

KBACE Overview

Surviving Payroll Year End

 **CERTIFIED ADVANTAGE
PARTNER**

 **GOLD CERTIFIED**
Partner

Agenda

- **Corporate Overview**
- **Course Objectives**
- **Basic Year End Resources**
- **Planning**
- **W2 Configuration and Balance Feeds**
- **Year End Processing**
- **Year Begin Processing**
- **Question and Answer**



KBACE Corporate Overview

- Incorporated 1998
- Privately Held
- Focus on the Oracle eBusiness Suite & Underlying Technologies
- Consultants Fulltime-Benefit Eligible

Professional Services

- **Oracle Application Consulting Practices**
 - **Human Capital Management (HCM)**
 - **Financials**
 - **Projects**
 - **Supply Chain**
 - **CRM**
 - **Data Services**
 - **Advanced Technology**
- **Headquarters in Nashua, NH**
- **Development centers in Nashua, NH and Bangalore India**
- **Certified Advantage Partner**

Course Objectives

- Describe current information and instructions on year end processing
- Understand period end processing steps in Oracle Payroll
- Determine YE advanced planning strategy
- Identify and use diagnostic reports
- Produce required reporting
- Prepare for year begin
- Identify Information sources: Oracle Payroll World, metalink, etc.

Basic Year End Resources

- Patch Schedule
- Metalink
- Oracle Payroll World
- APA Web site
- IRS Web Site
- SSA Web Site

Patch Schedule

- **11i and R12 - Family Packs required for YE processing.**
- **Phase 1 September 15 – Performance tuning and statutory changes, reporting**
- **Phase 2 December 15th - Statutory changes and additional reporting features**
- **Phase 3 – January 15th – Late notice Stat changes.**

Oracle Metalink

- <http://metalink.oracle.com/>
- **Current Mandatory Patch List:**
 - **11i - Oracle Note:111499.1**
 - **R12 - Oracle Note:386434.1**
- **Oracle Year End Doc**
 - **Release 11i or R12 Documentation for US > End of Year Processing Using Oracle HRMS**
- **Oracle Balance Adjustment Procedure Doc**
 - **Release 11i Documentation - Whitepaper**

Oracle Payroll World

- **ORACLE NORTH AMERICAN PAYROLL WORLD LIST MAINTENANCE INFORMATION TO UPDATE OR ADD YOURSELF TO THE NORTH AMERICAN PAYROLL WORLD MAIL LIST, PLEASE SEND AN E-MAIL TO:**
 - **CSHRDEV_UK@ORACLE.COM**
SUBJECT: Oracle North American Payroll World Contact
Update with your
 - **CONTACT NAME**
 - **CSI NUMBER**
 - **COMPANY NAME**
- **All Oracle mandatory Patch Notifications**

Strategic Planning

- American Payroll Association (APA) Year End Checklist
- Build your own checklist ... Start Early
- Create your year end calendar Start with your return deadlines and then set your stretch goals for those deadlines (ie W2-s in the mail by Jan 20)
- Utilize Metalink for suggestions and tips
- Utilize Legislative websites and distribution lists for changes to filing dates
 - www.irs.gov

Year End Checklist

- Plan Early!
- Review last years issues and prioritize
- Review last years successes and make sure they have been accounted for with oracle year end
- Third Party Interfaces? (taxes, w2 filing)
- Balance adjustments should be processed prior to last payroll of the year to take advantage of “self adjust” features
- Review PTO carryovers.
- Adjust date-trackable global values, benefits tables, etc now.
- Prepare tax reconciliation worksheets
- Order forms
- Schedule test printing of W2 (oracle is very finicky!!)
- Test your process in your newly patched instance.

Cross Functional Teams

- **Coordinate with IT to schedule tapes and mag media**
- **Coordinate with the mail room.**
- **Coordinate with AP.**
- **Make sure IT understands that you will need 24 x 7 resources available if you get to crunch time**
- **Get IT Working or W2 printing in the Phase 1 test environment**

W2 Configurations and Balance Feeds

- Taxability Rules
- Balance Adjustments
- Mapping Elements to W2 Boxes
- User Defined Boxes

Taxability Rules

- Taxability rules determine how Earnings and deductions feed specific tax balances
- The seeded Oracle Tax categories should not be changed. Oracle will monitor and maintain them for you.
- If you create a tax category you must maintain it at all levels (federal, state and local) for all jurisdictions.

Balance Adjustments

- **Before any tax balance adjustment using the Tax Balance Adjustment Form can occur, links must exist for delivered elements. You need to link adjustment elements that you create, as well as these delivered elements.**
- **To load an amount that was not included in the initial conversion data.**
- **Balances were loaded for the incorrect state, local, county, etc., jurisdiction.**
- **An employee moved to another taxing jurisdiction and notification was not received timely.**
- **Need to refund taxes that were collected by mistake.**
- **The taxable limit was over or understated.**
- **Third-party (non-ORACLE) payments, such as sick pay, group term life (GTL) insurance, stock options, and manual checks, were not included on a separate.**

Adjust Tax Balance

- The Tax Balance form is normally used for third-party payments such as sick pay, stock options, and imputed income or payments that are not recorded on a third-party W-2.
- The Tax Balance form uses existing elements, eliminating the need to set up any special adjustment elements.
- Balance Adjustments can be marked to go through the costing process, if you elect, but there are no override capabilities.
- **Caution!** Always use the view tax balance window to verify all the balances adjusted correctly.
- Pay close attention to SUI, FUTA and other balances with upper limits.
- **Effective Date!!!**

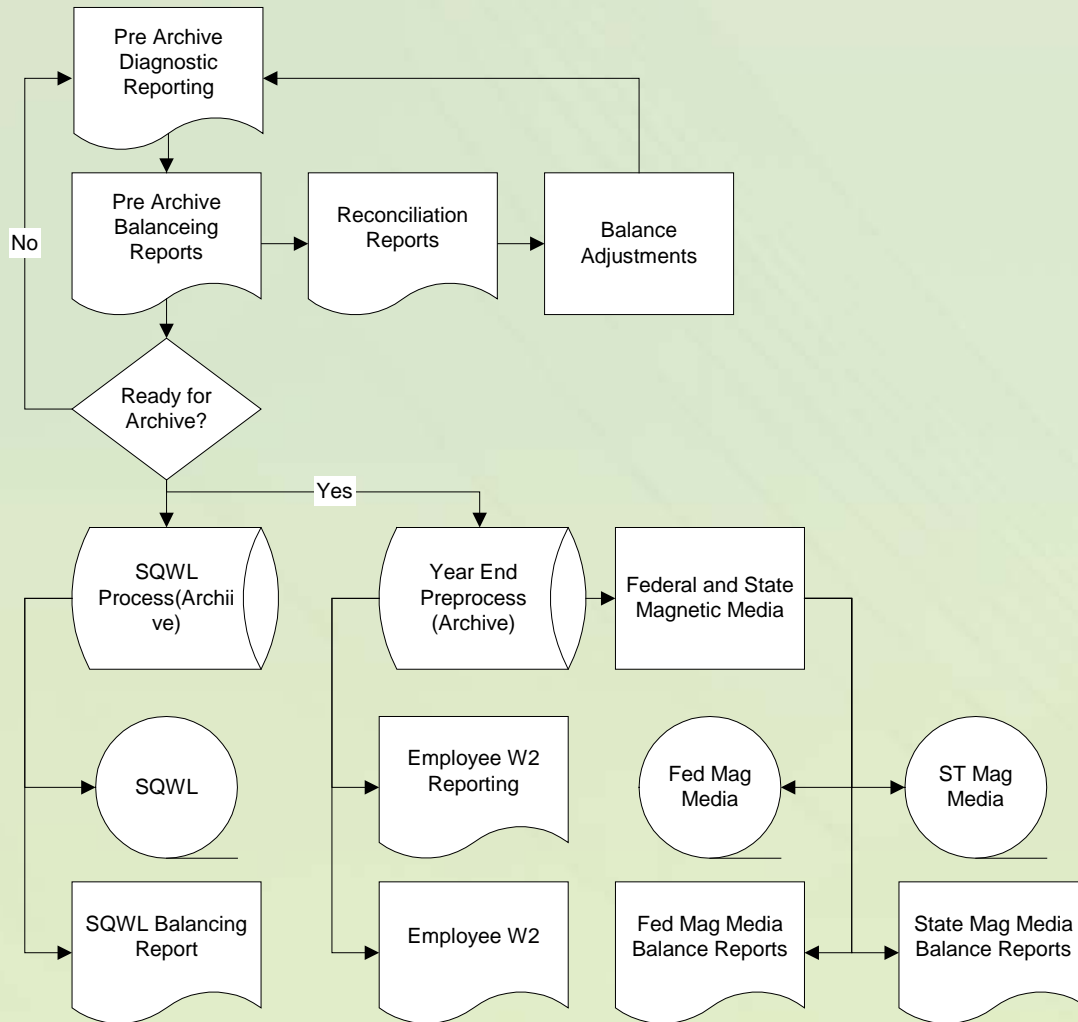
Adjust Balance

- The Adjust Balance Form allows you to use any existing element or define an adjustment element to include specific balances as required.
- The Adjust Balance Form allows an entry to be flagged to be able to go through costing and the costing can be overridden.
- You can adjust the taxable balances in excess of the government-regulated limits.
- **Note:** Date Tracking is extremely important. You must date-track to the appropriate month, quarter, or year. If you make a prior period adjustment, you may have to file an amended return.

W2 Box 14 (User Defined Boxes)

- Codes A through J are completely user-defined. ORACLE provides a balance that is printed on the W-2.
- If you are using one of these optional boxes, you must define the name that you want to appear in the box in the Quick Code named W-2 BOX 14 USER-DEFINED.
- W-2_No_Gross user defined balance to identify employees with no Gross but information in another box (such as 12) and should receive a W-2

Year End Process Flow



Diagnostic Reports

- Use the following reports to identify problems that need to be corrected before Year End Processing can take place:
 - **Unacceptable Tax Balance Report**
 - Identifies employees with potential incorrect withheld amounts
 - **Invalid Address Report**
 - List employees with invalid addresses
 - **Over the Limit Report**
 - Identifies employees who have had taxes withheld in excess of the legal limit

Pre Archive Balancing Reports

- These reports are used to ensure that balances reported to federal, state and local authorities will be correct. Before running the Year End Pre-Process, you should run and balance the following balance reports:
 - **GRE Totals Report**
 - Helps to balance W2's. It lists totals for selected GRE's
 - **Tax Remittance Report**
 - Shows federal, state and local tax balances summarized for a particular range of check dates

Reconciliation Reports

- **The following reports are used to further pinpoint balance problems for individual employees.**
 - **Employee Run Results Report**
 - **Supplies detailed balance information for a specific employee over a defined period of time.**
 - **Payroll Activity Report**
 - **Shows employee and group level payroll details such as:**
 - **Specific federal, state and local taxes withheld**
 - **Employer liabilities**
 - **Balance adjustments**
 - **QTD and YTD balance details**

Year End Preprocess (Archive)

- **The Year End Pre-Process is the Oracle Payroll utility that archives employee and employer data for a specific year and GRE. Once archived, this data will be available for end of year reporting. The data from the Year End Pre-Process is archived in the system so you will be able to regenerate year end reports as required.**
- **This process must be ran for each GRE.**

Post Archive W2 Reporting

- **Year End Negative Balances**

- The Year End Negative Balances Report identifies individual employees in a GRE with negative balances that would be reported on the form W-2

- **W2 Register**

- This report shows the amounts reported in each box of the Form W-2 for all employees in a particular GRE as of the chosen effective date by W-2 box number (1 through 20).

- **W2 Exceptions**

- This report identifies employees who have negative box 1 totals on the form W-2 or have zero box 1 totals, but have other negative W-2 box totals.

Create W2 Output File

- **Submit the Employee W2 Report**
 - **View the data in the Output File on the Concurrent Manager to ensure that all Organizational Data is correct.**
 - **GRE Name**
 - **GRE Address**
 - **GRE EIN**

Federal and State Magnetic Media

- Your enterprise may be required to submit magnetic W-2 reports to both Federal and State agencies. These reports contain your enterprise's annual Wage and Tax Statement of employee earnings and tax withholding.
- You must successfully run the Year End Pre-Process for **each GRE** in your enterprise prior to running a Federal or State magnetic W-2 report.
- Make sure you get all the mag media reconciliation files.
- Verify your media with Free SSA Validation software.

Year End Corrective Processes

- **For Archive (SQWL, or YE Preprocess):**
 - **Rollback**
 - **Retry**
 - **Use assignment sets**

Year Begin Processing

- **Review the following Task List as it pertains to your Organization**
 - **Update Global Values**
 - **Update Table Values**
 - **Update SUI Rate/ SDI Rates**
 - **Update Payroll Calendar**
 - **Run the Year Begin Process to reset the following:**
 - **Indiana Overrides**
 - **SUI Wage Base Overrides**
 - **Head Tax Exemptions**
 - **Federal EIC filing Status**

Questions & Answers

Presenter's Contact Information

- Sue Hibbs – Payroll Practice Manager
- Email – shibbs@kbace.com