



## SUMMARY OF POSSIBLE CHANGES IN BENEFITS AND DEDUCTIONS IN NEW BANNER HR SYSTEM

In addition to the format changes in your new Banner paycheck statements, there may be differences in certain benefit coverages and paycheck amounts. This is due to the way the new system calculates certain benefits and deductions. These changes are described below.

WHAT IS CHANGING	WHO IS AFFECTED	WHAT IS THE CHANGE	WHY MAKE THE CHANGE	WHAT IS THE IMPACT
University-Paid <b>Group Term Life Insurance</b> Calculation	12-month faculty and staff with Group Term Life Insurance	The factor for determining Group Term Life Insurance, as a multiple of annual salary, is changing from 2.045 to 2.05. The resulting coverage is rounded up to the nearest \$1,000, as before.	This change avoids modifying the core programming code in Banner.	The calculation change may result in a \$1,000 increase in coverage.
Imputed income calculation and tax withholding. (Note: Imputed income is the taxable value of Group Term Life Insurance over \$50,000.)	All faculty and staff with Group Term Life Insurance in excess of \$50,000	On a monthly basis, the new system automatically calculates imputed income and withholds taxes, including federal, state and local income taxes, as well as Medicare tax if applicable.	This change is a more automated and accurate process. The old system involved manually adding imputed income to W-2's at the end of the year, with no tax withholding.	Monthly withholding of taxes from imputed income will result in a relatively small reduction in net pay after taxes. The difference is usually 1% or less, depending on age, salary and filing status.
Voluntary <b>Supplemental Life Insurance</b> Calculation	12-month faculty and staff enrolled in Voluntary Supplemental Life Insurance	The factor for determining Voluntary Supplemental Life Insurance, as a multiple of annual salary, is changing from .818 to .82. The resulting coverage is rounded up to nearest \$1,000, as before.	This change avoids modifying the core programming code in Banner.	The calculation change may result in a \$1,000 increase in coverage. If so, an employee's monthly deduction will increase slightly.

Go to [projectenterprise.utoledo.edu](http://projectenterprise.utoledo.edu) for further details.

### OTHER CHANGES:

If an employee has a salaried assignment and an hourly assignment in the same pay period, the employee will receive two checks from the new system — for example, a graduate student who is salaried and who also has an hourly job as a student worker. Taxes will be calculated individually for each paycheck.

Please note that you may see an increase in taxes when you receive large one time payments. Banner does not take into account the timing of retroactive payments and calculates all tax withholdings from government tax tables based on your filing status and exemptions.