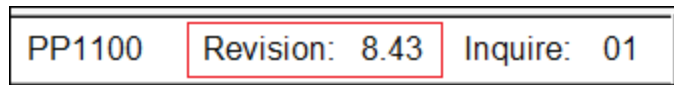


# LGC Zortec Payroll Health Savings Account (HSA) Optum

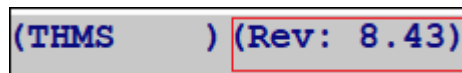
We have implemented changes to LGC's Zortec Payroll software to accommodate specific requirements for the Tennessee Health Savings CDHP, a Consumer Driven Health Plan with Health Savings Account (CDHP/HSA). HSA is a tax-exempt trust or custodial account set up with a qualified HSA trustee to pay or reimburse qualified medical expenses.

To use the Health Savings Account (HSA) features in LGC Zortec Payroll your payroll revision number must be at least 8.43. To check your revision number:

*If running GUI interface, Revision number will be located on the status bar at the bottom of most any panel in payroll.*



*If running character interface, Revision number will be located on the status bar at the top of most any screen in payroll.*



## Deduction Codes

New deduction codes are needed for the Health Savings Account. Under *#9-Office Manager, #15-Deduction Codes*, create a new deduction code. The screen prints below can be used as a guide. Your deduction numbers may be different. There is a new parameter on the deduction code "HSA Y/N". This should be answered Y.

Employee Deduction Code set up:

Deduction Code:	086	Type:	S	Chk Stub #:	
Deduction Name:	HSA - PAYFLEX	Abbr:	HSA	[Goal/T]imes:	Y
Schedule:					
TCRS Hybrid Deduction Type:					
Calculation Priority:		Active each Payroll?			Y
Deduct From Check?	Y	Link each Payroll?			Y
Add to Net?	N	Print on Check Stub?			N
Add-Deduct Fica Gross?	N	Y	Print Vend Ck each Payroll?		N
Add-Deduct Taxable Gross?	N	Y	HSA Y/N	Y	Vendor Number:
Add-Deduct State Gross?	N	Y	Print Bank # on Register?		
Add-Deduct Retirement Gross?	N	N	Retirement Deduction?		N
Add-Deduct Unemployment?	N	N	Work Order Overhead Ded?		
Deduct Net:		Sort Code:		Exempt Wages Limit:	
Ins Cmpy Abbr				Exempt Quarter? 1,2,3,4,[A]ll	A
Ins Cmpy Desc:				Link from Group Account?	

Employer Deduction Code set up (if needed):

Deduction Code:	087	Type:	S	Chk Stub #:	
Deduction Name:	HSA-PAYFLEX-ER AMT	Abbr:	HSA	[Goal/T]imes:	Y
Schedule:					
TCRS Hybrid Deduction Type:					
Calculation Priority:		Active each Payroll?			Y
Deduct From Check?	N	Link each Payroll?			Y
Add to Net?	N	Print on Check Stub?			N
Add-Deduct Fica Gross?	N	N	Print Vend Ck each Payroll?		N
Add-Deduct Taxable Gross?	N	N	HSA Y/N	Y	Vendor Number:
Add-Deduct State Gross?	N	N	Print Bank # on Register?		
Add-Deduct Retirement Gross?	N	N	Retirement Deduction?		N
Add-Deduct Unemployment?	N	N	Work Order Overhead Ded?		
Deduct Net:		Sort Code:		Exempt Wages Limit:	
Ins Cmpy Abbr				Exempt Quarter? 1,2,3,4,[A]ll	A
Ins Cmpy Desc:				Link from Group Account?	

**NOTE:** If you use general ledger links and create payroll packet, general ledger links must be created. Deduction ledger links are defined under *Payroll, #10 General Ledger Links, #1 Define Link Parameters*. If you are unsure or have questions about the setup of deduction links, contact LGC Customer Support.

If you print vendor checks, be sure to answer Y to Print Vendor CK each Payroll and create a new vendor code.

## W2 Parameters

You will need to update the W2 Deduction Parameters for both the employee and employer contributions. The screen print below can be used as a guide. Your deduction code numbers may be different. Under #6-Period End menu, #52-W2-1099 Processing, #1-Deduction W2 Parameters, select update mode and enter the deduction code created in the step above.

Deduction Code:	<input type="text" value="086"/>	Type:	<input type="text" value="S"/>
Deduction Name:	<input type="text" value="HSA - PAYFLEX"/>	Abbr:	<input type="text" value="HSA"/>
Pension?	<input type="checkbox"/>	[For Box 13]	
Retirement?	<input type="text" value="N"/>		
<b>W2 Box #: Type Code Fringe?</b>			
	<input type="text" value="12"/>	<input type="text" value="W"/>	<input type="checkbox"/>
	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

## Employee Set Up

The new deduction code(s) will need to be added to the Employee Master screen 5 for all employees that participate in the HSA plan.

Deduction Information						
Cde	Desc	Amt/Percent	Goal	Taken	Cd	Cytd
086	HSA - PAYFLE	\$ 30.0000				
087	HSA-PAYFLEX-	\$ 30.0000				

## HSA Extract

After a payroll that includes HSA/Optum deductions has been processed and updated you will need to create a file to upload to Optum. To create the file, enter a valid Check Date. Beg/End Employee # is optional. Enter Payrolls to Select is optional, but if nothing is entered all payrolls for the specified check date will be included. Enter the HSA ID supplied by the State. The file will land in the Payroll Files directory and will have the following naming pattern: OPT.[employer number provided by the State]\_Deposit\_[current date in yymmdd format]\_[current time in hhmmss format].csv. Example: OPT.123456\_Deposit\_20201217\_141242.csv. Once created, the file needs to be uploaded to Optum.

The deductions default is based on the HSA question on the deduction code.

Employees must have a check date with an HSA deduction in the range specified to be included in the file.

Be sure the totals on the Extract Report match the deduction report for the check date specified.

**NOTE: "Optum Extract" should be answered Y for checks dated 1/1/2023 and after. To submit checks dated prior to 2023, answer N to "Optum Extract" to create the file in the PayFlex format.**

Beg Date:	1/01/20XX	Enter Payrolls to Select				
End Date:	1/01/20XX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Beg Emp.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
End Emp.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Optum Extract?	<input checked="" type="checkbox"/>					
Contribution Date:	1/01/20XX					
HSA ID	12345					
<b>Below are your HSA Deductions</b>						
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Sample Report

Date: 11/02/2015	City of LGC	Page: 1
Time: 14:43	HSA Payroll Amount Extract	Id: PP9640
User: THMSGUI	For Period: 10/01/2015 To 10/31/2015	

--Emp #--	-----Name-----	---Date---	---Amount Type---	--Cur Amt--
414	SMITH, JOHN	10/15/2015	Employee Deduction	35.00
414	SMITH, JOHN	10/15/2015	Employer Contribution	35.00
414	SMITH, JOHN	10/28/2015	Employee Deduction	35.00
414	SMITH, JOHN	10/31/2015	Employee Deduction	35.00
414	SMITH, JOHN	10/31/2015	Employer Contribution	35.00
425	SMITH, JASON	10/15/2015	Employee Deduction	25.00
425	SMITH, JASON	10/15/2015	Employer Contribution	25.00
425	SMITH, JASON	10/28/2015	Employee Deduction	25.00
425	SMITH, JASON	10/31/2015	Employee Deduction	25.00
425	SMITH, JASON	10/31/2015	Employer Contribution	25.00
456	OAKLEY, JUSTIN	10/31/2015	Employee Deduction	50.00
456	OAKLEY, JUSTIN	10/31/2015	Employer Contribution	50.00
Total Employee Deductions:		230.00		
Total Employer Contribution:		170.00		

Voided checks are not included in the file. Any corrections or changes to contributions must be made outside of the payroll system.

The file must be uploaded to Optum using their guidelines.