

# Operational Alignment Workshop

## Damage Payments

- **Damage Payments Overview**
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  - Damage Payment Procedures & FAQs
  - CEMLI Interfaces

# OVERVIEW

## What is a damage payment?

- A payment for services rendered during the time period that the employee was working and the University failed to present the State Oath of Allegiance (Acct. Manual - Payroll 196-21) for signature. This step should be part of the onboarding process which should take place prior to or on the first day of work.

## Consequences of not signing oath prior to working:

- Because the services performed during the time the Oath remained unsigned are not considered “covered employment,” the employee does not meet the definition of a “UCRP eligible employee.”
- If an employee has been paid regular wages for the period the Oath was unsigned, those wages have to be backed out and recoded as damage payment wages with the appropriate attributes.
- Service retirement credit and retirement deductions will be impacted.
- A damage payment is not subject to UCRP contribution or deduction and any contributions made by the employee to UCRP should be returned.
- An employee not eligible for UCRP may not require an adjustment but must still sign the oath if they are a Citizen.

## Location Responsibilities:

- Ensure Oath is signed by employee and date is entered in UCPath.
- Complete a Damage Payment Report for the amount that should be re-characterized from REG to DMG, since the employee was on payroll status.
  - Have employee sign the Damage Payment Release. This form can be found on the UCPath online Forms Library.
  - UCPath Center does not need the Damage Payment Release Form. It should be kept at the location.
- Explain to the employee that the wages previously paid will be re-characterized as a damage payment, which is still fully taxable but does not accrue retirement service credit.

## UCPath Center Responsibility:

- Process transactions accordingly.

# BUSINESS USE CASE SCENARIOS

## Employee has been paid prior to signing the Oath.

- Any previous salary\* payments will be reversed out and a damage payment generated via the off-cycle process.
- Prior to submitting a Payroll Request (E-078), locations should review Job Data to ensure that the effective date aligns\*\* with the date the employee began working. If it does not, then submit a Job Data Update form (found under Forms Library at UCPath online), changing the effective date to the first date the employee worked.
- Locations should then submit a Payroll Request (E-078) to reverse previous salary payments.
  - Use the Overpayment type on the Payroll Request (E-078).
  - Provide the earnings for each pay period that need to be reversed. This should be any pay from UCPath that occurred prior to the signature date of the Oath.
  - In the Comments, indicate “Damage Payment – High Priority” and provide the damage payment amount that should be paid.
- UCPath Center will process the adjustment to reverse out the previous payments and generate the damage payment.

*\*Accrued vacation will not be paid out to the employee since the employee is not terminating.*

*\*\*A Payroll Request (E-078) cannot be processed without the alignment of the effective date.*

## How to submit a Damage Payment Payroll Request (E-078)

Favorites > Main Menu > UC Customizations > UC Extensions > Self Service Transaction Links

ORACLE

1

Self Service Transaction Links

One-Time Payments Submit one-time payments for approval	Approve One Time Pay Approve One Time Payment Request
Upload One-Time Payment File Submit one-time payment file for approval	Approve One Time File Approve One Time File Upload Request
<b>Payroll Request</b> Submit Final Pay or Off-Cycle Payment For Approval	Approve Payroll Requests Approve Payroll Requests
Manage Accruals Submit Payouts, Accruals, Adjustments, Takes and Hours adjustments for approval	Upload E-084 File Upload I-181 format file into Manage Accruals to create transactions and initiate AWE
Additional Pay Grant an employee additional pay	Approve Additional Pay Approve Additional Pay Request

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1. Navigate to **Self Service Transaction Links** via UCPath online
2. Click on Payroll Request



# Business Use Case Scenario 1:

## Employee has been paid prior to signing the Oath

STANDARD PROCESS (HAPPY PATH)

Oracle HR Self-Service: Payroll Requests

Payroll Request Type

\*Payroll Request: Overpayment

Reason: Current Year

Employee Selection Criteria

Empl ID: 10002253

Empl Rcd:

Last Name:

First Name:

Business Unit:

Department:

Job Code:

Get Employees Return

Name	Business Unit	Empl ID	Empl Record	Empl Status	Action	Reason Code	Effective Date	Position Number	Department	Job Code	Job Code Description	Employee Class
[REDACTED]	UCOP1	10002253	0	Active POS	RTC	03/06/2019	4000566	830300	006941	PAYROLL SUPV 2	Staff Career	

3. Select Payroll Request Type: **Overpayment**
4. Select Reason: **Current Year**
5. Enter **Empl ID**
6. Click on **Get Employees**
7. Click on the **Employee Name** (the remaining fields will populate automatically)

# Business Use Case Scenario 1: Employee has been paid prior to signing the Oath

STANDARD PROCESS (HAPPY PATH)

Favorites ▾ Main Menu ▾ > UC Customizations ▾ > UC Extensions ▾ > Self Service Transaction Links

ORACLE Navigator Search Advanced Search

Earnings Leave

Transaction ID: NEW

EMP ID: 10002253 Empl Record: 0 Payroll Request: Over Pay Reason: Current Year  Off Cycle?

Do you want to override the ChartField values?

**New Payroll Requests** Find | View All First 1 of 1 Last

\*Earnings Code: REG Regular Pay  Gross-Up

\*Pay End Date: 06/30/2019

\*Earnings Begin: 05/01/2019 \*Earnings End: 05/31/2019

Salary %: 100.00 Pay Rate: 6841.000000

Hourly Rt Used: 37.179348 Calc Salary: 6841.000000

Hours: -184.000000

**Current Payroll Requests** Find | View All First 1 of 7 Last

Gross-Up

Earnings Code: Approval Status Transaction ID: Pay End Date: Earnings: Earnings Begin: Earnings End: Salary %: Monthly Salary: Hourly Rt Used: Calc Salary: Hours: Hourly Rate:

**Chart Field Details**

\*Location:  
\*Account/CC:  
\*Fund:  
Project:  
Sub:

\*Initiator Comments: DAMAGE PAYMENT - High Priority - UCPC. Please reverse prior pay for month of May 2019 and Pay Damage Payment of \$6,841.00 as a positive payment. [No Title]

Upload Documents View Attachment

Submit Return

8. Enter the **Earnings Code** the employee was paid prior to signing the Oath
9. Enter **Earnings Begin** and **End** date\*
10. Enter the **Hours\*\*** or **Earnings** or **Salary %**
11. Add **Initiator Comments** as applicable

*Helpful tips for BW employee:*

*\*Enter one line entry per day.*

*\*\*Enter hours day by day, not in a lump sum amount. This impacts accruals and FLSA if entered incorrectly.*

**NOTE: Hours and Earnings** must be submitted as **negatives**, while **Salary %** should be **positive**.

The option for these will vary for each earn code and for MO and BW employees.

# Business Use Case Scenario 1: Employee has been paid prior to signing the Oath

STANDARD PROCESS (HAPPY PATH)

Transaction ID: PR00018711  
 EMP ID: 10002253  
 Payroll Request: Over Pay  
 Reason: Current Year  
 Off Cycle?

Do you want to override the ChartField values?

**New Payroll Requests**  
 \*Earnings Code: REG  
 Regular Pay  Gross-Up  
 \*Pay End Date: 06/30/2019  
 \*Earnings Begin: 05/01/2019  
 \*Earnings End: 05/31/2019  
 Salary %: 100.00  
 Pay Rate: 6841.000000  
 Hourly Rt Used: 37.179348  
 Calc Salary: 6841.000000  
 Hours: -184.000000

**Current Payroll Requests**  
 Earnings Code: REG  
 Regular Pay  Gross-Up  
 Approval Status: Pending  
 Transaction ID: PR00018711  
 Pay End Date: 06/30/2019  
 Earnings Begin: 05/01/2019  
 Earnings End: 05/31/2019  
 Salary %: 100.00  
 Monthly Salary: 6841.000000  
 Hourly Rt Used: 37.179348  
 Calc Salary: 6841.000000  
 Hours: -184.000000  
 Hourly Rate:

**Chart Field Details**  
 \*Location:  
 \*Account/CC:  
 \*Fund:  
 Project:  
 Sub:

\*Initiator Comments: DAMAGE PAYMENT – High Priority – UCPC. Please reverse prior pay for month of May 2019 and Pay Damage Payment of \$6,841.00 as a positive payment.  
 Upload Documents  
 View Attachment

Requester ID: 10003354  
 Requested: 05/09/19 3:14:47.000000PM

**Payroll Request Stage 10**  
 Transaction: PR00018711, ID: 10002253, Effdt: 2019-05-09, Unit: UCOP1:Pending  
 Payroll Request Path  
 Pending  
 Multiple Approvers  
 UC AWE Approver 01

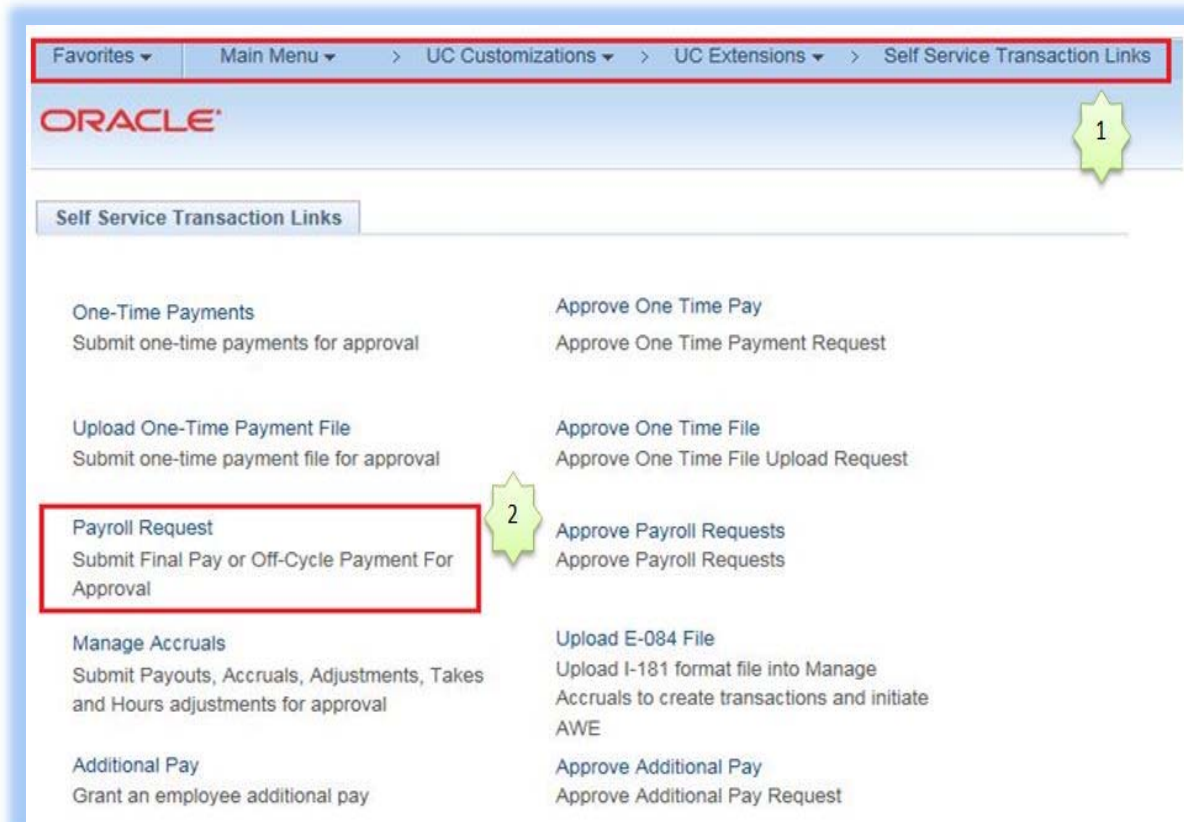
12. Once all Earnings have been entered (using earn code of previous payments), click **Submit** for the transaction to be routed to your internal Approver(s). This is the Approval Workflow Engine (AWE) process.
13. Once submitted, a transaction ID will be created to reference the request at all levels.
14. Have the necessary Approver(s) approve the Payroll Request (E-078).

## Employee has not been paid prior to signing the Oath.

- Prior to submitting a Payroll Request (E-078), locations should review Job Data to ensure that the effective date aligns\* with the date the employee began working. If it does not, then submit a Job Data Update form (found under Forms Library at UCPath online), changing the effective date to the first date the employee worked.
- Locations should submit a Payroll Request (E-078) to pay employee a damage payment via an off-cycle check.
  - Provide comments that indicate “Damage Payment – High Priority”.
  - Provide damage payment amount to include hours by pay period, vacation, and any legally required benefits.
- The UCPath Center will process the damage payment via off-cycle process.

*\*A Payroll Request (E-078) cannot be processed without the alignment of the effective date.*

### How to submit a Damage Payment Payroll Request (E-078)



1. Navigate to **Self Service Transaction Links** via UCPath online
2. Click on **Payroll Request**

## Business Use Case Scenario 2: Employee has not been paid prior to signing the Oath

STANDARD PROCESS (HAPPY PATH)

Oracle HR Self-Service interface showing the Payroll Requests form.

**Payroll Requests**

**Payroll Request Type**

\*Payroll Request: Off Cycle

Reason: Exception - Damage Pay

**Employee Selection Criteria**

Empl ID: 10002253

Empl Recd:

Last Name:

First Name:

Business Unit:

Department:

Job Code:

Get Employees Return

Personalize Find View All First 1 of 1 Last

Name	Business Unit	Empl ID	Empl Record	Empl Status	Action	Reason Code	Effective Date	Position Number	Department	Job Code	Job Code Description	Employee Class
[REDACTED]	UCOP1	10002253	0	Active POS	RTC	03/06/2019	40000566	830300	006941	PAYROLL SUPV 2	Staff Career	

3. Select Payroll Request Type: **Off cycle**
4. Select Reason: **Exception – Damage Pay**
5. Enter **Empl ID** Click on **Get Employees**
6. Click on the **Employee Name** (the remaining fields will populate automatically)

## Business Use Case Scenario 2: Employee has not been paid prior to signing the Oath

STANDARD PROCESS (HAPPY PATH)

Transaction ID: NEW  
EMP ID: 10002253 Empl Record: 0 Payroll Request: Off Cycle Reason: Exception - Damage Pay  Off Cycle?

Do you want to override the ChartField values?

**New Payroll Requests** Find | View All First 1 of 1 Last

\*Earnings Code:   Gross-Up  
Damage Payment  
\*Pay End Date:

\*Earnings Begin:  \*Earnings End:

Hours:

**Current Payroll Requests** Find | View All First 1 of 8 Last

Earnings Code:  Gross-Up  
Approval Status Transaction ID:  
Earnings: Pay End Date:  
Earnings Begin: Earnings End:  
Salary %: Monthly Salary:  
Hourly Rt Used: Calc Salary:  
Hours: Hourly Rate:

**Chart Field Details**

\*Location:  
\*Account/CC:  
\*Fund:  
Project:  
Sub:

\*Initiator Comments:   
Upload Documents  
View Attachment

Submit Return

7. Enter the **DMG Earnings Code**
8. Enter **Earnings Begin** and **End** date\*
9. Enter the **Hours\*\***
10. Add **Initiator Comments** as applicable

*Helpful tips for BW employee:*

*\*Enter one line entry per day.*

*\*\*Enter hours day by day, not in a lump sum amount. This impacts accruals and FLSA if entered incorrectly.*

The option for these will vary for each earn code and for MO and BW employee.



# Business Use Case Scenario 2:

## Employee has not been paid prior to signing the Oath

STANDARD PROCESS (HAPPY PATH)

[Favorites](#) > [Main Menu](#) > [UC Customizations](#) > [UC Extensions](#) > [Self Service Transaction Links](#)

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Transaction ID: PR00029093    EMP ID:    Empl Record: 0    Payroll Request: Off Cycle    Reason: Exception – Damage Pay     Off Cycle?

Do you want to override the ChartField values?

**New Payroll Requests**    Find | View All    First 1 of 1 Last

\*Earnings Code:     Damage Payment     Gross-Up  
 \*Pay End Date:   
 \*Earnings Begin:     \*Earnings End:   
 Salary %:     Pay Rate:  
 Hourly Rt Used:    Calc Salary:  
 Hours:

**Current Payroll Requests**    Find | View All    First 1 of 1 Last

Earnings Code:     Damage Payment     Gross-Up  
 Approval Status: Pending    Transaction ID: PR00029093  
 Earnings:    Pay End Date: 07/31/2019  
 Earnings Begin: 05/01/2019    Earnings End: 05/31/2019  
 Salary %:    Monthly Salary:  
 Hourly Rt Used:    Calc Salary:  
 Hours: 184.000000    Hourly Rate:

**Chart Field Details**

\*Location:

\*Account/CC:

\*Fund:

Project:

Sub:

\*Initiator Comments: "Damage Payment - High Priority DMG. Provide Damage Payment amount to include hours by pay period, vacation, and any legally required benefits."

Requester ID:    Requested: 07/23/19 3:29:03.000000PM

Payroll Request Stage 10

Transaction: PR00029093, ID: 10001023, Effdt: 2019-07-23, Unit: UCOP1:Pending

Payroll Request Path

Pending

Multiple Approvers  
UC AWE Approver 01

11. Once all hours been entered with earn code **DMG**, click **Submit** for the transaction to be routed to your internal Approver(s). This is the Approval Workflow Engine (AWE) process.
12. Once submitted, a transaction ID will be created to reference the request at all levels.
13. Have the necessary Approver(s) approve the Payroll Request (E-078).

[QUESTIONS?](#)

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UCPATH CENTER

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## Business Use Case Examples

	Paid in UCPath	Examples	Job Data Change (first day worked)	Payments
1	No	<ul style="list-style-type: none"> <li>Employee starts work 4/22</li> <li>Hire date in UCPath 5/1</li> <li>Employee signs Oath 5/10</li> <li>Employee to be paid in UCPath 6/1</li> </ul>	<ul style="list-style-type: none"> <li>Hire date 4/22</li> </ul>	<ul style="list-style-type: none"> <li>4/22 – 5/9 = DMG</li> <li>5/10 – 5/31 = REG</li> </ul>
2	No	<ul style="list-style-type: none"> <li>Employee starts work 1/15 (prior to go-live)</li> <li>Employee signs Oath 2/1</li> <li>Employee not paid in PPS prior to conversion</li> <li>Conversion effective date 4/1</li> <li>Employee to be paid in UCPath 4/3</li> </ul>	<ul style="list-style-type: none"> <li>Hire date 1/15</li> </ul>	<ul style="list-style-type: none"> <li>1/15 – 1/31 = DMG</li> <li>2/1 – 3/23 = REG</li> <li>3/24 – 4/6 = REG</li> </ul>
3	No	<ul style="list-style-type: none"> <li>Employee refuses to sign Oath</li> </ul>		<ul style="list-style-type: none"> <li>Notify Location HR</li> <li>No DMG until HR approves</li> </ul>
4	No	<ul style="list-style-type: none"> <li>Employee starts work 1/2 (prior to go-live)</li> <li>Hire date in PPS 1/7</li> <li>Employee paid in PPS 2/1</li> <li>Employee paid in PPS 3/1</li> <li>Conversion effective date 4/1</li> <li>Employee signs Oath 4/1</li> <li>Employee to be paid in UCPath 4/1</li> </ul>	<ul style="list-style-type: none"> <li>Hire date 1/2</li> </ul>	<ul style="list-style-type: none"> <li>Location adjusts PPS balances</li> <li>UCPath Center adjusts balances in UCPath and reverses REG pay 1/2 – 3/31</li> <li>1/2 – 3/31 = DMG</li> </ul>
5	Yes	<ul style="list-style-type: none"> <li>Employee starts work 4/22</li> <li>Hire date in UCPath 5/1</li> <li>Employee signs Oath 5/10</li> <li>Employee paid in UCPath 6/1</li> </ul>	<ul style="list-style-type: none"> <li>Hire date 4/22</li> </ul>	<ul style="list-style-type: none"> <li>UCPath reverses REG pay 4/22 – 5/9</li> <li>4/22 – 5/9 = DMG</li> <li>5/10 – 5/31 = REG</li> </ul>

- Location will be responsible for checking to see if an employee has a concurrent job with a different department before submitting a request for damage payment.
  - If there is an active concurrent job with a signed oath, damage pay is not required. Submit missing pay instead.
- Location will be responsible for checking to see if the employee is a UC rehire.
  - If the last oath has been signed less than a year ago, no damage pay is required.

# QUESTIONS?

# APPENDICES

The following resources are available to locations for training and reference purposes.

Name	Type	Location	Description
<a href="#">View Payroll Request</a>	UPK	UCPath online	A step by step walkthrough of how to view a Payroll Request (E-078).
<a href="#">Submit Off-Cycle Pay Request</a>	UPK	UCPath online	A step by step walkthrough of how to submit an off-cycle Payroll Request (E-078).
<a href="#">View Job Data</a>	UPK	UCPath online	A step by step walkthrough of how to view Job Data.

**Campus Procedures and Frequently Asked Questions: Damage Payment for Services Performed before Loyalty Oath is Performed****Who has to Sign the State Oath of Allegiance form?**

- Only University employees, including staff, faculty and other academics, are required to sign the Oath.

**Who does not have to sign the State Oath?**

- Contingent workers, visitors, volunteers, independent contractors, outside temporary agency employees, and other non-University employees;
- ANR volunteers (4-H, Master Gardener, etc); and
- Permanent Resident (green card) and Non-Resident Aliens are not required to sign the Oath.

**When does Oath have to be signed?**

- Oath should be signed by staff employees at the date of hire, but no later than the time at which the employee begins providing compensable service.
- Campuses should make a reasonable effort to obtain a signature on the oath immediately and make a good faith effort to comply with the California Government Code sections regarding the Oath. Locations should address how to accomplish this in their local procedures.
- Faculty should also sign upon being hired or begin providing services.
- HR/Payroll guidelines at each campus provide instructions for signing.
- Oath instructions state that new form must be signed at re-employment if the original form on file is more than one year old. For example, if rehire is within one year, the original form should still be acceptable.
- Separate "sign" dates can apply for Oath and Patent.

**What are the consequences for not signing the Oath?**

- If employee refuses to sign the Oath, the issue should be forwarded to either the Chief Human Resource Officer or the Academic Personnel Director at the campus level for further discussion and evaluation.
- The campus will still need to pay them for the services performed during the time period that the Oath was not signed.

**What are the methods of obtaining and the record of signature?**

- UC Path intends to have all new hires electronically sign on-boarding documents, including the Oath.
- Although an in-person signature is preferable, if the individual is unable to sign in the presence of a University employee, a remote signature may be faxed or mailed along with similar on-boarding new hire documents.
- Remote signatures should be in the presence of a notary, personal attorney, or an employee of another university, and the signature should be witnessed.

**What is the tax treatment of damage payments associated with failure to sign the Oath at date of hire?**

- The damage payment should be treated as wage income subject to withholding for federal and state income and FICA taxes.

**How does payroll department process a damage payment?**

- The damage payment should be coded with earnings code DMG.
- Because the services performed during the time the Oath remained unsigned are not considered “covered employment,” the employee does not meet the definition of an “eligible employee.” Thus, the damage payment is not subject to UCRP contribution or deduction and any contributions made by the employee to UCRP should be returned.
- If the Employee does not sign the oath, Vacation, or other legally required accrued benefits must be included in the damage payment. However, sick pay is not included.

**Is the damage payment in addition to any wages the employee may have been paid prior to the time when the Oath was signed?**

- The “damage” payment is not intended to be in addition to any wages that may have been paid. Rather it is meant to provide payment for services rendered during the time period that the employee was working and the University failed to present the Oath to the employee for signature.
- If it was not discovered until later that the University had failed to provide the Oath to the employee for signature and had paid “regular” wages, those wages have to be backed out and recoded as a damage payment with the appropriate attributes noted above.

**How are pay and accruals handled in the following scenarios?**

**Scenario A:** Employee has been working for two months and it is discovered in the third month from date of hire that the campus had not presented the Oath for signature.

If the Employee signs the Oath, pay and accruals should be handled as follows:

- For Pay periods paid prior to the Oath being signed, Pay previously coded as “regular wages” should be reversed and recoded as a damage payment (i.e. RX REG, LX DMG).. Any UCRP contributions deducted from the employee’s pay should be returned, and the retirement service credit for this time period reversed.
- As the employee is not terminating, no accruals will be paid out.

If the employee chose not to sign the Oath, pay and accruals should be handled as follows:

- For Pay periods paid prior to the Oath being signed, Pay previously coded as “regular wages” should be reversed and recoded as a damage payment. Any UCRP contributions deducted from the employee’s pay should be returned, and the retirement service credit for this time period reversed.
- For current pay period, payment should be made with DMG DOS code.
- Vacation and other benefits (but not sick pay) should be paid out. Because sick pay is not included, the accrual for sick leave should be reversed.

**Scenario B:** Employee has been working for two weeks and it is then discovered that the hiring campus/department failed to present the Oath for signature but had the opportunity to obtain a signature on the Oath form.

- Most likely the employee had not been paid yet so there may not be any “regular” wages to back out or UCRP contributions to be returned.

**How are Academic Year Faculty handled under the following scenarios?**

**Scenario C:** “AY” Faculty has an appointment date of July 1, 2014. The appointment letter was not available until July 8<sup>th</sup>, and the Oath was not signed until July 16, 2014. He/she is not scheduled to begin teaching until September 2, 2014. The first paycheck is scheduled for August 1, 2014.

- The Oath should be signed as soon as possible. However, if the Oath was signed on July 16<sup>th</sup>, and services did not begin until September 2<sup>nd</sup> and the first paycheck received on August 1<sup>st</sup>, a damage payment is not required.

**Scenario D:** Same scenario as above, but the faculty began providing services as of July 1<sup>st</sup>.

- Campus should make a good faith effort to obtain a signature on the Oath as soon as possible. The facts and circumstances of each case should be reviewed to determine whether a signature was obtainable before services were performed and whether or not a damage payment is appropriate for the period covering July 1- July 15<sup>th</sup>.

**Scenario E:** How are interim offers handled (i.e., the period where a tentative offer letter was issued but the academic is going through the peer review process before a formal offer letter is issued)?

- If the academic has not provided services nor been paid, a damage payment is not owed. The Oath should be signed as soon as possible after a formal offer letter has been provided but before services and/or payment have been made.



Below is the CEMLI (configuration, extension, modification, localization, integration), along with a description and how it is used. This will help you determine the method of submission for pay type.

Name	CEMLI	On/Off-Cycle	Description
<b>Payroll Request</b> (aka Off-cycle Check Request)	E-078*	On/Off	A self-service page where administrators can enter requests for final pay, overpayments, and off-cycle checks, trigger approval workflow routing, and stage approved payment while awaiting processing by the UCPath Center.

*\*Goes through Approval Workflow Engine (AWE).*

For more information on how to submit these files, please visit:

<https://sp.ucop.edu/sites/ucpc/UCPathLocationSupport/UCPathTemplates/Forms/AllItems.aspx>