

# THE PAYLINE

The FAS Payroll Newsletter

September 2022

As we enter another academic year, it's also a good time to remind everyone to take a moment to review the FAS Procedures for Payroll Key Controls available on the FAS Finance web page: <https://finance.fas.harvard.edu/>

We would like to emphasize the importance of the **Payroll Register** (*Cost Center Reg by EE*). This report is currently the one key control that FAS Tubs, Departments and Centers are required to produce in the event of an audit. This report is an excellent way to ensure that employees are scheduled to be paid correctly in their next payment. The requirements are covered in detail in **Section III. KEY Internal Controls and Procedures, C. Payroll Register Review** of the Key Control document. In addition, there are several recommended reports highlighted to run and/or review prior to payroll opening to ensure accuracy.

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## This Edition's Topics

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## Interim Payroll Policy

**Effective September 1, 2021 - December 31, 2022**

*The Interim Payroll Policy's initial end date of 05/31/2022 has been extended through 12/31/2022*

Harvard has implemented an interim payroll policy and will implement payroll tax withholding and benefits for several new states starting this fall.

If your School or Unit offers full or partial remote work in registered states outside of Massachusetts and you'll begin or continue such an arrangement in California<sup>1</sup>, Connecticut, Maine, New Hampshire, Rhode Island, Vermont, New York, or Maryland, Harvard will withhold taxes for these states (where applicable) from your paycheck for the amount of time you work there. Your Massachusetts state tax withholding will be adjusted accordingly.

[Download Interim Payroll Policy](#) (Harvard Key Required) - Revised 05/27/2022

[Download Payroll Policy FAQs](#) (Harvard Key Required) - Revised 07/30/2021

[Download Harvard Registered Payroll States](#) - Revised 06/03/2022

[Harvard Offices Abroad](#) - Revised 05/27/2022

For further information on the policy, please visit the Office of the Controller website:  
<https://oc.finance.harvard.edu/employees-working-outside-of-massachusetts>

### **Guidance Regarding I-9 Collection During COVID-19**

As stated by the Office of the Controller, there are two options that are available to hiring departments regarding completion of the paper Form I-9.

#### **In Person Completion (Best Practice)**

- As schools and units return to campus, they should have a Harvard I-9 Administrator complete section 2 and review the original documents in person following their usual I-9 collection process. This reduces the possibility of incomplete or inaccurate I-9s and is considered a *\*strongly preferred\** best practice.
  - The original completed Form I-9 and documentation must be delivered to (*interoffice mail preferred*) or mailed to Central Payroll – 1033 Massachusetts Ave., 2nd Floor, Cambridge, MA 02138.

#### **Authorized Representative (Fallback Option)**

- In the rare case where a Harvard I-9 Administrator is not able to complete Section 2 and review the documentation in person (e.g., employees who will not be working on campus), Harvard may assign the role of Authorized Representative to an outside individual, who may complete Section 2 of the Form I-9 on Harvard's behalf. If completed correctly and, with the submission of the Section 2 documents, no further action is required by the Harvard I-9 Administrator.

For more information, please visit the Office of the Controller's website:  
<https://oc.finance.harvard.edu/guidance-regarding-i9-collection-during-covid19>

To ensure compliance with federal employment law and expedite the on-boarding process, the I-9 form is required for all new hires and must be completed within 3 business days of the first day of work.

When collecting I-9 information for new hires, please be sure to confirm the following:

- The Social Security number is correct and legible.
- The employee chooses an option in the preparer/translator section.
- A Harvard representative completes the first day of employment in the certification section.

Please see the [I-9 Verification Tool](#) in the Training Portal for additional guidance and examples. Please use the I-9 form currently available on the U.S. Citizenship and Immigration Services web site [I-9 Central](#).

## **IMPORTANT NOTES REGARDING I-9s and NEW HIRE/REHIRE PROCESSING:**

**New Hires with I-9s:** New Hires with a new I-9, need to get added into the Aurora/PeopleSoft systems **within 30 days** of the I-9 submission to our Central Payroll Partners, otherwise the I-9 will become unchecked, and will need to be manually updated by Central Payroll.

**Re-Hires with I-9s:** Rehires with an updated I-9, need to get added into the Aurora/PeopleSoft systems **within the week** of the I-9 submission to our Central Payroll Partners, otherwise the I-9 will become unchecked by **Sunday** of the I-9 submission date, and will need to be manually updated by Central Payroll. This also includes rehired employees who have not been paid on the Harvard Payroll system within the year.

***Example:** Joe Smith's I-9 is submitted to our Central Payroll Partners on Monday, 09/12. Central confirms I-9 is updated/active on Wednesday, 09/14. The corresponding Aurora Action to Re-Hire Joe Smith has to go through **the entire** Workflow approval process, Back Office Approval, and be Submitted into PeopleSoft no later than Friday 09/16 by 12pm. By having the action submitted into the PeopleSoft database by Friday at 12pm, on Sunday 09/18 the PeopleSoft I-9 process will run and leave the I-9 active for Joe Smith.*

*If the Aurora Re-Hire Action is unable to go through the entire Workflow approval process, Back Office Approval, and be Submitted into PeopleSoft before Friday the 16th, the PeopleSoft I-9 process will run and uncheck the I-9 for Joe Smith on the 24th.*

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### **Student FICA Eligibility**

Harvard Students that work for the University may be exempt from FICA (Federal Insurance Contribution Act) tax if they are undergraduate or graduate students enrolled at least half-time and their primary relationship with Harvard is as a student. However, if a student has a total FTE greater than 1.00, based on standard hours from all their active positions, (excluding NPD and MST) they will lose their eligibility as the University evaluates all jobs applying the IRS guidelines. To avoid an employee being classified incorrectly as FICA eligible:

- Review the standard hours of all students for accuracy and make any necessary changes.
- Terminate any positions that are no longer active.
- When hiring students, enter the actual standard hours you expect them to work. Please note that the Student Quick Hire form defaults to five hours per week.

In late May 2022, current Harvard students in object code 6110 were changed to 6120 and FICA eligible status. Eligible returning students will now revert to object code 6110 and FICA exempt. At this time, MA Sick Time will stop accruing and balances will not be available for use.

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### **Update GLACIER and I-9 Records for Returning or Recently Graduated Students**

Please be sure to remind returning foreign students and scholars to update their GLACIER records for any changes in the following:

- Extensions in their immigration status at Harvard
- Newly issued SSN or ITIN
- Changes in contact information

- Consent to receive any future 1042-S electronically through GLACIER
- Changes in income type being received

If the foreign individual is an employee, an updated I-9 may also be required if there is any change or extension in their immigration status. Failure of timely updates may adversely impact an individual's tax classification, tax exemption, and eligibility for continued employment.

To avoid delays when hiring a foreign national in PeopleSoft, be sure to include an email address in the *Secondary* drop-down field. An email address is required for the individual to receive a GLACIER email. GLACIER is Harvard's online tax compliance program and is used to determine the individual's tax withholding rate. Failure to complete GLACIER will result in the individual being taxed at the highest rates.

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### **Hiring Delays**

We have noticed an increase in hiring delays due to data entry errors within MIDAS roles and Aurora Actions.

To ensure that your New Hires/Re-Hires/Additional Jobs for individuals are processed timely, please double check the following pieces of data before submitting:

- First/Middle/Last Name Spelling and order of names
- Date of Birth
- Social Security Number
- Home Address

If you notice discrepancies, please reach out to your Payroll Coordinator for assistance prior to submitting any action.

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### **Managing Appointments**

We have noticed an increase in requests for the deletion of system generated termination rows within PeopleSoft, past the date in which the terminations have been processed.

Each month, departments receive an Aurora report of all employees with end dates in the next 90 days. An additional email is sent 10 days in advance of each individual term. However, each month, several employees incorrectly terminate due to lack of action by the local department.

These terminations cause benefit issues and require Payroll Services Coordinator intervention to correct the record before the employee/position can be reinstated. Each of these situations require multiple steps by the department, Back Office Approvers, and Payroll Services Coordinators using Correction Mode (*requiring additional review*) to correct the record and reinstate the employee. This a time-consuming process for all involved, but it also has potential negative impact to the employee, regarding benefits and/or payment delay.

We strongly encourage Departments to run the [Appointment Listings with End Date](#) in Aurora Reporting Monthly. Departments must process the applicable action (Termination/Reappointment) in Aurora, in a timely manner, to ensure limited disruption in pay/benefit/system access or overpayment to the employee.

**Please pay special attention to the Aurora reports and act on reappointments in advance of termination.**

**Compliance with existing payroll guidance by all is necessary for success across the FAS.**

Please refer to the FAS Payroll Key Internal Controls for more information: [FAS Procedures for Payroll Key Internal Controls](#)

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### **Payroll Salary Defaults**

All departments and centers should run the GL Account Monitoring report for activity 799599 to identify any outstanding payroll default costing charges. This report will return payroll object codes that have been charged to default. A Transaction Listing report will provide the detail of individual employee payments that must be corrected by journal entry.

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### **Fall Teaching Fellow Appointment Reminders**

Fall term Teaching Fellow (TF) appointments have a start date of August 1st. The first regularly scheduled pay date for TFs was August 15th. Appointments that were not received in time to be included in the August 15th paycheck will be paid in regularly scheduled off cycle payment runs. All appointment forms and any required documentation should be submitted to the appropriate office as soon as possible.

TF actions for new appointments and job data changes resulting in pay increases that are approved and submitted, will be processed in the next scheduled special TF off-cycle run. Typically, payments are processed and confirmed by Wednesday and by Friday, direct deposit funds are available. Hard Checks (*anyone without direct deposit*) will be mailed to employee's home address.

Please note: Many TFs are also on the stipend payroll; off cycle payments may be delayed due to the processing of the stipend payments. Departments do not need to submit off-cycle requests for their TFs to be included in one of these off-cycle payrolls.

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### **Off-Cycle Payroll Updates**

As mentioned in the [February '22 eNews](#), direct deposit is an option for Off-Cycle Payrolls. While this is a convenience for the employee, along with a reduction in returned checks; Off-Cycle Payrolls are still processed manually by our Central Payroll Partners, and they are seeing a large increase in these requests.

Therefore, we want to send out a reminder that unless necessary or part of a special process like above, please avoid requesting Off-Cycle payments and add to the upcoming payroll cycle for the employee, when possible.

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### **Contact Us**

**As a Reminder:** Please reach out to your FAS Partners if you need assistance in any HR/Payroll related matters. If further research is needed, your FAS Partners will work further with the applicable Central Offices.

Please feel free to call your FAS Payroll Services Coordinator with any questions or concerns about the information provided in *The Payline* or with any other payroll-related questions you may have.

**Did you know:**  
**That September 19<sup>th</sup> is International Talk Like a Pirate Day?**



**Here are a couple of local museums where you can practice saying "Arrrr" for the day:**

**[New England Pirate Museum](#)**

**[Whydah Pirate Museum](#)**