

Title	Whitepaper on Telephone Earning Codes
Version	1.1
Date	February 1, 2013
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Copyright	South Dakota Board of Regents
Process Owner	Human Resources
Dept/Division	Human Resources
Get help with this process	BOR, 605-773-3455
Processes	PHAHOUR or NBAJOBS
	NA
	NA
	NA
	NA

Description: BOR Policy 5:23

http://www.sdbor.edu/policy/5_FinanceBusiness/documents/5-23.pdf

This BOR Policy drives the taxation of telephone policies. See the Whitepaper on the Telephone FAQ for more detailed information of the BOR Policy.

Stipend/Per Diem through Payroll

TEL – TELEPHONE PER DIEM

Cash Earnings on PTREARN

Set up for PTRECLS 01, 03, 04, 14, 15, 16, 17, 18, 21, 28, and 29

If the institution is providing a cash stipend to an employee in the form of a monthly per diem, then the institution will use this earn code and the employee will receive a cash payment, this earning code is non-taxable.

**We have completed research with the Department of Labor, Fair Labor Standards Act and the Code of Federal Regulations Part 778 and have found we can treat this as a Per Diem. Therefore, this earning code is not associated with overtime calculation. It will simply be used as a methodology to reimburse employees for a portion of a plan and will be considered taxable income as it relates to the IRS.

This earnings code will be excluded from FIT, Social Security and Medicare. A complete list of BDCA codes that 'TEL' is excluded from can be found with the following code:

```
select * from ptrbdxe  
where PTRBDXE_EARN_CODE = 'TEL'
```

**As of September 2011 we will no longer use the TXP – Taxable Benefit Phone earning code.

Reference Information: NA

Related Documents: BOR Policy 5:23 and Whitepaper on Telephone FAQ.

Links: NA

Process Name: Institutions could use NBAJOBS default earnings to enter in the taxable earn code or they could use PHAHOURL and complete during payroll.