

Paid Time Off Sell-Back Procedure

This procedure explains the process of the PTO Sell Back. Included are deadlines, steps departments must take in the process, and other need to know information.

PAY DATE

Employees will receive their sell-back pay:

- Last paycheck in January

PROCEDURE

- 1) Timekeeper/Supervisor distributes the Sell Back forms to all eligible employees prior to the Benefits Open Enrollment period. (*Benefits Open Enrollment is around the end of October each year*)
- 2) Timekeeper/Supervisor collects sell-back forms by designated deadlines: *Requests must be submitted in the prior year to which the payment is made per IRS*
 - End of the benefits open enrollment period - All staff except Nursing
 - December 1 – Nursing staff (*Those that are covered under the MNA agreement*)
- 3) Timekeeper/Supervisor retains copies in department for time reporting in January
- 4) IN JANUARY: Report the hours requested to be sold by using the Time Reporting Code PTB and entering the number of hours requested to be sold back, provided the minimum balance requirement as well as maximum allowable sell-back limit is met. If not, reduce the number of hours to sell-back to satisfy the balance requirement. Report hours so PTO Sell Back is paid in the LAST paycheck in January.
- 5) **IMPORTANT REMINDER ABOUT TAXES:** Sell-back hours will be included in the regular paycheck. The Sell Back hours are taxed at a flat 25% Federal rate plus the State and FICA (Soc Sec and Medicare). This is a federally regulated IRS rule on payments such as this. The Regular earnings are taxed separately at the rate the employee normally gets taxed based on their situation.
 - a) For more information regarding how earnings are taxed the employee may call the Employee Service Center at 734-615-2000

PROCESS Step by Step for Direct Entry Users:

1. Timekeeper enters the total number of hours to sell back on a day where no other reported time exists by:
 - a. Entering a new row either in the current pay period or the prior pay period on the Elapsed Timesheet Page
 - b. Choose PTB from the drop down in the Time Reporting Code field
 - c. Click the 'submit' button to save the transaction

PROCESS Step by Step for Punch Time:

1. Supervisor/Timekeeper enters the total number of hours to sell back on a day where no other reported time exists by:
 - a. Entering a new row either in the current pay period or the prior pay period on the Punch Time Page or the Elapsed Timesheet Page
 - b. Choose PTB from the drop down in the Time Reporting Code field
 - c. Click the 'submit' button to save the transaction
 - d. Approve time for that day

PROCESS Step by Step for Self Service Time Entry:

1. Employee or Timekeeper enters the total number of hours to sell back on a day where no other reported time exists by:
 - a. Entering a new row in the current pay period on the Elapsed Timesheet Page
 - b. Choose PTB from the drop down in the Time Reporting Code field
 - c. Click the 'submit' button to save the transaction
 - d. Approver must approve the time

PROCESS Step by Step for employees that come over on an interface file:

2. Timekeeper enters the total number of hours to sell back as a prior period adjustment (*otherwise the interface will wipe out the hours if reported in the current pay period*):
 - a. Entering a new row in the prior pay period on the Elapsed Timesheet Page
 - b. Choose PTB from the drop down in the Time Reporting Code field
 - c. Click the 'submit' button to save the transaction

Ask UMHS Payroll:

If you still have questions about the sell back process feel free to contact the UMHS Payroll Office for assistance.

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