Non-tax Dependents – CPPS Process

After determining which employees have non-tax dependents in BAS, HR will need to set up an additional line on the current job screen or a new job screen using earnings code NTD (non-tax dependent) in CPPS. Generally, you should use the same CERT code or primary CERT code the employee is paid from. While the employee will not receive pay from the NTD earnings code, there will be an expense to the state due to the PERA and Medicare contributions required by this earnings code. The amount of NTD is determined by the employee's health and dental insurances and number of non-tax dependents. Please refer to the Agency NTD chart for the amounts (on the Central Payroll website). This process is the same if the employee has a commuting (COM) set up on their job screen.

If the employee is a <u>biweekly</u> employee, please set it up the same as below using <u>half</u> of the amount to be taxed. Please make sure to use the "P-pay period amount" in the "Rate Code" field and the "T-exception by time; listed" in the "Time Report Code". Using this information, the amount will be added correctly to each biweekly payroll for the employee.

The start date should be the date that the non-tax dependent began as a non-tax dependent or the beginning of the plan year (July 1) and the stop date should be the end of the plan year (June 30). At the beginning of each plan year, the report will need to be run in BAS to identify which employees need to be taxed for their non-tax dependent. This report should also be run on a monthly basis to see any changes.

If an employee is terminating, the stop date should be the end of the month in which they terminate. This amount should NOT prorate like the salary amount should. If an employee is transferring between departments, the agency that deducts the benefits should tax the entire amount and not have it split between agencies. If the old agency is

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not deducting the benefits, the NTD earnings code should be stop dated for the end of the month before the transfer date (i.e. 4/30/09 for a 5/11/09 transfer date).

In HRDW, the Job Listing report can be run by earnings code NTD to verify that all employees are set up correctly and for the correct amount.

The Payroll Total Earnings should also be run to verify the correct amounts processed through payroll processing. This report should run monthly to verify the correct amounts were deducted and the correct employees are were taxed.