

Bowling Green State University
BG@100 Information Item
ESC Submission: May 19, 2005



Identification Information:

Reference Number	HCM-032
Functional Area	Payroll
Title	Minor differences in Pay Check/Advice net pay, tax withholdings, and percentage-based deduction amounts between AHRS and HCM

Background Information:

Through payroll parallel testing, the Project Team found minor differences between employees' net pay in the current payroll system compared to PeopleSoft. After detailed investigation, it has been determined that the majority of the differences are in percentage based deductions, federal tax withholdings, state tax withholding, and local tax withholdings. These differences are primarily due to decimal precision, rounding and the order in which payroll calculations are processed.

Information Item:

A substantial number of employee pay checks will show a minor difference in net pay, tax withholding amounts, and certain deduction amounts. 80% of employee pay checks/advices had a net pay difference of less than 20¢ when comparisons were made from the April, 2005, parallel payroll test. Examples:

- Any tax withholding calculation due to differences in tax % calculations.
- Increased decimal precision in PeopleSoft payroll calculation fields that allow more accurate calculations. 25¢ multiplied by 1.5 equals 38¢ in AHRS but is 37.5¢ in PeopleSoft.
- Some deductions were taken pre-tax in AHRS and should have been post-tax. Meal deductions fall into this category.

Some employees will see larger differences. Examples:

- Multiple paycheck in AHRS being combined in PeopleSoft. (400 student employees)
- Changes in how 9 month employees have annual pay calculated in PeopleSoft (contract pay method). This won't be noticed until the September payroll.

Due to these differences, the following will be communicated to employees:

There are minor differences in the way that the PeopleSoft system calculates percentage based deductions, federal tax withholdings, state tax withholdings, and local tax withholdings, compared to the current payroll system. These differences are primarily due to decimal precision, rounding, and the order in which calculations are processed. These differences can result in an individual's net pay being slightly different between the old payroll system and the PeopleSoft system.



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