
LSU

Business Manager's Meeting-December 2018

Agenda:

- Payroll Reminders
- 529 College Savings
- Worker Location/Multi State Tax



Payroll Reminders:

Timekeepers please be mindful of early payroll deadlines due to holidays. Timely submission of time is especially important when there are **holidays in the pay period**. Calculations for overtime and holiday pay are performed automatically when time is submitted correctly **by the due date**.

Payroll	Period Ending	Time Locked
Student	December 14, 2018	Monday, December 17, 2018 at Noon
Wage	December 21, 2018	Friday, December 14, 2018 at 11:59 p.m. *Week 2 will need to be estimated*
Student	December 28, 2018	Wednesday, January 2, 2019 at Noon ***University Reopens on Wednesday, January 2, 2019***

Calendar Year End Payroll Reminders:

- Address Changes or Corrections
- SSN Updates
- Health Savings Accounts Renewals
- 403(b) Limit Updates





529 College Savings

Louisiana Start Savings Account

529 College Savings Account

A plan operated by a state or educational institution, with tax advantages and potentially other incentives to make it easier to save for college and other post-secondary training.

Earnings are not subject to federal tax and generally not subject to state tax when used for the qualified education expenses of the designated beneficiary at an eligible education institution.



Louisiana 529 College Savings Plan:

- Louisiana Legislature enacted in 1995 to offer a Qualified Tuition Plan
- **START**-Student Tuition Assistance and Revenue Trust
- Education Savings Accounts may be opened on behalf of a named Beneficiary by anyone, including legal entities, provided that the Account Owner or Beneficiary is a resident of Louisiana.



Advantages to Start Savings Plans:

- Earnings grow tax deferred and when used to pay qualified higher education expenses are not taxed by the state or federal government.
- Ten Investment Funds are offered (conservative to very aggressive)
- Earnings Enhancements
- Deposits can be made through automatic bank debit, **payroll deduction**, or direct payment.
- Up to $2,400/$4,800 in deposits per account per year can be deducted from taxable income reported to the state.
- The beneficiary of an account may be changed to another family member without tax consequences.
- No limitation on the frequency of deposits and the minimum deposit is $10.00



Qualified Education Expenses:

- Tuition
- Fees
- Books
- Supplies
- Equipment
- Room & Board (if attending at least a half-time basis)
- Expenses for “special needs”



Tax Cuts and Jobs Act 2017:

- The Tax Cuts and Jobs Act of 2017 increased the benefits of 529 savings plans to include tuition paid up to $10,000 per beneficiary for K-12 public, private, or religious school expenses of the beneficiary.
- Louisiana Legislature passed Act 687 creating new program called START K12.
  - Launch Date: December 17, 2018
  - Transition Provision: Allows START Account Owners who had an account as of December 31, 2017, to make a one-time withdrawal up to $10,000 from their START accounts during 2018 to pay tuition expenses related to K-12 eligible expenses.
  - Transition Disbursement form



How do I enroll?

- Visit: https://www.startsaving.la.gov
  - Online or Paper Enrollment process
    - K12 START not available until 12/17/2018

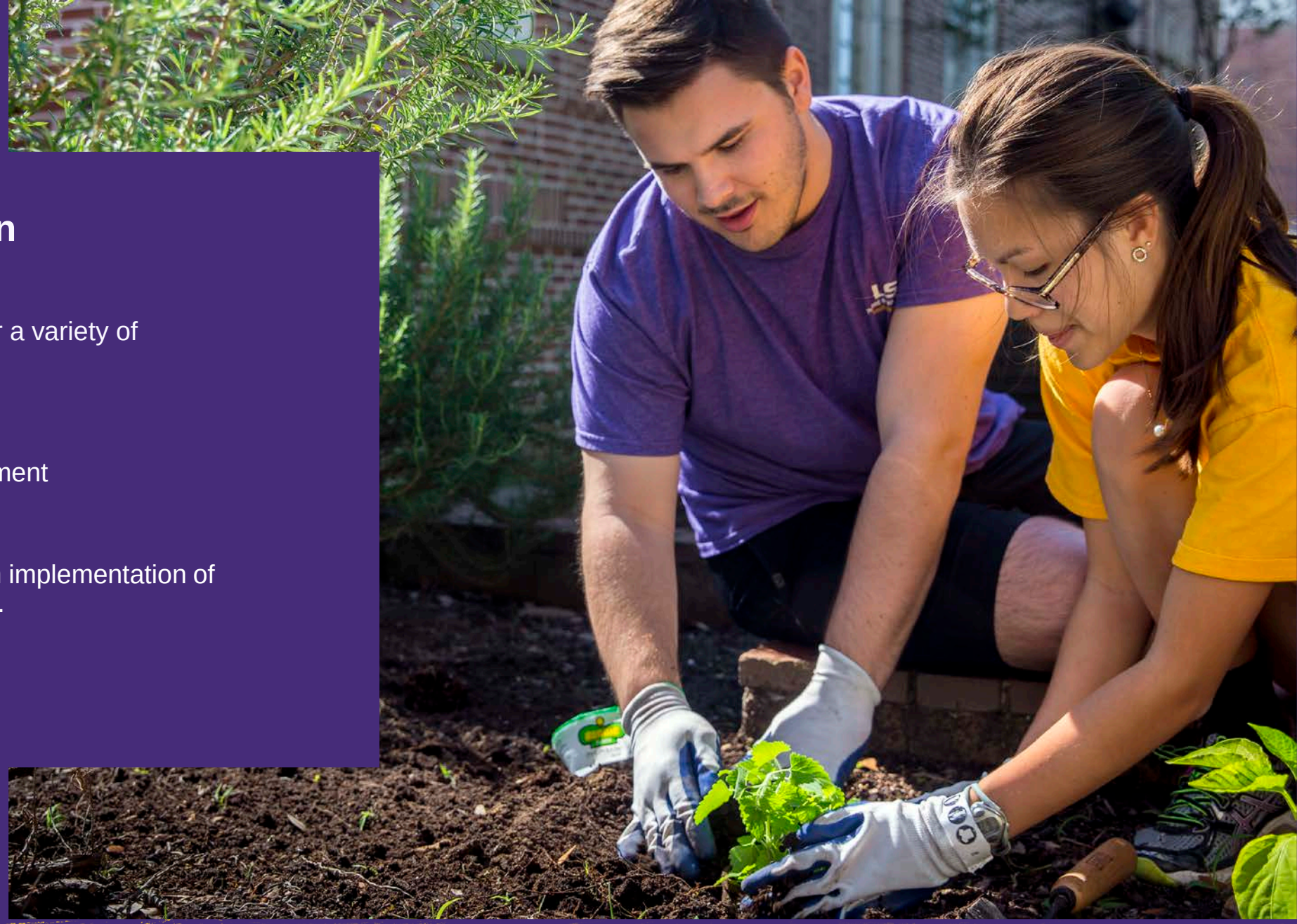
- Once account is opened:
  - Submit a Payroll Deduction Authorization form to Louisiana Office of Student Financial Assistance and the LSU Payroll office.
  - Payroll deductions are submitted monthly to LOSFA



Worker Location Changes

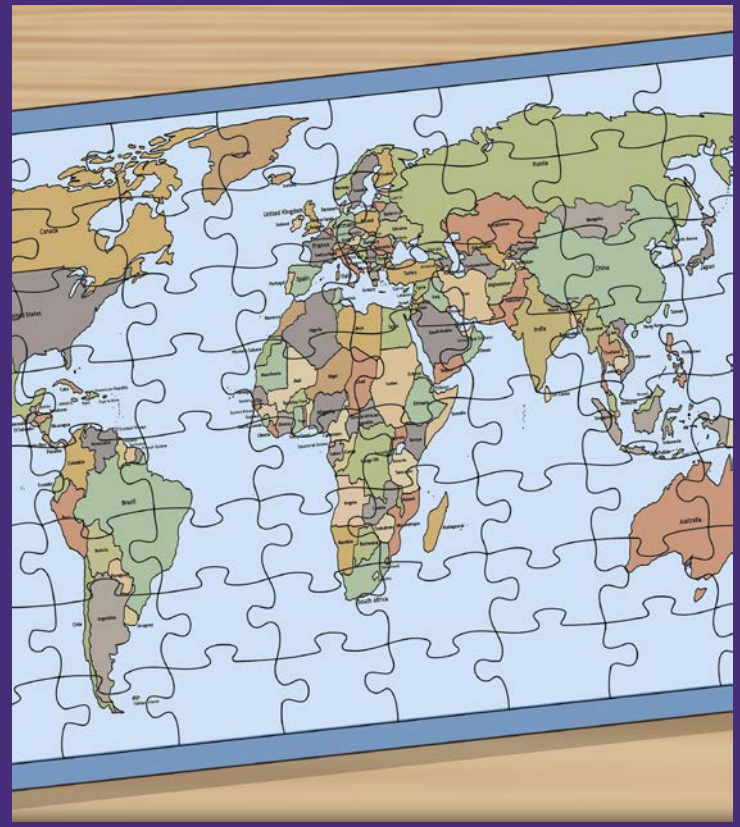
Worker Location

- Worker Location is used for a variety of purposes:
  - Reporting
  - Risk Management
  - Facilities Management
  - Taxation
- The Payroll office will begin implementation of multi-state taxation in 2019.



Worker Location:

- Notice from Provost and CFO
- HRM will be sending a spreadsheet of worker data to departments in January.
- Departments should review and if needed update worker location in spreadsheet.
- Worker location definition: worksite of physical location where work is being performed.



Questions?

Q. **If you don't use all the funds from a START K12 account, can the funds be transferred to the Start college account?**
A. Yes... you can transfer funds from K12 account to START, however funds cannot be transferred from START to K12.

Q. Can START funds be used for graduate school?
A. Yes. Principal, earnings, Earnings Enhancements, and interest thereon may be disbursed for Qualified Higher Education Expenses for students enrolled in a graduate or professional degree program (e.g., law, medicine, etc.) at an eligible institution.

Q. Can START funds be used to enroll in college outside of the US?
A. Yes, as long as the school is accredited by one of the regional accrediting associations, or its successor approved by the U.S. Secretary of Education and is eligible to participate in a program under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1088), as amended.
There are colleges and universities around the world that meet these criteria. All institutions approved to participate in the Title IV federal student aid programs are assigned a "federal school code" by USDE. You can look up a particular institution the following website:http://ifap.ed.gov/ifap/fedSchoolCodeList.jsp. If the school you want to attend has a federal school code, you may contact the school directly and inquire whether it has been accredited by one of the USDE recognized regional accrediting associations.

Q. **If my child receives a scholarship, does not plan to attend college or has money left over after completion of his/her education, what becomes of the money in the account?**
A. If the beneficiary does not use all or some of the monies in his/her START account, the funds may be transferred to an account for another beneficiary who is a family member of the original beneficiary, or the funds may be refunded. If the monies are refunded, the earnings included in the refunded amount become taxable by the federal and state governments and may be subject to a 10% (of earnings) penalty tax imposed by the IRS. Monies withdrawn up to the value of scholarships will not be subject to the 10% additional tax. Refunds will not include any Earnings Enhancements.