



November 3, 2017

Re: **Important IOI Year-End Procedures – Webinars & Conference Calls**

Dear Pastor/Administrator/F&O Manager/Director:

Calendar year-end will be here before we know it, so now is the time to begin preparations for the final payroll of 2017 and the first payroll of 2018. The attached *IOI* Year-End Checklist includes helpful information about general year-end procedures. We encourage you to review it at your convenience and consider dialing in to a year-end webinar or conference call. Details on the two options are below.

<b>IOIPay Webinars</b>
Thursday, November 9th at 10am
Wednesday, November 15th at 1pm
Friday, December 8th at 10am
<b><u><a href="https://attendee.gotowebinar.com/rt/5392052682755014914">Registration URL: https://attendee.gotowebinar.com/rt/5392052682755014914</a></u></b>

<b>Conference calls (using Checklist below as a guide)</b>
Thursday, November 16 at 3:00 pm
Thursday, November 30 at 1:00 pm
Wednesday, December 6 at 10:00 am
Tuesday, December 12 at 3:00 pm
<b><u>Dial-in= 1-866-423-8755, Password = 378022</u></b>

Note: the final date for any data changes to 2017 wages in IOIPay is **4:00 pm on Wednesday, December 27, 2017**. This includes processing for all 2017 pay dates and YTD adjustments.

As always, please contact IOIPay at (888) 697-0021 or the Benefits Office at (617) 746-5830 for assistance.

Sincerely,

Carol Gustavson, Director, RCAB Benefits Office

## **RCAB IOI PAYROLL 2017 YEAR-END CHECKLIST**

- All locations must process and close payroll for the last pay date in 2017 (Friday, December 29) no later than 4:00 pm on **Wednesday, December 27, 2017**. Any payments you wish to appear on a 2017 W-2 must be processed no later than **December 27, 2017**. Keep in mind that any W-C 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 2017. For employees who were hired after January 1, 2017, 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 4**. Therefore, to ensure that GLTA calculations with updated salaries are included in the first paycheck of 2018, you should not process and close your first 2018 payroll until 8:00 am on Friday, January 5.
  - For employees who reach their one year of service during calendar year 2018 and/or who are hired with prior service in 2018, 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 2018 and every February hereafter.

### **Other Important Information**

Recommended areas of focus **prior to** December 27, 2017:

- Clear your “cache” on your internet browser for optimal IOI operation. Instructions are posted to the Benefits website’s Administrator Toolkit – [www.catholicbenefits.org/admins/admins.htm](http://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 22 for special bonus check vs. December 15 for regular paycheck). See more detailed instructions here: [www.catholicbenefits.org/PDF/admin/ioi/issuing\\_special\\_bonus\\_checks.pdf](http://www.catholicbenefits.org/PDF/admin/ioi/issuing_special_bonus_checks.pdf).
- Verify the following information for each employee:
  - Name
  - Social Security Number
  - Employee mailing address

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. The IRS may assess penalties for every W-2 filed with an incorrect surname, mailing address, 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](http://www.catholicbenefits.org/PDF/admin/ioi/reporting_priest_autoins_payments.pdf).
  - Check that the priest stipend amount is the correct one for FY2017 and FY2018. 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 1<sup>st</sup> pay of the month for 2018. 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](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 2017; non-benefit eligible employees should have fewer than 1,000 hours in 2017. 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 2017, 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](http://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](http://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). Check with employees on Medicare Primary to see if they have been notified of a change in their Part B premium, and then notify the Benefits Office if there has been a change.

- 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 2017 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 2018, (\$**18,500** + \$6,000 catch-up), populate the full deduction as a 401P or ROTH deduction after your final 2017 payroll is processed and closed and when you open your first payroll in 2018.
- Confirm that you have reported all manual (A/P) and voided checks for 2017 to *IOI* on or before you process payroll for your final 2017 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). Additional funds are needlessly spent each year on mailings to communicate notices required by law since less than 50% of IOI records include email addresses.
- If your vacation or personal time policy is based on the calendar year, monitor balances as year-end approaches. After the final pay date for 2017, re-set any balances. (Note: locations using the Sick Accrual Codes do not need to re-set balances at any time during the year.) Contact Human Resources at [hr@rcab.org](mailto: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 2017. 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 2018, be sure to re-set the Payroll Calendar to #1.**

**What not to worry about for Year-End 2017/First Payroll of 2018:**

- 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](http://www.catholicbenefits.org/admins/admins.htm). Please also feel free to contact IOI at (888) 697-0021 or Carol Gustavson at [cgustavson@rcab.org](mailto:cgustavson@rcab.org) or (617) 746-5830.