

Sonoma County Office of Education
Business Services

EXTERNAL PAYROLL AND FINANCE UPDATES

DBUG MEETING: SEPTEMBER 21, 2018

UPDATES:

IRS Recommends Paycheck Checkup: (see attached IRS Newswire)

The IRS urges taxpayers to use the Withholding Calculator at IRS.gov to do a “paycheck checkup”. Changes made by the 2017 Tax Cuts and Jobs Act will affect 2018 returns that taxpayers will file in 2019.

Social Security Number Verification Service (SSNVS): (see External Fiscal Services Review Manual, pages 13-14)

W-2 Forms that contain name and Social Security Number (SSN) combinations that do not match Social Security Administration (SSA) records, are suspended and the funds are not applied to the employee. Therefore, it is critical to verify all employees SSN. To register, go to: www.ssa.gov/employer/ssnv.htm.

CalPERS Letter Regarding Additional Benefits Paid to Retired Annuitants:

Several LEAs have received a copy of letters from CalPERS mailed to retirees with a preliminary determination that their employment could be in violation of post-retirement employment laws of the PERL (Public Employees’ Retirement Law) and PEPRA (Public Employees’ Pension Reform Act of 2013), thereby subjecting them to possible reinstatement from retirement for the period of time in violation. The letter includes the time period for which additional compensation was paid to them, explains the additional compensation is in violation of Gov. Code Section 21229(a) and that the consequence for unlawful employment includes repayment of any retirement allowance received during the violation periods and all employee contributions costs as per Gov. Code Section 21220.

LEAs that have received a copy of the letter should research the additional compensation in question for any relevant information or documentation and provide it to CalPERS within 30 days from the date of the letter.

Classified MOUs:

CalPERS has a dedicated team to reviewing MOUs. Please email copies of classified MOUs to either Maria Aguayo or myself, and we will gladly forward the MOU onto CalPERS for a reportable compensation determination.

Payroll Submission: (see attached)

Effective with the October Regular Payroll, the Pay15 Payroll Differences (Earnings) report replaces the Pay04 Difference report when submitting Regular Payroll. We have also added the Pay13 Payroll Adjustments report for Supplemental Payroll submission effective with the October Supplemental Payroll.

Retroactive Pay Notification Form: (see form attached)

The purpose of the Retroactive Pay Notification Form is to notify the County Office of Education when LEAs are planning a retroactive pay adjustment including one-time bonus/off-schedule. We realize retroactive pay adjustments most commonly happen only once a year and that there can be turnover in payroll staffing. Therefore, we would like to provide you and staff the support and guidance necessary to navigate the retroactive pay process. Receiving the information requested in a timely manner allows our IT and Business Services divisions the opportunity to review the signed agreement(s) and new salary schedule(s) so that we may better serve the LEA.

REMINDERS:

No Phone Payments:

It is against County policy for electronic submission of a check (phone payment). The County Treasury's bank accounts are set up to Block all ACH activity that isn't initiated at the County. They do not allow electronic debits from the bank accounts unless it's the payroll ACH's going through. Allowing this type of access would expose the County to potential fraud, and their paramount responsibility is to safe guard the assets of the County and the Pool Participants. Therefore, vendor checks written to a vendor are never to be converted to electronic submission. This is commonly known as a payment by phone. In the case when a vendor contacts you indicating they are unable to cash a check you have sent them, please do not authorize them to cash the check via electronic submission. Instead, get as much information from the vendor as to why they are unable to cash the check and contact me immediately so we can get this resolved in a timely manner. Our County Treasury will not honor these payments.

Credit Applications:

Just a reminder, when completing a credit application, we recommend indicating on the form that you are a school district and do not include bank information for the County Treasurer.

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IRS says check withholding, make
estimated payments****IRS YouTube Videos:***Estimated Tax Payments* – [English](#) | [Spanish](#) | [ASL](#)

WASHINGTON — With nearly 10 million U.S. taxpayers facing a penalty for underpayment of estimated tax last year, the Internal Revenue Service urges taxpayers to plan ahead, understand their options and avoid the penalty when they file in early 2019.

To help taxpayers avoid this common situation, the IRS is focusing four news releases this week on key areas to help taxpayers pay the right amount of tax and avoid an estimated tax penalty. The IRS is highlighting a variety of resources and tools – including the online Withholding Calculator – to help taxpayers determine if they need to make an additional tax payment to avoid an unwelcome surprise at tax time.

This is part of the wider Paycheck Checkup campaign to encourage people to check their tax situation, including withholding and estimated tax payments.

Those who are self-employed or have other income, such as interest, dividends, self-employment, capital gains, prizes and awards or have too little tax withheld from wages may need to make estimated or additional tax payments. Estimated tax is used to pay not only income tax, but other taxes such as self-employment tax and alternative minimum tax.

Pay as you go

The U.S. tax system is essentially “pay-as-you-go.” Taxes must be paid as income is earned or received during the year. For people who receive salaries, wages, pensions, unemployment compensation and the taxable part of Social Security benefits, tax can be withheld.

Taxpayers can adjust withholding on their paychecks or the amount of their estimated tax payments to help prevent penalties. This is especially important for people in the sharing economy, those with more than one job and those with major changes in their life, like a recent marriage, divorce or a new child.

Some income is not subject to withholding. This includes some income from the sharing economy and income from self-employment or rental activities.

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Individuals, including sole proprietors, partners and S corporation shareholders, may need to make estimated tax payments unless they owe less than \$1,000 when they file their tax return or they had no tax liability in the prior year (subject to certain conditions).

Perform a 'Paycheck Checkup'

The Tax Cuts and Jobs Act, enacted in December 2017, changed the way tax is calculated for most taxpayers, including those with substantial income not subject to withholding. Because of the far-reaching tax changes taking effect this year, the IRS urges all employees, including those with other sources of income, to perform a Paycheck Checkup now. Doing so now will help avoid an unexpected year-end tax bill and possibly a penalty. The easiest way to do this is to use the [Withholding Calculator](#) available on IRS.gov.

To use the [Withholding Calculator](#) most effectively, users should have a copy of last year's tax return and recent paystubs. After filling out the Withholding Calculator, the tool will recommend the number of allowances the employee should claim on their [Form W-4](#). Though primarily designed for employees who receive wages, the Withholding Calculator can also be helpful to some recipients of pension and annuity income. Recipients of pensions and annuities can make a change by filling out [Form W-4P](#) and giving it to their payer.

[Form 1040-ES](#), Estimated Tax for Individuals, available on IRS.gov, is designed to help taxpayers figure these payments simply and accurately. The estimated tax package includes a quick rundown of key tax changes, income tax rate schedules for 2018 and a useful worksheet for figuring the right amount to pay. The IRS also mailed 1 million Form 1040-ES vouchers with instructions in late March to taxpayers who used this form last year.

Employees who expect to receive long-term capital gains or qualified dividends, or employees who owe self-employment tax, alternative minimum tax or tax on unearned income of minors should use the instructions in [Publication 505](#) to check whether they should change their withholding or pay estimated tax.

When and how to pay estimated tax

Taxpayers normally make four estimated tax payments a year. Remaining payments for 2018 are due Sept. 17, 2018, and Jan. 15, 2019. Those who make estimated payments may be charged a penalty if those payments are late.

Taxpayers have a variety of ways to pay estimated tax: online, by phone or from their mobile device. [Direct Pay](#) is a secure online service to pay a tax bill or pay estimated tax directly from a checking or savings account at no cost.

Visit [IRS.gov/payments](#) for easy and secure ways to pay taxes. If a taxpayer pays estimated tax by mail, they should use the payment vouchers that come with [Form 1040-ES](#).

[Publication 505](#), Tax Withholding and Estimated Tax, provides more information about these special estimated tax rules. Taxpayers in presidentially declared disaster areas may have more time to make these payments without penalty. Visit the [Tax Relief in Disaster Situations](#) page on IRS.gov for details.

Submit Payroll in Escape

**MUST Grant Leaves
Before Submitting Payroll**

➤ *Go to HR/Payroll-Payroll>>Payroll Status*

- Click GO to get list of Payroll Dates
- Click on current payroll to Open
- Click on Hour Glass Icon, select Payroll Errors, Print Payroll Summary & Payroll Errors

- Check Errors to see if can be corrected. Must resolve **Labor** issues in order to process Payroll. Can **NOT** proceed until Labor errors resolved
- If assistance is needed to resolve error, then send email to helpdesk@scoe.org
- Go back to Payroll Status to Submit Payroll
- Click on Task, select Submit
- Click on Hour Glass again, select Payroll Status to Print in “Submitted” Status

Payroll Reports Required

➤ *Go to HR/Payroll>>Reports>>Payroll*

Print **Pay15a** Payroll Differences (Earnings) Report; Compare prior period to current period and review differences. This is for Regular Payroll Only. For Supplemental Payroll Print **Pay13a** Payroll Adjustments Report.

- CBO and/or Superintendent **must sign** last page of all reports

Regular Payroll: Pay01 Summary, Pay15 Differences, Pay22 Labor Errors, Pay99 Status
Sup Payroll: Pay01 Summary, Pay13 Adjustments, Pay22 Labor Errors, Pay99 Status

Scan Reports & Email to Production@scoe.org by 12:00 pm on Payroll Due Date

**Sonoma County Office of Education
IT and Business Services Division**

Procedure for Retroactive Pay Notification Form

The purpose of the Retroactive Pay Notification form is to notify the County Office of Education of when LEAs are planning for a retroactive pay adjustment including one-time bonus/off-schedule. We realize retroactive pay adjustments most commonly happen only once a year and that there can be turnover in payroll staffing. Therefore, we would like to provide you and staff the support and guidance necessary to navigate the retroactive pay process.

Receiving the information requested in a timely manner allows our IT and Business Services divisions the opportunity to review the signed agreement(s) and new salary schedule(s) so that we may better serve the LEA.

Please complete the attached Retroactive Pay Notification form and email to helpdesk@scoe.org and IT will work with you.

**Sonoma County Office of Education
IT and Business Services Division**



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(707) 524-2600 ■ www.scoe.org

Retroactive Pay Notification Form

LEA Retro Information	
LEA Name:	
Contact Name:	
Contact Phone/Email:	
Date of Retro Pay:	
Escape HR/Payroll Fields	
Retro Period Coverage Dates (Earnings From/Thru)	
From: _____	Thru: _____
Bargaining Unit/Group*:	
Salary Schedule(s):	
Addon(s) to Include**:	

**Please submit separate form for each bargaining unit or group.*

***Consider including addons for docks, positive and negative adjustments, and vacation and longevity pay unless otherwise specified in agreement.*

Check all that Apply:

- Classified
 Certificated
 Certificated RWL
 Management
 Other: _____

Retro Payroll Features (check all that apply):

- On Salary Schedule
 Active Employees Only
 One-Time Bonus
 Include Terminated

Required Attachments:

- Copy of Signed Agreement (submit signed letter detailing terms if no bargained agreement)
 New Salary Schedule(s)

LEA Authorized Signature

Date

Email completed form to helpdesk@scoe.org