



RCAB IOI PAYROLL 2018 YEAR-END CHECKLIST

- Complete your required Health Insurance Responsibility Disclosure (HIRD) filing with the MA DOR by **November 30!** See instructions posted on www.catholicbenefits.org/admins/admins.htm.
- All locations must process and close payroll for the last pay date in 2018 (Friday, December 29) no later than 4:00 pm on **Wednesday, December 26, 2018**. If you are paying an employee on December 31, you may process on December 27. Any payments you wish to appear on a 2018 W-2 must be processed no later than that date. Keep in mind that any W-2C forms that are issued result in additional fees from IOI, which can be substantial depending on the correction needed.
- Group Term Life earnings and memo deductions (GTLA) will be **automatically calculated** for each location for 2018 based on gross wages earned in 2018. For employees who were hired after January 1, 2018, salaries will be calculated based on per pay earnings multiplied by the # of pays per year for each employee. These new GTLA amounts will be loaded into IOI after **4:00 pm on Thursday, January 3, 2019**. Therefore, to ensure that GLTA calculations with updated salaries are included in the first paycheck of 2019, you should not process and close your first 2019 payroll until 8:00 am on Friday, January 4.
 - For employees who reach their one year of service during calendar year 2019 and/or who are hired with prior service in 2019, the Benefits Office will continue to manually enter GTLA into IOI.
 - The updated salary amounts used for GTLA will also be used for Life, LTD and TAP billing purposes, effective February 2019 and every February hereafter.

Other Important Information

Recommended areas of focus **prior to** December 27, 2018:

- Several new enhancements have been added to the Employee Demographic and New Hire Express screens. In addition, certain fields have been moved or deleted to streamline data entry and viewing. We will review these changes on the IOI Year End webinars. Clear your “cache” on your internet browser to take advantage of these upgrades and for optimal IOI operation. Instructions are posted to the Benefits website’s Administrator Toolkit – www.catholicbenefits.org/admins/admins.htm.
- If you will be issuing Christmas “bonus” checks to employees, consider adding the payment amounts to your regular payroll run if any employees or priests at your location participate in the 401(k) Plan. If you must have separate bonus checks for individuals with 401(k) deductions, for compliance with IRS rules, you must run those checks on a separate pay date than your normal check date (ex: December 13 for special bonus check vs. December 14 for regular paycheck), but within the same week to ensure any 401(k) Plan deductions are remitted timely to TIAA. See more detailed instructions here: www.catholicbenefits.org/PDF/admin/ioi/issuing_special_bonus_checks.pdf.
- Confirm that your location has implemented Employee Self-Service (ESS) 2.0 so that your employees can check the data listed below before W-2 Forms are issued:
 - Name, employee mailing address
 - Social Security Number

Encourage employees to sign in to ESS (using new ESS if turned on) to confirm this information themselves, or use the Check Browse feature to print details from a single check so that the employee can verify much of this information. Alternatively, run an Employee Address Report and display SSNs. The IRS may assess penalties for every W-2 filed with an incorrect surname, SSN, and other information the IRS considers “consequential.” These penalties will be passed on to your location by IOI if they are incurred. The IRS may also assess penalties under the ACA for incorrect SSNs on 1095 forms.

- Review your 001 - Turnaround Journal Report to confirm that employees are set up in the **correct Tax Status**.
 - 0 or no code = W-2 employee (wages are fully taxable and federal and state withholding applies)
 - 1 = 1099 Independent Contractor, no taxes are withheld
 - 2 = W-2 Employee: FICA/MHI federal and state tax exempt (use only for active priests)
 - 4 = 1099-R: FICA/MHI exempt, federal and state taxes can be withheld (use only for retired priests and only for payments from a pension plan; should not be used by a parish)
 - 5 = No W-2 or 1099: Completely tax exempt (use for religious priests, sisters and brothers)

- Priest payroll review
 - Run a Check History Report for each priest, and confirm that they have had **NO Medicare (MHI)** and **NO Social Security (EESOCSEC)** withheld for the year. Review the Sample Priest Check History posted to the Administrator Toolkit.
 - Confirm that each priest has an auto insurance reimbursement recorded as a taxable amount in IOI. See the Auto Insurance Reimbursement Instructions posted to the Administrator Toolkit at http://www.catholicbenefits.org/PDF/admin/ioi/reporting_priest_autoins_payments.pdf.
 - Check that the priest stipend amount is the correct one for FY2018 and FY2019. See the Clergy Remuneration Policy posted in the Administrator Toolkit for details.
 - Confirm that Room & Board is recorded properly (\$600 per month; be sure you have correctly allocated this to the # of pays per year for each priest. Also, consider moving R&B to the 1st pay of the month for 2019. Instructions are available under the Administrator Toolkit).
 - Confirm that hours have been reported for each priest. Set up recurring hours and earnings for priests if not already set, using these instructions: http://www.catholicbenefits.org/PDF/admin/set_up_recurring_priests.pdf.

- Run a **Check History Report** for each employee at your location (see sample under the Administrator Toolkit). Confirm the following:
 - All wages, deductions and withholdings per pay and YTD appear to be correct.
 - Correct benefit eligible status based on hours reported. Benefit-eligible employees should have at least 1,000 hours in 2018; non-benefit eligible employees should have fewer than 1,000 hours in 2018. Contact the Benefits Office if you detect issues with these categories.
 - Ensure that hours are recorded with each pay date. The ACA and Massachusetts law require accurate reporting of hours through payroll. If you are missing hours for 2018, contact IOI for assistance with processing a YTD adjustment or use the instructions posted here: www.catholicbenefits.org/PDF/admin/YTD_Adjustments_to_Add_Employee_Hours_1_2.pdf.
 - For salaried employees, confirm that recurring hours have been set up. Contact IOI for assistance, or use the instructions posted here: www.catholicbenefits.org/PDF/admin/set_up_recurring_layemp.pdf.
 - No payments were skipped **or** made in duplicate.

- For employees for whom Medicare is Primary Payer, confirm that Part B reimbursements for employees/spouses were made and recorded for the year in IOI (or through A/P). Medicare has announced an increase in the Part B premium for 2019, so ask employees who are on Medicare Primary (or whose spouses are) to bring documentation of the new amount. Then notify the Benefits Office so that your monthly invoice for Health Plan premiums can be reduced asap.
- 401(k) Compliance:
 - Compare any 401(k) Plan deductions to the **Salary Deferral Form** provided to you by the employee. Confirm that the % or \$ amount matches the Form(s) provided to you, and that correct deductions for **pre-tax vs. Roth** contributions were used. Focus especially on employees who asked that a fixed amount for calendar year 2018 be deferred.
 - For benefit-eligible employees who declined to be **auto-enrolled**, confirm that a **written waiver** is on file for these employees.
 - For employees who are seeking to defer **the legal maximum** into the 401(k) Plan for 2019, (\$19,000 + \$6,000 catch-up), populate the full deduction as a 401P or ROTH deduction after your final 2018 payroll is processed and closed and when you open your first payroll in 2019.
- Confirm that you have reported all manual (A/P) and voided checks for 2018 to *IOI* on or before you process payroll for your final 2018 pay date. A YTD adjustment will be required to add these amounts to W-2s. Review the instructions posted under the Administrator Toolkit.
- Add employee e-mail addresses into IOI (Employee Demographic pages). This field is now required for all new hires so that ESS can be accessed by every person paid through IOI.
- If your vacation, sick or personal time policy is based on the calendar year, monitor balances as year-end approaches. After the final pay date for 2018, re-set any balances. (Note: locations using the Sick Accrual Codes “1 & 2” do not need to re-set sick time balances at any time during the year. If you are using code “3” you must indicate the award amount for each employee after the final pay date in 2018.) Contact Human Resources at hr@rcab.org for additional information or assistance.
- (Note: locations using the Sick Accrual Codes do not need to re-set sick time balances at any time during the year.) Contact Human Resources at hr@rcab.org for additional information or assistance.
- Review your November and December BAS invoice detail to confirm that no employees appear there who should have been terminated earlier in 2018. ACA compliance and tax form preparation relies on accurate benefits enrollment data, so please contact the Benefits Office if you notice any errors.
- **When opening the first payroll for 2019, be sure to re-set the Payroll Calendar to #1.**

What not to worry about for Year-End 2018/First Payroll of 2019:

- As a church plan, the RCAB Health Plan remains exempt from the requirement that health care premiums be reported on W-2s.

Additional information is also available under the Administrator Toolkit at www.catholicbenefits.org/admins/admins.htm. Please also feel free to contact IOI at (888) 697-0021 or Carol Gustavson at cgustavson@rcab.org or (617) 746-5830.