

DBFBP MEMOS 1996

<u>DATE</u>	<u>NUMBER</u>	<u>SUBJECT</u>
04/04/96	<u>96-1</u>	Directory Maintenance Changes
10/10/96	<u>96-6</u>	Georgia Income Tax: Deduction Codes 0291 and 0515
10/17/96	<u>96-7</u>	Miscellaneous Deductions for OPS Employees
11/07/96	<u>96-8</u>	Individual Taxpayer Identification Number (ITIN)
11/07/96	<u>96-9</u>	Taxability of Tuition Free Courses for State Employees

In Reply Refer To:
DBFBP 96-1

DATE: April 4, 1996
TO: AGENCIES AND INDIVIDUALS ADDRESSED
FROM: Allen, Reams, Chief Bureau of State Payrolls
SUBJECT: Directory Maintenance Changes

Effective April 15, 1996, the look of the Directory Maintenance Menu (DM) along with the features of the Deduction Table Lookup (DED) will change. The department's Division of Information Systems has been working hard to improve functions in the Payroll system.

In order to provide you with the ability to scroll forward (PF8) and scroll backward (PF7), the Directory Maintenance Menu (DM) was reprogrammed. You will notice that instead of having two columns of descriptions and abbreviations there is now only one (example A). This change has taken the Directory Maintenance Menu from two pages to three pages. Use the PF8 function to move forward through the pages or PF7 to move backward. The only Directory Maintenance function which has been changed is the Deduction Control Lookup (DED), all others remain the same.

Once the DED function is selected you see the DED Table Lookup Menu (example B). This will provide you with a choice of DD - DED Detail; DA - DED Alpha Display; DN - DED Numeric Display. The DD - DED Detail selection will give you the exact same screens as you are currently receiving (example C). DA and DN are new choices which should make your jobs simpler. DA - DED Alpha Display will allow you to select a Deduction Code List to be displayed numerically (example E). If the deduction code is known it can be entered on the DED Table Lookup Menu screen or you can enter it after scrolling thru the list of DED Directory entries listed in order you choose. While looking at the List of DED Directory Entries, PF1 can be used at anytime to access the HELP screen for definitions of the fields (example F).

Extreme care should be taken when using the alphabetical listing to look up miscellaneous deduction codes. Many of the vendor names on the file can be very similar. Make absolutely positive that you have the correct vendor and DED code for your agency. There have been a number of horror stories that have happened in years past due to the wrong deduction code being used for a vendor.

The action commands that are to be used on these screens are different than the selection codes currently used. They are however the same as the action commands used in the Collection portion of the system. Use M to Modify (add/change), D to Display (inquire), and P to Purge (delete).

If you should have any questions concerning these enhancements please call Christy Gregg at 488-6416, SUNCOM 278-4612.

RAR/cjg

Enclosure

October 10, 1996

IN REPLY REFER TO:
DBFBP 96-6

TO: Agencies Addressed

FROM: Allen Reams, Chief
Bureau of State Payrolls

SUBJECT: GEORGIA INCOME TAX: DEDUCTION CODES 0291 AND 0515

DEDUCTION CODE 0291; GEORGIA INCOME TAX ARREARAGE AMOUNTS FOR
PRIOR CALENDAR YEAR

Effective immediately deduction code 0291 is available for the purpose of deducting Georgia income tax arrearage amounts for prior calendar years. The description for deduction code 0291 will be "DELINQUENT GEORGIA TAXES PRIOR YR."

Deduction code 0291 is only to be used for deductions that the employees voluntarily request to be made in their behalf. When employees wish to have Georgia income tax arrearage amounts for prior calendar years deducted from their wages, the employees are to present a Georgia Department of Revenue payroll authorization form to the appropriate representative of their agency. An example of this form is attached. Please be sure that the employee has fully completed and executed the form.

The deduction warrants and applicable miscellaneous deduction registers for code 0291 are to be sent to:

Georgia Department of Revenue
Field Services Division
Post Office Box 1357
Albany Georgia 31702-1357

Should there be a need for the recovery and restoration of funds deducted for deduction code 0291 when an employee's payroll warrant is canceled, please contact Ms. Lynn Whittle at (912) 430-6641. She may be sent correspondence at the address provided above or a fax at (912) 430-3922.

DEDUCTION CODE 0515; GEORGIA INCOME TAX AMOUNTS FOR THE CURRENT
CALENDAR YEAR

Deduction code 0515 will continue to be used for the purpose of deducting Georgia income tax amounts for the current calendar year. Effective immediately the description for deduction code 0515 has been changed to "GA INC TAX CURRENT CAL YR." Should you wish to obtain more information regarding the responsibilities associated

with the use of deduction code 0515, please contact Georgia
Department of Revenue, Income Tax, Withholding at (404) 656-4181.

If you have any other questions or need further clarifications,
please call Tony Parrish at (904) 488-6416 or SUNCOM 278-6416.

Sincerely,

Allen Reams, Chief
Bureau of State Payrolls

Attachments

RAR/tsp

Georgia Department of Revenue
Authorization to Deduct:
Delinquent Georgia Taxes Prior Calendar Year
Florida Miscellaneous Deduction Code 0291

Employee's Name _____

Employee's Social Security Number _____

I hereby voluntarily authorize the State of Florida to deduct delinquent State of Georgia taxes in the amount of \$_____ a pay period from my wages. I acknowledge that I understand the following:

1. There is no automatic mechanism to stop these deductions after the total amount due has been deducted;
2. I will be personally responsible for monitoring when deductions of delinquent Georgia taxes should cease;
3. Immediately upon determining that no further deductions should be taken, I will contact the appropriate representative of my agency of the State of Florida in written form and request that no future deductions be made.

Employee's Authorizing Signature: _____

Date Authorized: _____

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Information for agencies of State of Florida
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The deduction warrants and applicable miscellaneous deduction registers for code 0291 are to be sent to:

Georgia Department of Revenue
Field Services Division
Post Office Box 1357
Albany Georgia 31702-1357

Should there be a need for the recovery and restoration of funds deducted for deduction code 0291 when an employee's payroll warrant is canceled, contact Ms. Lynn Whittle at (912) 430-6641. She may be sent correspondence at the address provided above or a fax at (912) 430-3922.

October 17, 1996

IN REPLY REFER TO:
DBFBP 96-7

TO: Agencies Addressed

FROM: Allen Reams, Chief
Bureau of State Payrolls

SUBJECT: MISCELLANEOUS DEDUCTIONS FOR OPS EMPLOYEES

Several agencies have had questions concerning restrictions on the use of miscellaneous deduction codes for Other Personal Service (OPS) employees. The following information is provided in response to these questions.

OPS employees are specifically excluded from participating in State Health/HMO, Life Insurance and State Retirement benefits and therefore are prohibited from the utilization of the miscellaneous deduction codes for these programs. Additionally, each state agency can determine which of the allowable miscellaneous deduction programs they will allow their OPS employees to participate in. Listed below are the miscellaneous deductions currently allowable for OPS employees.

- Paid Parking
- Deferred Compensation
- Florida State Employee Campaign
- Repayment of State Monies
- State Student Loans
- TALTRAN Bus Pass (Tallahassee only)
- Court Ordered Support (State Payrolls input only)
- Federal Student Loans (State Payrolls input only)
- Income Tax Levies (State Payrolls input only)
- Garnishments/Bankruptcy (State Payrolls input only)

If you should have any additional questions concerning this please call Tony Parrish at (904) 488-6416 or Suncom 278-6416.

November 7, 1996

IN REPLY REFER TO:
DBFBP 96-8

TO: Agencies and Individuals Addressed

FROM: Allen Reams, Chief
Bureau of State Payrolls

SUBJECT: Individual Taxpayer Identification Number (ITIN)

On July 1, 1996, the [Internal Revenue Service \(IRS\)](#) implemented new procedures for assigning Individual Taxpayer Identification Numbers (ITIN). This regulation relates to nonresident aliens who are not otherwise eligible to receive a Social Security Number (SSN) but are required to file a U.S. tax return. Due to this IRS requirement only valid SSNs or ITINs will be recognized by the Bureau of State Payrolls. To allow sufficient time for State Agencies and Universities to implement this new procedure, the effective date will be December 26, 1996, for biweekly payrolls and January 1, 1997, for monthly payrolls.

The individuals that primarily do not qualify for a SSN are nonresident alien independent contractors. The IRS has estimated that the processing time for an ITIN will be four to six weeks. These individuals are generally in the U.S. only for a short period of time and have most likely left the U.S. before their ITIN has been issued, unless applied for in advance. We would suggest that when initially contacting individuals to perform services, you inform them of the requirement to have either a SSN or ITIN before payment can be made.

The IRS Form W-7, Application for IRS Individual Tax Identification Number, should be available from any IRS office or distribution center (800-829-FORM) or U.S. Embassy or consular office abroad. Individuals may also acquire the form by modem from the IRS bulletin board at 703/321-8020 or via Internet at http://www.irs.ustres.gov/basic/forms_pubs/index.html.

Should you have any questions, please call Phyllis Goodman or Ernest Thompson at 904/488-7762 or SUNCOM 278-7762.

RAR/llc

November 7, 1996

IN REPLY REFER TO:
DBFBP 96-9

TO: Agencies and Individuals Addressed

FROM: Allen Reams, Chief, Bureau of State Payrolls

Subject: Taxability of Tuition Free Courses for State Employees

Employer-provided educational assistance under Internal Revenue Code Section 127, which allows an exclusion of up to \$5,250 in assistance from an employee's income, was retroactively reinstated to January 1, 1995. The exclusion generally expires with respect to undergraduate courses beginning after June 30, 1997. The graduate course exclusion applies for all of 1995, but does not apply to courses beginning after June 30, 1996.

The value of tuition free courses under Internal Revenue Code [Section 127](#) has become taxable for graduate students who begin classes any time after June 30, 1996. The State University System will report the taxable values to the Bureau of State Payrolls. The taxable values will be added to the affected employees' next regular wages payment and are subject to income and FICA tax withholding. The employer FICA matching will be charged to the employee's wage payment account code.

Due to current processing system limitations the Comptroller's Office cannot deduct income tax withholding programmatically for year 1996 and will deduct only FICA taxes. Beginning in 1997, withholding will include income and FICA taxes.

Each agency and university must notify employees attending tuition free graduate level courses about this tax liability under Internal Revenue Code [Section 127](#) so that they may plan for their 1996 tax filings. Employees may wish to withhold additional amounts from their 1996 pay to cover these additional liabilities.

Under [Section 117\(d\)](#) of the Internal Revenue Service Code, tuition reductions given to employees of educational institutions for education below the graduate level are excludable from their income without dollar limit. Graduate students employed as teaching and research assistants are entitled to the income exclusion for tuition reduction.

If you have any questions concerning this matter please call Ernest Thompson or Steve Isted at (904) 488-6416 or Suncom 278-6416.

AR/elt