

## TOPIC 1: INTRODUCTION TO DEDUCTIONS AND BENEFITS

The processing of employee deductions and benefits is a major component of payroll processing because it effects the pay of employees. In the SAM II HR/Payroll system, a deduction is an amount by which an employee's pay is reduced. A benefit consists of a contribution on the part of the employer and a contribution on the part of the employee. Therefore, in this system a benefit is mechanically processed like a deduction.

The purpose of this course is to explain the steps necessary to enroll employees in the appropriate deduction and benefit plans.

**At the end of this course, you will be able to:**

- Scan and look up information on reference tables
- Establish employee deductions and benefits
- Refund employee deductions and benefits
- Look up employee deduction and benefit information on inquiry windows



# DEDUCTIONS AND BENEFITS

## REFERENCE TABLES

- CATG
- DEDT
- DPLN
- DPOL
- DDPL
- BENT
- BENP

## ESTABLISHING EMPLOYEE DEDUCTION AND BENEFITS

- ENRL
- MISC
- TAX
- SAVB
- EFT
- DPND

## DEDUCTION AND BENEFIT INQUIRIES

- QDPM
- QDSM
- QBTC
- QDPR
- QDNM



## DEDUCTIONS AND BENEFITS

The Deductions and Benefits subsystem groups employees into specific benefit types according to their eligibility. Based on plan selection, it allows employees to choose their level of participation within the various programs available to them. It also allows agencies to monitor tax, wage attachment (garnishment), and additional withholding information. An additional system feature summarizes deduction totals that are utilized for reporting purposes, check printing, and employee inquiries.

In the following topics, we will establish employee deductions and benefits, process refunds, and look up information using inquiry windows.

### Reference Tables

There are several reference tables associated with deductions and benefits that provide essential information used when enrolling employees into the system. Since these tables play an important role in understanding how to establish employee deductions and benefits in the system we will address them first. These key reference tables are:

- **EVENT CATEGORY (CATG)** – This window is the top level of the hierarchy within the SAM II HR/Payroll system. It establishes the types of categories for deduction and benefits (example: Health and Life Insurance, etc.).
- **DEDUCTION TYPE (DEDT)** – This window defines the types of deductions available for employees.
- **DEDUCTION PLAN (DPLN)** – This window defines variations of each deduction type and contains processing information on amounts and percentages, deduction frequency, whether the standard deduction amount or rate may be overridden on an employee basis and whether a special deduction routine should be performed to calculate the deduction.
- **DEDUCTION POLICY (DPOL)** - This window defines the codes which identify the policies associated with any deductions. A deduction policy is comprised of deduction types and deduction plans available to certain groups of employees.



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- **DEDUCTION POLICY TYPE (DDPL)** – This window defines the codes which identify variations of each deduction type. This window, along with the Deduction Type (DEDT) window, allows you to control enrollment into deductions by the deduction policy
- **EMPLOYEE FRINGE BENEFIT TYPE (BENT)** – This window defines employee deduction types that are considered to be employee fringe benefits. Only employee fringe benefit types can be viewed on this table.
- **EMPLOYEE FRINGE BENEFIT PLAN (BENP)** – This window is used to define benefit plans for employee fringe benefits. A benefit type may have one or more benefit plans associated with it. In order to distinguish between benefits and deductions, once defined, employee fringe benefit plans can only be viewed on this window and not on the Deduction Plan window.

### Establishing Employee Deductions and Benefits

Employee deductions are processed using several transactions: Employee Tax Parameters (TAX) is used for tax withholdings, including Federal, State, OASDI, Medicare and/or local taxes; Savings Bond Deduction (SAVB) is used for employee savings bond deductions; Miscellaneous Deductions (MISC) is used for non-state sponsored health, vision and dental, retirement, credit union deductions, charitable contributions, and tax-sheltered annuities. All deductions entered for employees must be those for which the employee is eligible, as outlined in their deduction policy.

Benefits in the SAM II System involve a contribution from both the employee and the employer, such as health plan benefits. The Benefits Enrollment (ENRL) transaction is used for state-sponsored health, vision, dental, and life insurance, deferred compensation, and unemployment compensation. It is one of the most widely used windows.

### Wage Attachments (Garnishments)

A creditor can petition the court to recover monies owed. The court notifies the organization to deduct a specified percentage of the employee's pay each pay period until the creditor is repaid. The court determines the goal amount to be collected. The deductions are sent to the court for disbursement to the creditor. The windows used for wage attachments (Garnishment (GARN), Family Court/Family Court Arrears/Bankruptcy (FAMC) and Tax Levy (LEVY)) are not covered in this course. The establishment and maintenance of wage attachments will be performed by Office of Administration/Division of Accounting.



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## DEDUCTIONS AND BENEFITS

### Deduction and Benefit Inquiries

Inquiries are on-line windows that provide information in a compiled format that facilitate review and decision-making. They are updated on a "real time" basis, which means that the system is updated as soon as a transaction has received the final level of approval. The deduction and benefit inquiries are:

- **Employee Deduction Parameters Inquiry (QDPM)** - This window displays all the effective deductions for a selected employee.
- **Employee Deduction Summary Inquiry (QDSM)** - This window displays deduction summary totals at the category level. There are both annual and quarterly deduction totals displayed.
- **Employee Benefit Type Class (QBTC)** – This window displays all the benefit type classes for which an employee is eligible.
- **Employee Dependent Roster (QDPR)** – This window displays any dependents for an employee that have been set up using the DPND transaction, as of the specified selection date.
- **Dependent Roster by Name (QDNM)** – This window displays an alphabetic listing of any dependents that have been set up using the DPND transaction.

Now that you have had a brief overview of the Deduction and Benefit process, let's move on to a review of the Reference Tables in the next topic.



# NOTES