > Update Retro Ded Calc Results.
 - b. Enter at least one search criteria and click **Search**.
 - c. Select the calculated row(s) to review.

Empl Record	Retro Ded Effective Date	Mass Retro Request ID	Retro Ded Process Flag ¹
0	11/19/2023	(blank)	Calculated

- d. Click on the arrows to cycle through each row calculated by the system.

Retroactive Deduction Data

Company: WIS Benefit Program: FTB
 Pay Group: Plan Type: 20
 Pay End Date: 12/02/2023 Benefit Plan: BASICL
 Page Number: 6 Coverage Code:
 Line Number: 5 Deduction Code: BASLIF
 Override Ded Amount: Deduction Class: B
☒ OK To Process Old Ded Amount: 2.54
☐ Off Cycle New Ded Amount: 0.00
☐ Exception Retro Ded Amount: -2.54

- Complete and mail continuation forms to the beneficiary/next of kin for employee's insurances that are family coverage.
- Complete and send to Securian Life Insurance Company the [Notice of Death](#) form if employee was enrolled in life insurance.

Insurance	Coverage End Date		Continuation Form
	Single Coverage	Family Coverage	
State Group Health	End of month of death	End of month through which premiums paid	COBRA Continuation-Conversion Notice (employee not retirement age)
State Group Life	End of month of death		
Income Continuation	Date of death		
Delta Dental Preventive & Supplemental	End of month of death	End of month through which premiums paid	Retiree/Continuant Enrollment Form
DeltaVision	End of month of death	End of month through which premiums paid	Retiree/Continuant Change Form
Securian Accident Plan*	End of month of death	End of month through which premiums paid	Survivor must contact Securian in 30 days: (866) 295-8690, madisonbranch@securian.com

*If employee's death was accidental, the survivor should contact Securian at (888) 658-0193 to file a claim.

ENTER FINAL ABSENCE TRANSACTIONS

[Process Payout/Collection](#)

Use the [Term Payout](#) worksheet in the **P&B WorkCenter** to calculate the final payout or collection of leave.

- Enter a POTT using earnings code LAN for a payout or earnings code LSR for a leave collection (see [POTT](#) job aid).

- If some or all overdrawn leave cannot be collected via payroll, do not bill the employee's estate for the amount owed per decision by DPM, Bureau of Class & Comp on December 6, 2023.

Zero Out Absence Balances

Refer to the [Absence Adjustments](#) job aid for complete instructions on zeroing out absence balances for terminated employees.

- Once absence has been confirmed for the employee's final pay period in pay status, review **Results by Calendar Group** for balances that need to be zeroed out.
- Key absence adjustments using the Calendar ID that coincides with the pay period of death for positive balances of sick leave, legal holiday, personal holiday, vacation and sabbatical.

Certify Sick Leave

Log into [myETF Benefits](#) within 30 days of termination and certify sick leave credits through the Online Accumulated Sick Leave System. For complete instructions, refer to Chapter 4 of [Sick Leave Conversion Program Employer Manual](#).

REQUEST W-9 FROM ESTATE

Per IRS rules, A W-9 is required to report earnings paid after the date of death to the estate on Form 1099-MISC. If no earnings were paid after the date of death and/or they were included in an ACH that processed normally with federal and state taxes, a W-9 does not need to be completed.

You may direct the beneficiary/next of kin to review [IRS Publication 559](#) or consult with a legal representative for further questions on estate administration and taxation.

1. Provide [Form W-9](#) to the beneficiary/next of kin to be completed and sent to your office as soon as possible.
 - a. The executor or administrator of the estate should complete Form W-9 with the estate's information and federal employer identification number (FEIN) if the estate requires an FEIN and has to file an income tax return ([Sample – Estate W-9](#)).
 - b. The beneficiary of the deceased employee should complete form W-9 with the beneficiary's information and social security number if the estate does not require an FEIN nor has to file an income tax return ([Sample – Beneficiary W-9](#)).
2. When Form W-9 is received, send a copy to [Central Payroll](#) for processing of Form 1099-MISC at year-end.
3. Update employee's address in **Modify a Person** to match W-9 address for purposes of annual mailings.

NOTE: If there is no estate administrator or beneficiary for the deceased employee, contact [Central Payroll](#) for assistance.

ADDITIONAL RESOURCES

STAR HCM Resources

- [Death of an Employee Checklist](#)
- [Action/Action Reason Job Aid](#)
- [Update Pay Data Job Aid](#)
- [Absence Adjustments Job Aid](#)

ETF Resources

- [Report the Death of a WRS Member](#)
- [Termination Checklist Due to Employee Death](#)
- [Death Benefits](#)

Estate/FEIN Resources

- [Publication 559 - Survivors, Executors and Administrators](#)
- [Publication 1635 - Understanding Your EIN](#)
- [How to Apply for an EIN](#)
- [Form W-9](#)