BENEFITS ADMINISTRATION TRAINING

PART SEVEN: MANAGING BENEFIT DEDUCTIONS

- RETRO, ARREARS & POTTS

BENEFIT DEDUCTIONS 101

- Benefit deductions are dynamically calculated during each payroll. Premiums and deductions are based on:
  - Benefit program (FTB, LTE, P50…)
  - Benefit plan enrollment (coverage level, effective date and deduction begin date)
  - ABBR (SGL, ICI)
  - Age (if applicable)
  - Rate tables and calculation rules
- Deductions for most plans are taken on the first 2 checks payable each month
  - WRS, WDC taken on all pay periods
- **All benefits are paid current month except for State Group Life Insurance (paid one month in advance)**

BENEFIT DEDUCTIONS 101

- Refer to the Payroll Deduction Schedule for details

DEPARTMENT OF ADMINISTRATION CENTRAL PAYROLL
2023 BIWEEKLY PAYROLL DEDUCTION SCHEDULE FOR INSURANCES

PAY PERIOD NUMBER	EARNINGS PERIOD	CHECK DATE	LIFE	HEALTH, DENTAL, VISION, ACCIDENT PLAN, ICI, PRE TAX SAVINGS ACCOUNTS
1A	12/18/22-12/31/22	01/12/23	FEB	JANUARY
2B	01/01/23-01/14/23	01/26/23		
3A	01/15/23-01/28/23	02/09/23	MAR	FEBRUARY
4B	01/29/23-02/11/23	02/23/23		
5A	02/12/23-02/25/23	03/09/23	APR	MARCH
6B*	02/26/23-03/11/23	03/23/23		
7A	03/12/23-03/25/23	04/06/23	MAY	APRIL
8B	03/26/23-04/08/23	04/20/23		
9A	04/09/23-04/22/23	05/04/23	JUN	MAY

BENEFIT PROGRAM AND HEALTH INSURANCE PREMIUMS

- When an employee moves between benefit programs, the health insurance premium is based on the benefit program in effect on the 1st day of the pay period associated with the deduction
  - Can cause issues when eligibility for employer contribution changes (or eligibility to have deduction taken pre-tax changes)

- **Example** – employee in P50 benefit program and on 2-27-23 employee hired into permanent position in FTB benefit program and enrolls in health effective 3-1-23.
  - Deduction begin date of coverage is 2-26-23 – still in P50 benefit program on that date so < ½ time rates will be charged until the system recognizes FTB benefit program on 2-27-23.
  - **Solution** = create a ticket and Central Benefits will adjust FTB Benefit Program effective date to 2-27-23. Agencies should not be manually adjusting anything in this section.

Benefit Program Participation Details ⃝

*Effective Date	02/27/2023	Currency Code	USD
*Benefit Program	FTB	WRS Eligible Non-LTE Employees	
*Effective Date	10/14/2018	Currency Code	USD
*Benefit Program	P50	Less than 50% FTE PostTax LTE	

Plan Type	10	Health

*Coverage Begin Date 03/01/2023   *Deduction Begin Date 02/26/2023

Election

○ Waive   ○ Terminate   *Election Date 03/11/2023

Benefit Program   P50   Less than 50% FTE PostTax LTE
Benefit Plan   ROBIN   Robin HlthPartners w/Dental   Option Code   251

4

Ben Admin xref

MONITORING BENEFIT DEDUCTIONS

- Queries to monitor benefit deductions
  - WI_PY_DED_HIST
  - WI_PY_DED_NOT_TAKEN
- You can find several other queries, reports and tools within the P&B Admin Work Center tile.
  - Workforce Administrator Homepage – P&B Admin Work Center tile

OPTIONS FOR BENEFIT DEDUCTION ADJUSTMENTS

- **Arrear** – generated by the system when a check isn't large enough to take a specific benefit deduction
  - Arrears are generated AFTER the payroll confirm and the amount owed will be deducted from the next available check
  - Arrears will not generate if no paysheet creates

- **Retro benefit deduction** – generated when a benefit enrollment is entered in the system with an effective date (and deduction begin date) **in a pay period that has already confirmed**
  - Retro deductions will be deducted on next available check

- **Pay One Time Transaction (POTT)** – manual adjustment entered by agency for a benefit deduction owed or needs to be refunded (last resort)

ARREARS

CAUSE OF ARREARS

- An arrear will be created when a check isn't large enough to support benefit deductions
  - Will see arrears that will be created in Review Paycheck (Workforce Administrator Homepage – Benefits Administration Dashboard – Benefit Enrollments Tile – Event Processing Folder - Review Paycheck)

Deduction Code	Description ▾	Class	Amount	Calculated Base	Plan	Benefit Record	Plan Type	Not Taken	Reason
DEPLIF	Spouse and Dependent Life Ins	After-Tax			SDL1U	0	State Group Life Spouse & Dep	1.13	Not Enough Net Pay
MEDIC	Medical Health Insurance Plans	Before-Tax	173.72		NETWK	0	Health		
MEDIC	Medical Health Insurance Plans	Nontaxable Benefit	3,911.96		NETWK	0	Health		
MEDIC	Medical Health Insurance Plans	Before-Tax	-174.00		NETHD	0	Health		
MEDIC	Medical Health Insurance Plans	Nontaxable Benefit	-3,619.06		NETHD	0	Health		
HSARFR	HSA Refund Employer	Nontaxable Benefit	-187.50			999	General Deduction		
BASLIF	Basic and Suppl Life Insurance	Taxable Benefit	1.68	92,000.00	BASSUP	0	State Group Life		
BASLIF	Basic and Suppl Life Insurance	Before-Tax		92,000.00	BASSUP	0	State Group Life	2.30	Not Enough Net Pay

REVIEWING ARREARS FOR AN EMPLOYEE

- Workforce Administrator Homepage – Benefit Administration Dashboard – Benefit Deduction Tile – Retro and Arrears Folder – Arrears

- Arrears will continue to grow until the employee has a paycheck to take the arrears from or personal payment is received.

- Agencies should monitor arrears every pay period and do the one of the following:

  1. Zero out arrears if personal payment has been received or employee prepaid the premiums in previous pay period(s)

  2. Set a max arrear.

- There is a query that can be run by the agency to see all employees with active arrears: CEN_BN_ARREARS_PLUS_OVR
  - Agencies should monitor and clear out arrears as applicable

REVIEWING ARREARS FOR ALL EMPLOYEES

Column P:
Y = max arrear is set
N = max arrear payback box is not checked. This should be corrected.
Blank = no max arrear is set

Column Q:
Amount of max arrear set

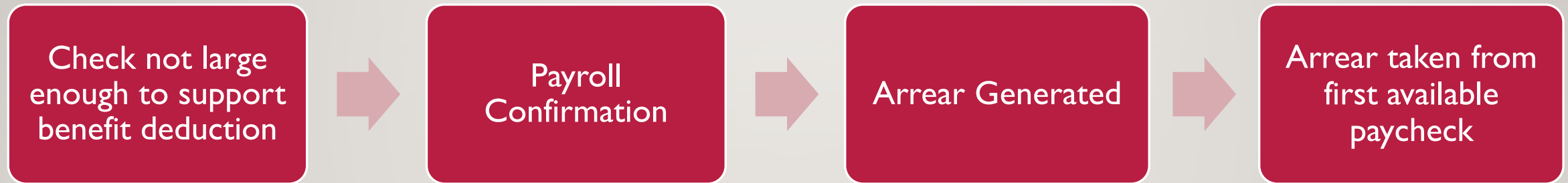| Uni	Dept ID	ID	Pay Status	Name	Plan T	Plan	Deductn	Dedn Cla	Arrea	Fil	Seco	Thi	Four	Fil	Payback	Max Arre
43500	4352550322		Terminated		13	SELPLS	DELDEN	B	33.64	N	N	N	N	N	Y	0.00
43500	4352550322		Terminated		27	ACDNEE	ACCDNT	A	9.88	N	N	N	N	N	Y	0.00
43500	4352550322		Terminated		14	VISION	VISION	B	11.44	N	N	N	N	N	Y	0.00
43500	4352550322		Terminated		20	BASSUP	BASLIF	B	14.76	N	N	N	N	N	Y	0.00
43500	4352550322		Terminated		21	ADLIF2	ADDLIF	B	21.32	N	N	N	N	N	Y	0.00
43500	4352510030		Active		30	ICIB1A	ICI	A	357.40	Y	Y	Y	N	N	Y	27.50
41000	4103143000		Retired		20	BASSUP	BASLIF	B	37.80							0.00
41000	4103143000		Retired		21	ADLIF3	ADDLIF	B	84.00							0.00
41000	4103143000		Retired		25	SDL2U	DEPLIF	A	4.52							0.00
37000	3703391102		Terminated		14	VISION	VISION	B	17.13	N	N	N	N	N	Y	0.00
37000	3703391102		Terminated		20	BASSUP	BASLIF	B	38.64	N	N	N	N	N	Y	0.00
37000	3703391102		Terminated		21	ADLIF3	ADDLIF	B	86.94	N	N	N	N	N	Y	0.00
37000	3703391102		Terminated		10	NETWK	MEDPAR	B	861.93							0.00
37000	3703391102		Terminated		27	ACDESP	ACCDNT	A	6.26	N	N	N	N	N	Y	3.13
41000	4103138040		Terminated		14	VISION	VISION	B	17.13	N	N	N	N	N	Y	0.00
41000	4103138040		Terminated		20	BASSUP	BASLIF	B	38.64	N	N	N	N	N	Y	0.00
41000	4103138040		Terminated		21	ADLIF3	ADDLIF	B	86.94	N	N	N	N	N	Y	0.00
41000	4103138040		Terminated		10	NETWK	MEDPAR	B	861.93							0.00
41000	4103138040		Terminated		27	ACDESP	ACCDNT	A	6.26	N	N	N	N	N	Y	3.13

MONITORING POTENTIAL ARREARS DURING PAYROLL PROCESSING

- Workforce Administrator Homepage – Benefits Administration Dashboard – Benefit Deductions Tile – Reports & Queries Folder -
  - **Deductions in Arrears**
    - See arrears in real time during payroll week
    - Once retro benefits are loaded, you'll see arrears generated by it
  - **Deductions Not Taken**
    - Run query to see if deductions aren't taking for some reason during pay week or see what wasn't taken after payroll confirm
      - Will only show employees who had a paycheck!

LIFECYCLE OF AN ARREAR

Check not large enough to support benefit deduction → Payroll Confirmation → Arrear Generated → Arrear taken from first available paycheck

- Full amount of arrear will take from next available check
- Can cap the arrear to spread amount owed over multiple pay periods

CAPPING ARREARS

- **Navigation:** Workforce Administrator Homepage – Benefits Administration Dashboard – Benefit Deductions Tile – Retro and Arrears Folder – **Set Max Arrears**

- Enter the plan type, benefit plan and maximum arrear per paycheck amount and check the box next to "Maximum Arrears Payback"

- The regular deduction + the amount in the Maximum Payback Amount field will come out of the employee's check

| Benefit Arrears/Frequency Ovrd | | | | Q | | |◀ ◀ 1 of 1 ▼ ▶ ▶| | View All |

*Plan Type **Health**

Benefit Plan **NETWK** 🔍 Network with Dental

Look at plan enrollment or review paycheck for correct plan type and benefit plan

Maximum Payback Amount **109.50**

☑ Maximum Arrears Payback

Box must be checked!

Deduction Period

Primary Empl Record **0**

Company **WIS**

Pay Group **505**

☐ First Pay Period

Payroll Status **Active**

☐ Second Pay Period

Benefit Program **WRS Eligible Non-LTE Employees**

☐ Third Pay Period

Currency **USD**

☐ Fourth Pay Period

☐ Fifth Pay Period

CAPPING ARREARS

- Make sure ALL boxes are UNCHECKED in the Deduction Period box.

- The minimum payback amount will continue to take from the employee's check until the full amount in arrears is taken

- Add a row to add additional benefit plan arrear caps

CAPPING ARREARS

- If the employee has arrears for multiple plans and wants to pay off one at a time, can set max arrear to $0 by making the Maximum Payback Amount BLANK. Once the employee wants to start paying back, enter a dollar amount in the field.

*NOTE: MEDPAR can't be capped when setting a max arrear

DELETING MAX ARREARS ONCE ARREAR PAID IN FULL

- Once the arrear is paid in full, you should delete the max arrears cap

- The cap will stay active indefinitely….so if another arrear is generated for the same plan, the cap will automatically kick in again

- There is no effective date, just click the "-" to remove the arrear (must do for every plan)

DELETING MAX ARREARS ONCE ARREAR PAID IN FULL

Before

Click on Negative Sign to delete arrear cap

After

Arrear cap is gone – don't worry about the checkbox that automatically appears in Deduction Period box. It won't do anything if not connected to a benefit plan

DELETING OR ADJUSTING AN ARREAR

- Validate all the data elements of the arrear (*Workforce Administrator Homepage – Benefits Administration Dashboard – Benefit Deductions Tile – Retro and Arrears Folder - **Arrears***)

- Adjust the arrear as needed on Arrears page (*Workforce Administrator Homepage – Benefits Administration Dashboard – Benefit Deductions Tile – Retro and Arrears Folder – **Adjust Arrears***)

DELETING OR ADJUSTING AN ARREAR

- Click Save once entry done on Adjust Arrears Balance1 Tab is complete

- The Adjust Arrears Balance2 page will then open for entry – add adjusting amount

- There is now no outstanding arrear

Adjust Arrears Balance1	Adjust Arrears Balance2

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Balance Adjustment

Company	WIS	State of Wisconsin
Plan Type	Health	
Benefit Plan	NETWK	Network with Dental
Deduction Code	MEDIC	Medical Health Insurance Plans
Deduction Class	Before-Tax	

Arrears

Adjustment	-291.28
Balance	$291.28

Arrears Balances	Arrears Balance Adjustments

Person ID

Arrears Balances

Company	WIS	State of Wisconsin

Balance Details

Plan Type	10	Health
Benefit Plan	NETWK	Network with Dental
Benefit Record	0	
Deduction Code	MEDIC	Medical Health Insurance Plans
Deduction Class	B	Before-Tax
Arrears Balance		

ARREARS

- The arrear remains active unless it's deleted or takes on the paycheck
  - <mark>Arrears are NOT automatically deleted if employee retroactively lapses coverage, is retroactively enrolled in Benefits Billing or if there is a POTT to request the deduction or a POTT to override the deduction to $0.00.</mark>
  - <mark>Agencies should review retro and verify deduction history, before adjusting arrears</mark>

- If an employee terminates employment and has active arrears, those arrears stay active until the agency deletes them or the employee returns to payroll
  - Arrears will take upon return to payroll, even if return is at different agency

- Arrears have no mercy…..

- Arrears do NOT generate for WRS, Pre-tax Savings (Medical, Dep Care, HSA, Parking & Transit), WDC, General deductions, or Sick Leave Credits

ARREAR TIPS

- Arrears will not generate if the employee is actively enrolled in benefits billing or if they don't have a paycheck in their benefit primary job (LTE's who work occasionally)

- If an arrear generates correctly, DO NOT delete it – enter a cap instead if you need to manage the repayment over time

- Arrears adjustments need to be made by Wednesday of payroll processing in order to be reflected on that payroll

- Since arrears do not generate for Pre-Tax Savings (Medical, Dep Care, HSA, Parking & Transit) accounts, when the employee returns, the per paycheck amount will increase based on the number of pay periods remaining

DEDUCTIONS THAT WILL GO INTO ARREARS

Plan Type	Deduction Code	Description	Plan Type	Deduction Code	Description
10	MEDIC	Medical Health Insurance Plans	27	ACCDNT	Accident Plan
10	MEDPAR	Medical (Partial Allowed)	30	ICI	ICI - Standard
13	DELDEN	Delta Dental PPO	31	ICISUP	ICI - Supplemental
14	VISION	Vision Insurance			
20	BASLIF	Basic and Suppl Life Insurance			
21	ADDLIF	Additional Units Life Insurance			
25	DEPLIF	Spouse and Dependent Life Insurance			

DEDUCTIONS THAT WILL <u>NOT</u> GO INTO ARREARS

Also included:
- Pre-tax Savings Parking & Transit accounts
- General Deductions

Plan Type	Deduction Code	Description
43	ROTH	WI Deferred Comp Roth
49	DEFCMP	WI Deferred Comp Pretax
60	ERAMED	FSA Medical Account
61	ERADEP	FSA Dependent Care Account
67	HSA	Health Savings Account
7W	WRS	Wisconsin Retirement System
7Y	WRSSCK	Sick Leave Contribution
00	WxxxE (xxx=paygroup)	Previous years' WRS employee
00	WxxxR (xxx=paygroup)	Previous years' WRS employer
00	WxxxS (xxx=paygroup)	Previous years' Sick Leave employer

RETRO

RETRO BENEFITS

- Retro benefit deductions are created when there is a benefit plan change or enrollment and the deduction begin date associated with the plan was in a pay period that has already confirmed
  - Common with hires and life events
- Once an event is finalized, retro benefits will determine if additional premium is owed
  - If an event is finalized overnight (ex. on Monday), you typically will see the calculated retro on the following day (see schedule below)
- Retro benefits is calculated….
  - Monday – Friday nights of non-payroll weeks
  - Sunday night of payroll week and added to paysheet

LIFECYCLE OF CALCULATED RETRO

- Once paysheets are generated, all retro in calculated status will be loaded to the paysheet
  - Retro load is Sunday night of payroll week
  - If agency made an update on the weekend, you would need to monitor the employee's paycheck on Monday to make sure everything calculated as you expected.

- Once the load is complete, you will see it on the paysheet
  - Employee contribution **flows through arrears** until payroll confirms
  - You can cap the <u>employee</u> amount owed, the same way you cap an arrear, in order to spread the amount owed over multiple pay periods.
    - Example – if employee owed 2 months of health premiums, full employer contribution would load through retro but you could cap the arrears to spread the employee contribution owed over several pay periods

RETRO BENEFITS DIAGRAM

Agency should run WI_BN_RETRO_DEDUCTIONS to monitor retro in Calculated status

Agency has until end of day Friday of non-payroll week (by 5pm) to Uncheck Ok to Process or adjust retro amount

*It's imperative that agencies monitor the retro report every pay period.

- Retroactive coverage change
- Retro benefits calculates premiums owed or refund due
- Calculated retro is loaded to paysheets Sunday night of payroll week
- Employee premiums owed load to arrears (on paysheet Monday AM)
- Cap arrears (if desired)
- Payroll confirm – all retro loaded

RETRO BENEFIT DEDUCTIONS

- Retro Benefits will calculate for the following plans:
    - Health Insurance
    - State Group Life
    - Income Continuation Insurance
    - Delta Dental PPO
    - Vision
    - Accident Plan
- Retro benefits is not triggered for retroactive changes to:
    - WDC (pre-tax and Roth)
    - HSA, Healthcare/Dependent Care FSA, and Parking/Transit ERA
    - WRS
    - ABBR changes – unless a ticket is submitted

REVIEW CALCULATED RETRO FOR AN EMPLOYEE

- **Navigation:** Workforce Administrator Homepage – Benefits Administration Dashboard – Benefit Deductions Tile – Retro and Arrears Folder – **Update Retro Ded Calc**

- Click on row in **Calculated Status**

Retro Ded Sequence Number	Empl ID	Empl Record	Retro Ded Effective Date	Mass Retro Request ID	Retro Ded Process Flag
33535879		0	02/13/2023	(blank)	Loaded PS
36237094		0	04/09/2023	(blank)	Rejected
36968994		0	04/09/2023	(blank)	Invalid
36970995		0	04/09/2023	(blank)	Calculated

REVIEW CALCULATED RETRO FOR AN EMPLOYEE

Any item with a check next to Ok to Process and an amount listed in Retro Ded Amount will load to paysheet

Deduction Class:

B = Before Tax EE

A = After Tax EE

N = Non-Taxable ER

T = Taxable (typically taxable life)

Old Ded Amount = what was taken on check

New Ded Amount = what should have taken on check

Retro Ded Amount = amount owed or due to be refunded

REVIEW CALCULATED RETRO FOR AGENCY (OR AN EMPLOYEE IN EXCEL)

- Run the Benefit Deduction Retro Query: WI_BN_RETRO_DEDUCTIONS
    - Proc Flag = Calculated
    - Empl ID – leave blank for all your employees or run by individual employee

- Look for amounts in the Retro Amount column
    - If a negative, this amount is what will be refunded
    - If positive, this amount is what will be collected
    - If $0, no retro was calculated

STOP CALCULATED RETRO FROM LOADING TO PAYCHECK

- Navigation: Workforce Administrator Homepage – Benefit Administration Dashboard – Benefit Deductions Tile – Retro and Arrears Folder – **Update Retro Ded Calc**

- Click on items in Calculated Status

- Uncheck the **OK to Process** checkbox next to any retro amount that should not be loaded, then click **Save.**

- The retro must be in "Calculated" status when box is unchecked.

    - Once in "Loaded to PS" status – the retro has loaded to the check. Will need to create a ticket to stop deduction

ADJUSTING CALCULATED RETRO BEFORE IT LOADS TO PAYCHECK

- If the calculated retro is the wrong amount, you can override the Retro Deduction Amount

Company	WIS	Benefit Program	FTB	
Pay Group	465	Plan Type	20	
Pay End Date	04/22/2023	Benefit Plan	BASSUP	
Page Number	64	Coverage Code		
Line Number	1	Deduction Code	BASLIF	
Override Ded Amount	[ ]	Deduction Class	B	
	☑ OK To Process	Old Ded Amount		2.05
	☐ Off Cycle	New Ded Amount		2.05
	☐ Exception	Retro Ded Amount		0.00

Before
System is indicating that there is no retro amount due, but in reality, the employee owes $2.05

Company	WIS	Benefit Program	FTB	
Pay Group	465	Plan Type	20	
Pay End Date	04/22/2023	Benefit Plan	BASSUP	
Page Number	64	Coverage Code		
Line Number	1	Deduction Code	BASLIF	
Override Ded Amount	4.10	Deduction Class	B	
	☑ OK To Process	Old Ded Amount		2.05
	☐ Off Cycle	New Ded Amount		2.05
	☐ Exception	Retro Ded Amount		2.05

This is what loads to paycheck

After
Enter an amount in the Override Ded Amount box to generate the retro that you need to collect (the amount you want to collect needs to appear on the Retro Ded Amount field). Click save when complete.

RETRO BENEFITS ON PAYCHECK

- If retro benefits generates a refund, the amount will appear in the Refund Amount column in Review Paycheck

  - Common to see life insurance refunds at termination

Deduction Code	Description	Class	Amount	Calculated Base	Plan	Benefit Record	Plan Type	Not Taken	Reason	Payback Amount	Refund Amount	AP S
DELDEN	Delta Dental PPO	Before-Tax	-16.19		SELPLS	0	Delta Dental PPO				16.19	Sent
VISION	Vision Insurance	Before-Tax	-6.38		VISION	0	Vision				6.38	Sent
BASLIF	Basic and Suppl Life Insurance	Before-Tax	-7.25	126,000.00	BASICL	0	State Group Life				7.25	
BASLIF	Basic and Suppl Life Insurance	Nontaxable Benefit	-4.73	126,000.00	BASICL	0	State Group Life				4.73	
BASLIF	Basic and Suppl Life Insurance	Taxable Benefit	-2.80	126,000.00	BASICL	0	State Group Life				2.80	
DEPLIF	Spouse and Dependent Life Ins	After-Tax	-2.50	1.00	SDL2U	0	State Group Life Spouse & Dep				2.50	

RETRO BENEFITS (AND ARREARS) ON PAYCHECK

- If retro benefits generates an amount owed, it flows through arrears and appears in the Payback Amount column in Review Paycheck
  - The total premium in the **Amount** column includes the **Payback Amount**

Deduction Code	Description	Class	Amount	Calculated Base	Plan	Benefit Record	Plan Type	Not Taken	Reason	Payback Amount
MEDIC	Medical Health Insurance Plans	Before-Tax	294.00		DEAN	0	Health			250.00
MEDIC	Medical Health Insurance Plans	Nontaxable Benefit	292.98		DEAN	0	Health			

RETRO BENEFITS SHORTCOMINGS – NEW HIRES

- If not an active employee on deduction begin date, retro benefits will not calculate for that pay period

- Example - Hired 5-8-23 and benefits entered/finalized AFTER PP11 is confirmed. Coverage effective 6-1-23.

11A	05/07/23-05/20/23	06/01/23	JUL	JUNE
12B	05/21/23-06/03/23	06/15/23		

- Retro benefits will NOT take deductions missed in PP11 because employee was not employed on deduction begin date of 5-7-23

- If employment begin date were 5-7-23, retro benefits would correctly calculate

- Central Benefits monitors deduction begin dates and changes them (and overrides retro) as needed

RETRO BENEFITS SHORTCOMINGS – NEW HIRES HIRED LATE IN MONTH

- Hired 5-22-23 - coverage effective 6-1-23

11A	05/07/23-05/20/23	06/01/23	JUL	JUNE
12B	05/21/23-06/03/23	06/15/23		

- Retro benefits will NOT take deductions missed in PP11 because was not employed during that pay period

- Central Benefits monitors deduction begin dates and changes them (and overrides retro) as needed

RETRO BENEFITS SHORTCOMINGS – LATE IN MONTH COVERAGE LEVEL CHANGE

- The deduction begin date for coverage level changes may not always be set correctly by the benefit event. This may cause retro to be created in error.

- Married on 5-19-23 and enrolls in family coverage effective 5-19-23. Owes family premiums for June coverage.

9A	04/09/23-04/22/23	05/04/23	JUN	MAY
10B	04/23/23-05/06/23	05/18/23		
11A	05/07/23-05/20/23	06/01/23	JUL	JUNE
12B	05/21/23-06/03/23	06/15/23		

- Deductions are taken one pay period in advance of coverage so system thinks that if family coverage starts 5-19-23, that premiums should come out one pay period in advance – in PP10 – one pay period too soon.

- Central Benefits monitors all benefit coverage movement and addresses any deduction begin date issues

RETRO BENEFITS SHORTCOMINGS – LATE BENEFIT CHANGES MADE

- ICI Premium waiver approvals or terminations may not be received timely at the agency.

- When a benefit change is entered into PS, retro may calculate a refund for prior pay period POTTs.

Example: ICI premium waiver added or removed, retro calculates but it also adds or refunds other benefits due to POTT's completed in prior pay periods.

RETRO BENEFITS SHORTCOMINGS – ALL THINGS STATE GROUP LIFE

- State Group Life Insurance paid one month in advance

- Retro benefits will NEVER calculate correctly unless the deduction begin date is manually changed for EVERY single enrollment or change to State Group Life Insurance (Plan Types 20, 21, 25)
    - Central Benefits monitors this and updates deduction begin dates

- Reminder – all completed paper SGL applications must be sent to ETF
    - This applies to the following events: HFA, CAN, MAR, BIR, ADP, AGE, DIV and DOP
    - RFL if reinstating life insurance due to prior lapse event

POTTS

Pay One Time Transaction

PAY ONE TIME TRANSACTION (POTT)

- A POTT is a customized process to collect/refund deductions if the delivered processes do not work

- Common uses
  - Prepay for benefits if going on LOA
  - Collect or refund deductions for plans that don't generate arrears or create retro (WRS, FSA, HSA, WDC, Sick Leave Credits)

- The agency should submit a ticket to have CB manually trigger retro for retroactive ABBR change and past premiums not calculated correctly. Normally, ABBR changes do NOT trigger retro.

- If an arrear or retro generates correctly, <u>do not</u> turn it off to request a POTT

POTTS AND STATE GROUP LIFE

- If you must submit a State Group Life POTT, must account for all applicable tax classes
  - Always try to generate retro if possible

BASLIF	Basic and Suppl Life Insurance	Before-Tax	10.56	192,000.00
BASLIF	Basic and Suppl Life Insurance	Nontaxable Benefit	5.41	192,000.00
BASLIF	Basic and Suppl Life Insurance	Taxable Benefit	10.65	192,000.00
DEPLIF	Spouse and Dependent Life Ins	After-Tax	2.50	1.00

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Pay Status	*Plan Type	*Benefit Plan	*Ded Code	*Ded Class	*Ded Calc	Amount	*One Time Cd	S
Active	20	BASSUP	BASLIF	B	Amount	2.25	Addition	0
Active	20	BASSUP	BASLIF	N	Amount	2.45	Addition	0
Active	20	BASSUP	BASLIF	T	Amount	1.25	Addition	0
Active	25	SDL2U	DEPLIF	A	Amount	5.00	Addition	0

POTT TIPS

- Central Benefits and Central Payroll staff review and approve "Deduction" and "Earnings" related POTTs.

- If the POTT is in response to a ticket, ALWAYS put the SSO ticket number in the comments section of the POTT

- POTT will NOT be approved without either a comment explaining the situation or attached documentation

POTT TIPS

- Do not submit a POTT to refund/collect premiums for a benefit plan that is not correct in STAR
  - The benefit election must first be corrected in STAR and retro benefits allowed to generate refund/amount owed
  - The POTTs will typically be rejected
- Do not submit a POTT to override benefit deductions because a TER/RET event hasn't been finalized yet
  - If you don't finalize the event in time, the deductions will come out
  - Once the TER/RET event is finalized, retro benefits will refund the appropriate amount in the next available pay period.

POTT TIPS

- When submitting POTTs to collect premiums in advance of a LOA
  - If $0 checks will be generated, you do NOT need to collect the employer contribution towards the premiums
    - It will generate when the $0 check is created. The taxable portion of life insurance will also generate.
    - Arrears will be created for the employee contribution on $0 checks – will either need to have arrear deleted or do POTT to override employee contribution to $0 when a $0 check is created (recommended)

POTT TIPS

- If deductions didn't take due a multiple job situation (ex. employee wasn't paid in the empl record attached to the benefit deductions), no arrears will be generated
  - Will need to submit a POTT for all missed benefit plans and all tax classes - make sure to include a comment or upload documentation to the POTT

POTT TIPS

- Refunds for ICI will not be processed if it's for an ICI premium waiver and the premium waiver wasn't entered on job data and weren't enrolled in the premium waiver benefit plan.

  - Submit a ticket to have the premium waiver entered on job, the election made for the ICI premium waiver benefit plan, and let us know if you want retro to process or not

  - This helps with the annual ICI process as well to know if the employee should be evaluated or skipped over

POTT JOB AIDS

- POTT Job Aid: https://dpm.wi.gov/Documents/JobAids/HCM/PY/POTT.pdf

- POTT File Upload Job Aid:

  https://dpm.wi.gov/Documents/JobAids/HCM/PY/POTTFileUpload.pdf

USE ARREARS AND RETRO BENEFITS WHENEVER POSSIBLE

- Arrear and retro benefits are delivered functionality

- Allow the delivered processes to work whenever possible (i.e., don't delete arrears or stop retro benefits if the calculations are valid)

- Combining retro benefits and POTT creates unfortunate results
  - If a POTT is used and retro benefits goes over that same pay period, retro benefits will undo whatever was done in the POTT because it doesn't think the deduction is valid
    - Some errors populate on the Payroll Calc Error Report during payroll week. Central Benefits will reach out to the agency to review the employee, if needed.
    - **Exampl**e – health deductions taken in advance of a LOA via POTT. Coverage for a different benefit plan is lapsed and the deduction begin date of the lapsed coverage is in a pay period that already confirmed (in which the extra health deductions was taken via POTT). Retro benefits will see those extra health deductions and refund them.
    - Solution = monitor calculated retro and uncheck the box next to Ok to Process on those refunds

QUESTIONS?