



**Roland W. Burris**

Comptroller  
State of Illinois

ACCOUNTING BULLETIN NO. 56  
PAYROLL BULLETIN 1-87  
February 11, 1987

201 State House  
Springfield, Illinois 62706  
217/782-6000

To: Agency Heads and Chief Fiscal  
Officers of All State Agencies

SUBJECT: FICA and Medicare Contributions

This joint accounting and payroll bulletin pertains to employer and employee contributions to FICA and medicare. In accordance with the Consolidated Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509) the Comptroller, as the State payroll officer, is responsible as of January 1, 1987 for depositing FICA and medicare contributions with the Federal government.

TAXABLE WAGE RATE AND BASE

The FICA taxable wage base for 1987 is \$43,800, and the contribution rate is 7.15% for both the employer and the employee. The maximum amount of social security contribution payable by the employer and the employee in 1987 is \$3,131.70.

The medicare tax rate for 1987 is 1.45% of the \$43,800 taxable wage base, and the maximum amount of medicare payable by the employer and the employee in 1987 is \$635.10.

COMPLIANCE WITH FICA AND MEDICARE DEPOSIT DEADLINES

Public Law 99-509 has set strict deadlines for depositing FICA and medicare contributions. Thus it is very important that agencies submit the State's portion of medicare simultaneously with the vouchers containing the employees' portions of medicare. This will allow the Office of the Comptroller to make timely employer and employee FICA and medicare deposits with the Federal government. Failure to meet medicare payment deadlines may result in federal assessment of penalty payments. If the State's portion of medicare and the employees' portion of medicare are not paid simultaneously, the Office of the Comptroller will bill the agencies for delinquent State medicare payments, resulting in considerable extra work and potentially resulting in duplicate payments where the agencies' late submission of payments and the Comptroller's billing for the delinquent payments may cross in the mail.

PROCEDURES FOR PAYMENT OF THE STATE'S PORTION  
OF MEDICARE FOR CONTRACTUAL SERVICES EMPLOYEES

Until further notice, the State's contribution for medicare should continue to be submitted to the State Employees' Retirement System. Payments of the State's portion of medicare corresponding to contractual services employees' pay warrants with issue dates up to and including December 31, 1986, should continue to be made pursuant to C-13 invoice vouchers payable to the State Employees' Retirement System, and citing for this purpose only their vendor number (100058905) in box 2 of the voucher. The C-13 voucher also should cite detail object 1175 in box 18 of the voucher. Issue dates of employees' pay warrants appear on the agencies' monthly appropriation ledgers, Report No. 336.

However, payments of the State's portion of medicare corresponding to contractual services employees' pay warrants with issue dates of January 1, 1987, and thereafter should be made pursuant to C-13 invoice vouchers payable (box 3 of the voucher) to the Social Security Administration Fund, citing in box 2 of the voucher vendor number 100036005, and citing the State Employees' Retirement System's mailing address in box 3 of the C-13 voucher. A sample C-13 voucher is attached to this bulletin.

Please note that vendor number 100036005 is the Comptroller's vendor number for payments of the employers share of medicare payments to the Social Security Administration Fund only. It is not to be used for any other purpose. All other payments directed to the Comptroller which have in the past cited vendor number 100036001 should continue to cite that number.

To aid reconciliation of the State's portion of medicare with the corresponding employees' portions, the C-13 vouchers paying the State's portion should cross-reference the voucher numbers and appropriation account codes of the C-02 vouchers paying the corresponding employees' portions (see attached sample C-13 voucher). Also, the C-02 vouchers paying the employees' portions of medicare should cross-reference the voucher numbers and appropriation account codes of the C-13 vouchers paying the corresponding State's portion.

PROCEDURES FOR ADJUSTING MEDICARE WAGES  
FOR CONTRACTUAL SERVICE EMPLOYEES

When an agency discovers that an error was made in reporting wages for medicare for a contractual services employee, the agency should notify the State Employees' Retirement System.

If the error was in reporting wages for medicare which were later determined to be not covered, the agency should provide the following information:

1. Social Security Number of the employee whose wages were erroneously reported.
2. Full name of the employee.
3. Amount of medicare wages to be adjusted.
4. Amount of medicare withheld from those wages.
5. The issue date of the warrant that included the erroneously reported wages.
6. The warrant number.
7. Reason for adjustment.

If the error involved failure to report wages for medicare that should have been reported, the agency should provide the information requested above along with a warrant in payment of the State's share of contributions and a check from the employee for the employee's share of contributions. As stated previously, the C-13 invoice vouchers for payment of the State's portion of medicare corresponding to contractual service employees' pay warrants issued prior to January 1, 1987, should be made payable to the State Employees' Retirement System citing vendor number 100058905 in box 2 of the voucher. The employees' check in payment of the employees' share of contributions should also be made payable to the State Employees' Retirement System.

Payments of the State's share of contributions for an adjustment to wages paid after December 31, 1986, should be made pursuant to C-13 invoice vouchers payable to the Social Security Administration Fund, citing in Box 2 of the voucher vendor number 100036005, and citing the State Employees' Retirement System's mailing address in Box 3 of the C-13 voucher. The employee's check should also be made payable to the Social Security Administration Fund.

#### PAYROLL VOUCHER PROCEDURES

Beginning immediately, all trailer warrants representing employer and employee contributions to FICA and/or medicare must be made payable as follows:

<u>Trailer Code</u>	<u>Payee Name</u>
86-086	Social Security Administration Fund-Employer
88-088	Social Security Administration Fund-Employer, Universities Only
90-090	Social Security Administration Fund-Employee
91-091	Social Security Administration Fund-Employee, Universities Only

You should continue to use the same trailer codes you are currently using. Because of the strict deadlines for deposit of FICA and medicare contributions, any State agency which is deducting FICA and/or medicare contributions from their employees must also include the State's contribution to FICA and/or medicare on the same payroll voucher. Agencies which cannot comply immediately with this requirement must notify the Comptroller's Office of a reasonable deadline for compliance. If the employer's share of FICA and/or medicare must temporarily be vouchered on a C-13 invoice-voucher, the voucher must be made payable to:

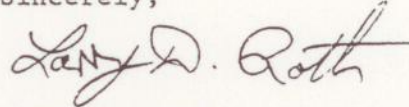
Social Security Administration Fund  
c/o Office of the Comptroller, Fiscal Control  
325 West Adams Street-First Floor  
Springfield, Illinois 62706

The voucher must contain all information necessary to identify the payment such as pay code, pay period, etc. The vendor number will be 100036005-62706-40. The C-13 voucher should be sent to Dan Steven, Payroll Processing Section, at the same address.

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Questions concerning payment of the State's portion of medicare for contractual services employees may be addressed to the Social Security Unit of the State Employees' Retirement System at (217) 753-0455. Questions pertaining to the payroll procedures portion of this bulletin may be addressed to Dan Steven or Nancy Smith at (217) 782-4758.

Sincerely,



Larry D. Roth  
Director, State Accounting

attachment

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2/87 1,000 Copies

# Invoice Voucher

The preparation instructions for vendors are on the back of the last copy.

STATE OF ILLINOIS

Name and Location of State Agency or Institution

2. Vendor Number-FEIN/SSN	Zip Code	Type Code
100036005	62706	40

3. Vendor or Payee  
 Social Security Administration Fund  
 c/o State Employees' Retirement System  
 2815 West Washington Street  
 P.O. Box 19255  
 Springfield, Il. 62794-9255

4. Voucher No. \_\_\_\_\_  
 5. Voucher Date \_\_\_\_\_  
 6. Appropriation Account Code Number \_\_\_\_\_  
 7. Invoice Number \_\_\_\_\_  
 8. Invoice Date \_\_\_\_\_

Disposition of Copies

- Comptroller
- Agency
- Agency
- Remittance Copy
- Agency
- Agency
- Retained by Vendor

10. Give Complete Description of Articles or Services Rendered

11. Quantity 12. Units 13. Unit Price 14. Amount

State portion of medicare withholding: Employer rate 1.45% (.0145). Contractual payroll period January 1, 1987, through January 15, 1987.

Ignace Paderewski, Social Security #999-99-9999 Taxable income \$900 (C-02 Voucher #1234, 001 99988	1170	01	00	13	05
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Glaucus Corpus, Social Security #888-88-8888 Taxable income \$1,000 (C-02 voucher #1235, 001 99988	1170	01	00	14	50
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Golden Caulfield, Social Security #777-77-7777 Taxable income \$1,225 (C-02 voucher #1236, 001 99988	1170	01	00	17	76
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18. Exp. Obj.	19. Exp. Amount	Comp Use Only	15.	
1175	45 31		Subtotal	
			45	31
			22. Obligation No.	23F
			00	24. Payment Amount
				16. Discount/Deduction
				17. Total Amount
20. Total Exp.	45 31		25. Total Payment Amount	45 31

26. For Agency Use Only

Certification of Receiving Agency

I certify that the goods or services specified on this voucher were for the use of this agency and that the expenditure for such goods or services was authorized and lawfully incurred, that such goods or services meet all the required standards set forth in the purchase agreement or contract to which this voucher relates; and that the amount shown on this voucher is correct and approved for payment, if applicable, the reporting requirements of Section 5.1 of 'An Act to create the Bureau of the Budget and to define its powers and duties and to make an appropriation', approved April 16, 1969, as amended, have been met.

Approved for Payment

Receiving Officer \_\_\_\_\_ Date \_\_\_\_\_ Clerk \_\_\_\_\_

Head of Unit or Authorized Agent \_\_\_\_\_ Date \_\_\_\_\_ (Date) \_\_\_\_\_ Agency Head (Signature)