
PAYROLL EXCEPTION TABLES FOR TRS DEDUCTIONS

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Overview

Due to changes in Munis v2019.1+, pay types can no longer be used in allocations. In the past, Kentucky used Non-Match and Federal Match pay types to determine what type of TRS deduction should be withheld from an employee's pay via the Payroll Exceptions program.

The Payroll Exceptions program includes an exception processing code that uses GL accounts/segments to determine payroll exceptions instead of pay types. An enhancement was completed to further expand the use of GL accounts/segments by adding GL Code Sets to the Payroll Exceptions program. GL Code Sets can be used instead of pay types to determine if an employee's pay is subject to Non-Match or Federal Match TRS deductions.

Option #2 (listed below) should be considered first, but we are also documenting a third option that will work if your district does not have any Fund 1 local projects in the federal project range.

Changes should be made in Train or Test first before making any changes in production.

Your district has three options available:

Option #1 – Split Job Salary Records

Use Non-Match and Federal Match pay types in the Payroll Exceptions program to determine applicable TRS deductions. Employees who are partially federally funded will need additional payroll records to split their non-match pay from their federal match pay. Employees who are either 100% Non-Match or 100% Federal Match are not impacted. This only applies to employees that are part of the TRS Retirement System and does not impact classified employees.

The TRS Pathway report will continue to work as it does now where pay types are used to classify pay. If pay types are used to determine local taxing judications, then separate records may be required if an employee is split between two locations. Note, there is functionality in Payroll Exceptions to use LOC codes to determine what taxes apply.

Option #2 – GL Code Sets in Exceptions

Change your exceptions tables so that GL Segments via the GL Code Set program are used instead of pay types to determine Non-Match and Federal Match pay and applicable deductions. Information is provided in this guide on making exception table changes. If your district would like to use Option #2, **all the steps in the Option #2 section must be completed.**

Partially federally funded employees will not require extra job salary records and no changes to Job Salary records are required. Additionally, the report definitions in the KTRS Pathway program must be updated so that employees report federal match pay based on your GL settings.

Option #3 – Exclude Project and Funds

Change your exceptions tables so that GL Segments are used instead of pay types to determine Non-Match and Federal Match pay and applicable deductions. The Payroll Exceptions program will NOT use GL Code Sets and instead looks at just project ranges and funds. The difference is that GL Code sets calculate based on the combination of Fund AND Project and option 3 calculates based on those segments separately. If you have Fund 1 projects in the federal project range, this requires extra attention to the project number ranges you set up in payroll exceptions.

Additionally, the report definitions in the KTRS Pathway program must be updated so that employees report federal match pay based on your GL settings using a GL Code Set. If your district would like to use Option #3, **all steps in the Option #3 section must be completed**. Please remember to review the GL Codes Sets section as that still needs to be completed for KTRS Pathway Reporting.

Already Split Out Job Salary Records?

If you have already split salary records for those employees who are partially federally funded, you can elect to combine the Job Salary records back to one record now or effective at the beginning of the new fiscal year. If you change the exceptions tables, deductions will be calculated based on the GL coding so exceptions will work no matter if the job salary records are split out or not.

NOTE: If you split out the Job Salary records and choose to go back to one record, you will need to end date the extra job salary record. If not, the extra record will continue to be included when generating payroll.

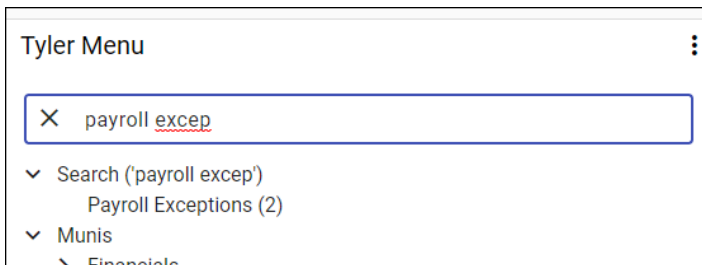
Create GL Code Sets

Code Sets are required for TRS Reporting if using Option #2 or Option #3, however, if using Option #3 only GL Code Set 1 must be created.

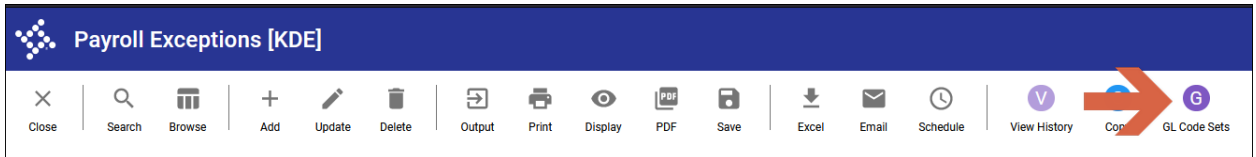
GL Code sets allow a combination of Fund, Project, etc. that will be used in Payroll Exceptions to determine if pay should have Non-Match or Federal Match deductions applied. The below instructions are based on certified staff (staff with TRS deductions) being paid from Fund 1 and Fund 2. If you pay employees from other funds that contribute to TRS such as Fund 51, additional modifications to the payroll exceptions will be required. Information on that is included further on in the instructions.

Code Set 1 – TRS Non-Match Exclusion

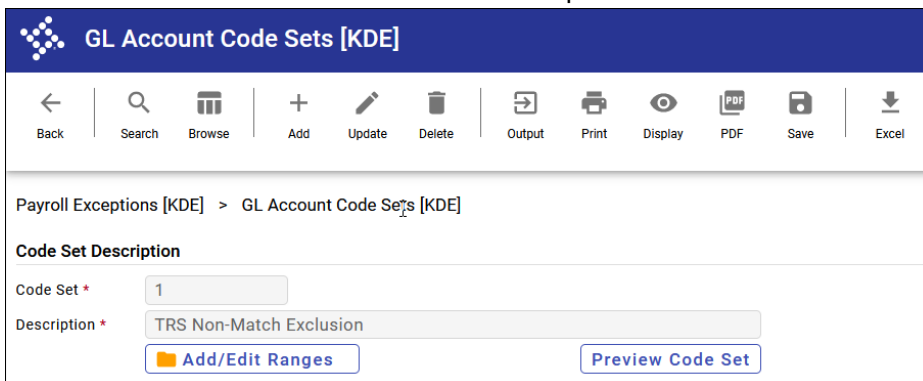
1. Open the **Payroll Exceptions** program. Hint: Use the Search Box on the Tyler Menu to find programs.



2. Select **GL Codes Sets** from the ribbon.



3. Select **Add** and create code set 1. The description should be 'TRS Non-Match Exclusion'.

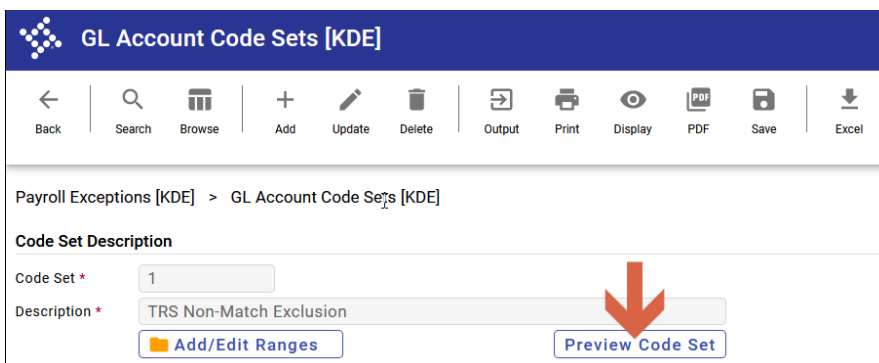


4. Select the folder under the description to **Add/Edit Ranges**.
5. Select **Add** and add the following ranges. This indicates that Non-Match deductions would be charged to any GL accounts not in Fund 2 AND the federal project range.

GL Account Settings for Code Set 1

Type	From	To
Fund	2	2
Project	20000	6ZZZZ

6. On the GL Code Set main screen, you can then select the Preview Code Set to review the GL accounts that would be included in this exclusion.



Code Set 2 – TRS Federal Match Exclusion

1. Select **Add** and create code set 2. The description should be 'TRS Fed Match Exclusion'.

GL Account Code Sets [KDE]

Payroll Exceptions [KDE] > GL Account Code Sets [KDE]

Code Set Description

Code Set *

Description *

[Add/Edit Ranges](#) [Preview Code Set](#)

2. Select the folder **Add/Edit Ranges**.
3. Select **Add** and add the following ranges. This indicates that Fed Match deductions would NOT be charged to any GL accounts in Fund 2 AND the project range listed. A separate setting in payroll exceptions will be made to exclude Fund 1 from being charged Fed Match deductions.

GL Account Settings for Code Set 2

Type	From	To
Fund	2	2
Project	0	1ZZZZ
Project	70000	ZZZZZ

4. In the GL Code Set main screen, you can then select the **Preview Code Set** to review the GL accounts that would be included in this exclusion.

GL Account Code Sets [KDE]

Payroll Exceptions [KDE] > GL Account Code Sets [KDE]

Code Set Description

Code Set *

Description *

[Add/Edit Ranges](#) [Preview Code Set](#)

Prerequisite

Before proceeding with making any changes (either options #2 or #3), pay types via the Pay Master program must be reviewed. This will be used to update the Payroll Exceptions program.

Identify:

1. Certified or hybrid pay types that have TRS withheld (both non-match and fed match)
2. Classified pay types – no TRS
3. Other certified pay not subject to TRS such as fringe benefits, certain reward pays, or a MOA where TRS is not deducted.

It may be helpful to print out the codes and use different color highlighters to identify the three different types of pay listed above. Another option is to export the pay types to Excel and perform the same markup.

OPTION#2 – USING GL CODE SETS IN PAYROLL EXCEPTIONS

Update Payroll Exceptions (Option #2)

Identify all your Non-Match and Fed Match TRS deductions codes and review their payroll exceptions.

Before making any changes to your payroll exceptions, take screenshots or export via Excel your current payroll exceptions. Hint: In the Payroll Exceptions program, you can **Search** for all exceptions and select **Excel** to export everything at once. **It is also suggested to make changes in Train or Test first, generate a payroll, and verify the results before making changes in your Production environment.**

TRS Non-Match Deductions – Update Current Exclusion

All certified pay types should be deleted from your current payroll exception. The only pay types that should remain are those that are not subject to TRS such as classified pay, fringe benefits, MOA pay type where TRS is not deducted, or any other certified pay type where no TRS is deducted.

Important: If this update is not made it will conflict with the GL settings and could cause the TRS deductions to not calculate correctly.

1. Select **Update** and delete or update the pay types listed. All certified pay types should be deleted from your current payroll exception except those used to pay certified staff where no TRS is withheld such as MOAs or fringe benefits. No other changes should be required if your exception tables are set up correctly. The following screenshot is an example only and your district pay type settings will vary.

The screenshot shows the 'Payroll Exceptions [KDE]' form. It includes fields for 'Deduction Code *' (7000), 'Processing Code *' (1 - ALL PAY TYPES ARE INCLUDED EXCEPT), and 'GL Segment' (0). There is a checkbox for 'Apply Pay Exceptions when Adding/Subtracting'. Below these is an 'Exclusion Ranges' table with columns 'From', 'To', and 'Exclude Exp Only'.

From	To	Exclude Exp Only
200	299	<input type="checkbox"/>
301	804	<input type="checkbox"/>

TRS Non-Match Deductions – Add GL Code Set Exclusion

1. Select **Add** and add a new exception for the TRS Non-Match Deduction.
 - a. Processing Code: **8 – All Pay Types Included Except with Seg**
 - b. GL Segment: **GL Code Set**
 - c. Exclusion Range: **1 to 1** (this indicates GL Code Set 1)

Payroll Exceptions [KDE]

Deduction Code * 7000 TRS NO MATCH PRIOR 7/01/08

Processing Code * 8 - ALL PAY TYPES INCLUDED EXCEPT WITH SEG

GL Segment GL Code Set

Apply Pay Exceptions when Adding/Subtracting

Exclusion Ranges

From	To	Exclude Exp Only
1	1	<input type="checkbox"/>

Once completed, TRS Non-Match deductions will not be applied to the following:

- Pay in Fund 2 AND project range 20000 to 6ZZZZ.
- Pay Types that you have defined.

TRS Federal Match Deductions – Update Current Exclusion

2. Select **Update** and make the required changes to your existing exception. All certified pay types should be deleted from your current payroll exception. The only pay types that should remain are those that are not subject to TRS such as classified pay, fringe benefits, or any other certified pay type where no type of TRS is deducted such as a MOA. The following screenshot is an example only and your district pay type settings will vary.

Deduction Code * 7001 TRS FED MATCH PRIOR 07/01/08

Processing Code * 1 - ALL PAY TYPES ARE INCLUDED EXCEPT

GL Segment 0

Apply Pay Exceptions when Adding/Subtracting

Exclusion Ranges

From	To	Exclude Exp Only
200	299	<input type="checkbox"/>
350	803	<input type="checkbox"/>
915	916	<input type="checkbox"/>

TRS Federal Match Deductions – Add GL Code Set Exclusion

1. Select **Add** and add a new exception for the TRS Fed Match Deduction.
 - a. Processing Code: **8 – All Pay Types Included Except with Seg**
 - b. GL Segment: **GL Code Set**
 - c. Exclusion Range: **2 to 2** (this indicates GL Code Set 2)

Deduction Code * 7001 TRS FED MATCH PRIOR 07/01/08

Processing Code * 8 - ALL PAY TYPES INCLUDED EXCEPT WITH SEG

GL Segment GL Code Set

Apply Pay Exceptions when Adding/Subtracting

Exclusion Ranges

From	To	Exclude Exp Only
2	2	<input type="checkbox"/>

TRS Federal Match Deductions – Add GL Segment (Fund) Exclusion

1. Select **Add** and add a new exception for the TRS Federal Match Deduction.
 - a. Processing Code: **8 – All Pay Types Included Except with Seg**
 - b. GL Segment: **Fund**
 - c. Exclusion Range: **1 to 1** (this indicates Fund 1 to Fund 1)
 - d. Optional – **Other funds you may pay from such as Fund 51, 52, etc. You would only need to include this if employees paid from this fund are subject to TRS, but not Federal Match deductions.**

The screenshot shows a configuration form for a TRS Federal Match Deduction. The 'Deduction Code' is 7001, labeled 'TRS FED MATCH PRIOR 07/01/08'. The 'Processing Code' is '8 - ALL PAY TYPES INCLUDED EXCEPT WITH SEG'. The 'GL Segment' is 'Fund'. There is a checkbox for 'Apply Pay Exceptions when Adding/Subtracting' which is unchecked. Below this is a table for 'Exclusion Ranges' with columns 'From', 'To', and 'Exclude Exp Only'. The first row has 'From' 1, 'To' 1, and 'Exclude Exp Only' unchecked. The second row has 'From' 51, 'To' 51, and 'Exclude Exp Only' unchecked.

Deduction Code *	7001	TRS FED MATCH PRIOR 07/01/08
Processing Code *	8 - ALL PAY TYPES INCLUDED EXCEPT WITH SEG	
GL Segment	Fund	
<input type="checkbox"/> Apply Pay Exceptions when Adding/Subtracting		
Exclusion Ranges		
From	To	Exclude Exp Only
1	1	<input type="checkbox"/>
51	51	<input type="checkbox"/>

Once completed, TRS Federal Match deductions will not be applied to the following:

- Pay in Fund 1
- Pay in other Funds entered such as Fund 51
- Pay in Fund 2 AND project range 0 to 1ZZZZ
- Pay in Fund 2 AND project range 70000 to ZZZZZ
- Pay types you defined

Repeat for Remaining Non-Match and Federal Match TRS Deductions

Repeat the steps in the [Update Payroll Exceptions section](#) to the other Non-Match and Fed Match Deductions. When completed all exceptions for Non-Match deductions should be the same and all exceptions for Fed Match deductions should be the same. Once completed you should have updated the exceptions for all TRS deductions.

Deduction*	Description
70XX*	TRS NO MATCH PRIOR 7/01/08
70XX*	TRS FED MATCH PRIOR 07/01/08
70XX*	TRS NO MATCH AFTER 7/1/08
70XX*	TRS FED MATCH AFTER 7/01/08
70XX*	TRS NO MATCH ON/AFTER 1/1/2022
70XX*	TRS FED MATCH ON/AFTER 1/1/22

(*Numbers will vary by district)

Critical Shortage

No change is required because critical shortage contributions are applied to all certified earnings no matter the funding mechanism. Only classified wages and wages not subject to TRS would be excluded from the critical shortage exception table.

Results

In Enterprise ERP, users can now view how payroll calculates the Deduction Gross Breakdown.

Employee Deduction Detail		Deduction Gross Breakdown					
		Pay/Deduction	Gross	Org	Object	Project	Exceptions
Deduction *	7001 TRS FED MATCH PRIOR 07/01/08						
Calc Code	03 - PCT FROM DEDUCTION MASTER						
Tax Table	00 - NONE						
Insufficiency	M - MANDATORY (MUST BE RESOLVED)	105 - CERTIFIED 20+4	\$2,436.12	0101118	0110		
Tax Marital		105 - CERTIFIED 20+4	-\$2,436.12	0101118	0110		Processing Code 8
Exemptions	0						
Addtl Allow	0						
State Code	<input type="checkbox"/> Exempt						
Local Code							
Error Level	0						
Changed	0						
Benefit Arrears	N - NOT APPLICABLE <input type="checkbox"/> Prenote						
Deduction Gross	0.00						
Employee Amount	0.00						
Employer Amount	0.00						
2020 W-4 Or Later	<input type="checkbox"/>						
Step 2	<input type="checkbox"/>						
Dependents Amount	0.00						
Other Income	0.00						
Deductions	0.00						
			Total: \$		0.00		

OPTION #3 – EXCLUDE PROJECT AND FUNDS

Update Payroll Exceptions (Option #3)

Identify all your Non-Match and Fed Match TRS deductions codes and review their payroll exceptions.

Before making any changes to your payroll exceptions, take screenshots or export via Excel your current payroll exceptions. Hint: In the Payroll Exceptions program, you can **Search** for all exceptions and select **Excel** to export everything at once. **It is also suggested to make changes in Train or Test first, generate a payroll, and verify the results before making changes in your Production environment.**

TRS Non-Match Deductions– Update Current Exclusion

All certified pay types should be deleted from your current payroll exception. The only pay types that should remain are those that are not subject to TRS such as classified pay, fringe benefits, MOA pay type where TRS is not deducted, or any other certified pay type where no TRS is deducted.

Important: If this update is not made it will conflict with the GL settings and could cause the TRS deductions to not calculate correctly.

1. Select **Update** and delete or update the pay types listed. All certified pay types should be deleted from your current payroll exception except those used to pay certified staff where no TRS is withheld such as MOAs or fringe benefits. No other changes should be required if your exception tables are set up correctly. The following screenshot is an example only and your district pay type settings will vary.

Payroll Exceptions [KDE]

Deduction Code * TRS NO MATCH PRIOR 7/01/08

Processing Code *

GL Segment

Apply Pay Exceptions when Adding/Subtracting

Exclusion Ranges

From	To	Exclude Exp Only
200	299	<input type="checkbox"/>
301	804	<input type="checkbox"/>

TRS Non-Match Deductions – Add GL Segment Project Exclusion

1. Select **Add** and add a new exception for the TRS Non-Match Deduction to exclude the federal project range.
 - a. Processing Code: **8 – All Pay Types Included Except with Seg**
 - b. GL Segment: **Project**

c. ****Exclusion Range: 20000 to 6ZZZZ**

****This exception only works if you do not have any Fund 1 local projects in the federal project range. If you have any TRS eligible employees paid from a project in the above range that is from the general fund, TRS Non-Match deductions would not be deducted. This exclusion range can be adjusted based on your district's project numbering.**

Deduction Code *	7000 ...	TRS NO MATCH PRIOR 7/01/08
Processing Code *	8 - ALL PAY TYPES INCLUDED EXCEPT WITH SEG	
GL Segment	Project	
	<input type="checkbox"/> Apply Pay Exceptions when Adding/Subtracting	
Exclusion Ranges		
From	To	Exclude Exp Only
20000	6ZZZZ	<input type="checkbox"/>

TRS Federal Match – Update Current Exclusion

1. Select **Update** and make the required changes to your existing exception. All certified pay types should be deleted from your current payroll exception. The only pay types that should remain are those that are not subject to TRS such as classified pay, fringe benefits, or any other certified pay type where no type of TRS is deducted such as a MOA. The following screenshot is an example only and your district pay type settings will vary.

Deduction Code *	7001 ...	TRS FED MATCH PRIOR 07/01/08
Processing Code *	1 - ALL PAY TYPES ARE INCLUDED EXCEPT	
GL Segment	0	
	<input type="checkbox"/> Apply Pay Exceptions when Adding/Subtracting	
Exclusion Ranges		
From	To	Exclude Exp Only
200	299	<input type="checkbox"/>
350	803	<input type="checkbox"/>
915	916	<input type="checkbox"/>

TRS Federal Match Deductions – Add GL Segment Fund Exclusion

1. Select **Add** and add a new exception for the TRS Federal Match Deduction.
 - a. Processing Code: **8 – All Pay Types Included Except with Seg**
 - b. GL Segment: **Fund**
 - c. Exclusion Range: **1 to 1**
 - d. Optional – **Other funds you may pay from such as Fund 51, 52, etc. You would only need to include this if any employees paid from this fund are subject to TRS.**

Deduction Code * 7001 TRS FED MATCH PRIOR 07/01/08

Processing Code * 8 - ALL PAY TYPES INCLUDED EXCEPT WITH SEG

GL Segment Fund

Apply Pay Exceptions when Adding/Subtracting

Exclusion Ranges

From	To	Exclude Exp Only
1	1	<input type="checkbox"/>
51	51	<input type="checkbox"/>

TRS Federal Match – Add GL Segment Local/State Project Exclusion

1. Select **Add** and add a new exception for the Federal Match Deduction to exclude the local project range.
 - a. Processing Code: **8 – All Pay Types Included Except with Seg**
 - b. GL Segment: **Project**
 - c. Exclusion Range: **0 to 1ZZZZ**
 - d. Exclusion Range: **70000 to ZZZZZ**

Deduction Code * 7001 TRS FED MATCH PRIOR 07/01/08

Processing Code * 8 - ALL PAY TYPES INCLUDED EXCEPT WITH SEG

GL Segment Project

Apply Pay Exceptions when Adding/Subtracting

Exclusion Ranges

From	To	Exclude Exp Only
0	1ZZZZ	<input type="checkbox"/>
70000	ZZZZZ	<input type="checkbox"/>

Repeat for Remaining Non-Match and Federal Match TRS Deductions

Repeat the steps in the [Update Payroll Exceptions section](#) to the other Non-Match and Fed Match Deductions. When completed all exceptions for Non-Match deductions should be the same and all exceptions for Fed Match deductions should be the same. Once completed you should have updated the exceptions for all TRS deductions.

Deduction*	Description
70XX*	TRS NO MATCH PRIOR 7/01/08
70XX*	TRS FED MATCH PRIOR 07/01/08
70XX*	TRS NO MATCH AFTER 7/1/08
70XX*	TRS FED MATCH AFTER 7/01/08
70XX*	TRS NO MATCH ON/AFTER 1/1/2022
70XX*	TRS FED MATCH ON/AFTER 1/1/22

(*Numbers will vary by district)

Critical Shortage

No change is required because critical shortage contributions are applied to all certified earnings no matter the funding mechanism. Only classified wages and wages not subject to TRS would be excluded from the critical shortage exception table.

Appendix A – Deduction and Benefit Master Settings

A couple of districts experienced the Deduction Gross Breakdown not matching the amount in the Deduction Gross field (highlighted below). The Deduction Gross Breakdown is correct but the amount in the Deduction Gross field is not causing TRS deductions to be calculated/not calculated.

Example:

Key Information		KTRS MATCH		Employee Not Taken \$0.00		Employee Limit \$0.00		Employee YTD \$330.68	
Deduction	7005	Employee Taken	\$330.68	Employee Not Taken	\$0.00	Employee Limit	\$0.00	Employee YTD	\$330.68
Deduction Gross	\$2,572.41	Employee Taken	\$414.29	Employee Not Taken	\$0.00	Employee Limit	\$0.00	Employee YTD	\$414.29
Employer Amount	\$330.68								
Employer Amount	\$414.29								

EMPLOYEE DEDUCTION DETAIL		Deduction Gross Breakdown	
Deduction *	7005 ... KTRS MATCH	Pay/Deduction	
Calc Code	03 - PCT FROM DEDUCTION MASTER	100 - CERTIFIED - 10 MO - NO MATCH	\$2,520.71
Tax Table	00 - NONE	100 - CERTIFIED - 10 MO - NO MATCH	-\$2,520.71
Sufficiency	M - MANDATORY (MUST BE RESOLVED)	102 - EXT DAYS - 10 MO - NO MATCH	-\$13.48
Tax Marital	M - MARRIED	102 - EXT DAYS - 10 MO - NO MATCH	-\$13.48
Exemptions	0	103 - NON-ADMIN X-SERV 10 MO - NO MA	\$12.50
Add'l Allow	0	103 - NON-ADMIN X-SERV 10 MO - NO MA	-\$12.50
State Code	<input type="checkbox"/> Exempt		
Local Code			
Error Level	0		
Changed	0		
Benefit Arrears	N - NOT APPLICABLE <input type="checkbox"/> Prenote		
Deduction Gross	2,572.41		
Employee Amount	330.68		
Employer Amount	414.29		

Total: \$0.00

A setting on the Deduction and Benefit Master is required. Under the Options tab, under the Exceptions area, Type 1 must be marked. If Type 1 is **not** marked, we have found that selecting Update and Accept to save again may fix this issue. Or, selecting the Exceptions button from the ribbon and then the Back button may update the Type 1 field.

Deduction and Benefit Master [KDE]

Back Search Browse Add Update Delete Output Print Display PDF Save Excel Email Schedule

Deduction Identification

Deduction *	Short Desc *	Long Description *	Abbrev *	Start Date	End Date
7040	TRS RET	TRS NO MATCH AFTER 1/1/2021	TR	01/01/1900	12/31/9999

MAIN CYCLES GARNISHMENTS CHECK **OPTIONS** INSURANCE ESCROW

Miscellaneous Options

NR Alien Tax Code

W2 Codes

Residence

FTE Table

Insurance

Flexible Spending

Factor Empr/add to Empe

Exceptions

Type 1

Type 2

Type 3

Type 4

If you need assistance with this option, please reach out to the KDE Munis Team at munis@education.ky.gov or open a case with Munis Payroll Support.