



State of Louisiana
Division of Administration
Office of State Uniform Payroll

August 24, 2009

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2010-09

TO: All ISIS HR Paid Agencies
FROM: Andrea P. Hubbard
Director
SUBJECT: New Wage Type for Military Differential Pay (WT0158)

Per provisions of the Hero's Earnings Assistance and Relief Act (HEART) of 2008, a new wage type, **0158 Military Differential>30**, has been created in the ISIS HR system effective 12/15/08. Military differential payments are made by an employer to compensate employees called to active duty for the difference between their regular salaries and their military pay. Military differential payments made on or after 01/01/09 are no longer subject to Social Security and/or Medicare taxes after the employee has been on active duty for longer than 30 days. In order to withhold taxes properly, wage type **0158 Military Differential>30** must be used to pay an employee military differential pay once the employee has been on active duty for over 30 days.

When military differential pay is due to an employee:

- Use wage type **0152 Military Differential Pay** on IT 14/15 for payments covering the **first 30 days (including the 30th day) of active duty** in accordance with Civil Service Rules. Agencies should make sure that the appropriate "end" date is entered on IT14.
- Use wage type **0158 Military Differential>30** on IT 14/15 for payments after the 30th day has been reached.
- Record the first day of active duty on IT14/15 in the assignment number field or by utilizing maintain text. This will assist agencies and/or OSUP in the auditing of these wage types.

In order to assist agencies with these changes, the Office of Information Services (OIS) has completed entries to move employees to the new wage type. These include:

- IT14 records with a begin and end date after 12/15/2008 have been changed to wage type 0158.
- IT14 records with a begin date prior to 12/14/2008 and extending past 12/14/2008 have been split.
- IT15 records with a date of origin on or after 12/15/08 have been changed to wage type 0158.

The ISIS HR system will not retroactively process refunds for Social Security and/or Medicare taxes. For the employee records updated by OIS, the OSUP Wage and Tax Administration (WTA) Unit will process manual refunds for employees due a refund of Social Security and/or Medicare taxes. This will be completed by pay period 18/2009 (pay date 08/28/2009). In the future, agencies should contact the WTA Unit when a retroactive change is made to WT0152 for them to process Social Security and/or Medicare tax refunds, if applicable.

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Civil Service Rule [11.26](#) provides guidelines regarding military leave with pay and the payment of military differential pay. Additional information can also be found in Internal Revenue (IRS) Bulletin [2009-18](#) issued on 05/04/2009.

Any questions on employee master data should be submitted to the ISIS HR Help Desk via an ISIS HR [Help Desk Ticket](#). Agencies should contact their Civil Service coordinator for questions regarding military leave with pay and the payment of military differential pay. For any other questions, contact a member of the OSUP Wage and Tax Administration Unit at _DOA-OSUP-WTA@la.gov or (225):

Wendy Eggert	342-0714	Cindy McClure	342-5346
Tiko Ary	342-1651	Tracy Smith	219-0191
Gary Bennett	342-1652	Penny Jones	342-2053

APH:LMG/ph